

DOCKETED

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CALIFORNIA ENERGY COMMISSION

In the matter of:

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

THURSDAY, MAY 8, 2025

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

In-person at:

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

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

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<https://www.energy.ca.gov/proceedings/business-meetings>.

Reported by:
Martha Nelson

APPEARANCESCOMMISSIONERS

David Hochschild, Chair

Siva Gunda, Vice Chair

Andrew McAllister, Commissioner

Noemi Gallardo, Commissioner

Nancy Skinner, Commissioner

STAFF

Drew Bohan, Executive Director

Sanjay Ranchod, Chief Counsel

Archana Etikala, Mechanical English, Efficiency Division,
Standards Compliance Branch

Renee Longman, Project Manager, Siting, Transmission and
Environmental Protection Division

Elizabeth Huber, Division Director, Siting, Transmission,
and Environmental Protection Division

Scott McCarthy, Load Management Compliance Analyst,
Efficiency Division, Load Management Standards

Bryan Neff, Energy Assessments Division

Alyssa Tavares, Energy Assessment Division

Angela Tanghetti, Energy Assessment Division

O'Shea Bennett, Energy Commission Specialist II,
Reliability Resource Incentives Branch, Reliability,
Renewable Energy, and Decarbonization Incentives Division

Hudson Spivey, DEBA Program

APPEARANCESSTAFF (cont'd)

Deana Carrillo, Director, RREDI Division

Chad Oliver, Chief Counsel's Office

Pilar Magaña Fuels and Transportation Division Strategy,
Equity, and Economic Benefits Branch

Ryan Young, Deputy Public Advisor, Office of the Public
Advisory, Energy Equity, and Tribal Affairs

PUBLIC ADVISOR

Mona Badie

ALSO PRESENT

Mandip Samra, Burbank Water and Power

Lisa Casner, Redding Electric Utility

Ramzi Raufdeen, Vernon Public Utilities

Kelly Nguyen, City of Pasadena, Water and Power Department

Gem Montes, Air I Breath, DACAG Member

PUBLIC COMMENT

David Katz

Shelby Gatlin, CHEERS

Jonathan Johnson, Golden State Registry

Jonathan Risch, Arcxis

Robert Miller

APPEARANCESPUBLIC COMMENT (cont'd)

Keith Flores

Kelly Abreu, Mission Peaks Conservancy

Scott Galati, for Stack (phonetic) Infrastructure

Sarah Taheri, San Diego Gas and Electric

Nate Moore, Southern California Edison

Josh Harmon, PG&E

Doug Karpa, Peninsula Clean Energy

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P R O C E E D I N G S

10:06 a.m.

THURSDAY, MAY 8, 2025

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

CHAIR HOCHSCHILD: Good morning, friends, and
welcome. I'm David Hochschild, Chair of the California
Energy Commission. Today is May 8th. I call this meeting
to order.

Joining me are Vice Chair Gunda, Commissioner
McAllister, Commissioner Skinner, and Commissioner Gallardo
is joining us remotely.

Let's please stand for the Pledge of Allegiance.
(The Pledge of Allegiance is recited in unison.)

CHAIR HOCHSCHILD: Before we begin, Commissioner
Gallardo would like to make a statement.

COMMISSIONER GALLARDO: Thank you, Chair. Buenos
dias. Good morning, everyone. Yes, I am participating
remotely today as required by the Bagley-Keene Open Meeting
Act. I can confirm that there is no one 18 years of age or
older in the room with me today.

CHAIR HOCHSCHILD: Thank you.

We'll begin with public comment and then move on
to agency announcements.

MS. BADIE: Thank you. Good morning, everyone.

1 This is Mona Badie with the Public Advisor's Office, and
2 the Commission welcomes public comment at its business
3 meetings. This initial public comment period is an open
4 public comment period, so it's for any item of the agenda,
5 including non-voting items like the reporting that happens
6 at the end of the meeting.

7 If you are here to comment on the voting item, we
8 do request that you reserve your comments for the dedicated
9 public comment period that will be part of that agenda
10 item.

11 There are a number of ways you can let us know
12 you'd like to comment, and you can do the QR code, and it's
13 available in the back of the room. And we've got staff
14 from the Public Advisor's Office there to help if you need
15 assistance with that. And so for that one, you can use the
16 QR code at any time, and you'll identify the item number
17 you'd like to comment on, including this one right now.

18 And another way you can let us know if you're on
19 Zoom that you'd like to comment is you'll use the raise-
20 hand feature on your screen. It looks like an open palm.
21 And if joining by phone, you'll press star nine. That will
22 let us know you'd like to comment if joining by phone.

23 And let me just check our cues here. Alright, we
24 don't have anyone in the room, and I'm going to transition
25 over to Zoom.

1 David Katz, I'm going to open your line. If you
2 could please state and spell your name for the record? And
3 we're asking for comments to be two minutes or less. There
4 will be a timer on the screen.

5 MR. KATZ: Hey, good morning. My name is David
6 Katz, D-A-V-I-D, and last name is Katz, K-A-T-Z. You may
7 begin.

8 MR. KATZ: Okay, just to make sure before I
9 begin, so I'm here, of course, in support of Jonathan
10 Johnson and the Golden State Registry, just making sure
11 this is the right time to bring this up.

12 MS. BADIE: If you're here for the HERS item, you
13 can comment now, but also we're going to have dedicated
14 public comment period for that, if I heard you correctly.

15 MR. KATZ: In that case, I'll just wait for the
16 period. I guess I --

17 MS. BADIE: Okay.

18 MR. KATZ: -- missed the cue. Thank you.

19 MS. BADIE: Thank you, David.

20 Alright, we don't have any other raised hands for
21 this initial comment period.

22 Back to you, Chair.

23 CHAIR HOCHSCHILD: Thank you. Let's go to agency
24 announcements.

25 May is Asian American and Pacific Islander

1 Heritage Month. And our umbrella agency, CNRA, has several
2 events that start today to celebrate.

3 And then I would like to give the opportunity to
4 Commissioner Gallardo to make some remarks about Chairman
5 Mazzetti.

6 COMMISSIONER GALLARDO: Thank you, Chair.

7 Yes, I would like to acknowledge a significant
8 loss for our state. Chairman Bo Mazzetti of the Rincon
9 Band of Luiseno Indians passed away on May 1st. Chairman
10 Mazzetti served throughout his life as a veteran, a county
11 public servant, and as an honorable tribal leader.
12 Chairman Mazzetti served on Rincon's Tribal Council since
13 2002 and as Chairman since 2008.

14 He was known as an advocate for tribal
15 sovereignty, including energy sovereignty. Chairman
16 Mazzetti was instrumental in working to secure the Rincon
17 Band of Luiseno Indians, a tribal microgrid. He was always
18 willing to share his wisdom throughout Indian country, and
19 we were so fortunate at the Energy Commission because he
20 joined us recently at our 2024 EPIC Symposium to share his
21 knowledge on energy sovereignty and state contracting.

22 He will be deeply missed by all of us. And I
23 encourage those who didn't know Chairman Mazzetti to look
24 up information on him. There are a lot of people speaking
25 about his loss because he did so much. He impacted our

1 entire state.

2 So again, I thank you, Chairman Mazzetti, for
3 what you did, and we will remember you.

4 Thank you, Chair.

5 CHAIR HOCHSCHILD: Thank you. And we will be
6 adjourning today's meeting in honor of Chairman Mazzetti.

7 So with that, the Commission is seeking to
8 approve approximately \$44 million of investments today
9 contributing to California's economic vitality. And I
10 would welcome any other comments from colleagues or
11 announcements to share before we move on. Anything else?
12 Okay.

13 COMMISSIONER GALLARDO: I have one more
14 announcement.

15 CHAIR HOCHSCHILD: Yeah, please.

16 COMMISSIONER GALLARDO: Thank you. This one's a
17 bit more technical. I wanted to let everybody know that
18 our Siting, Transmission, and Environmental Protection
19 Division, also known as STEP, has started the process to
20 update the Renewables Portfolio Standard Eligibility
21 Guidebook. RPS is one of our key mechanisms used by our
22 state to help ensure we're getting to a 100 percent clean
23 energy future. And we're able to update that guidebook
24 when we have substantive changes, and the last time we
25 updated was in 2017. So this is an exciting milestone. We

1 are due for an update.

2 I'd like to invite everyone to a workshop that
3 staff is holding to present the proposed scope for the RPS
4 Eligibility Guidebook. That's going to be May 21st from
5 9:00 a.m. to 1:00 p.m. It's remote only via Zoom, and you
6 can get more details on the CEC website.

7 Thank you, Chair.

8 CHAIR HOCHSCHILD: Thank you, Commissioner.

9 With that, we'll turn to Item 3, Consent
10 Calendar. I want to note that Item 3L will not be taken up
11 today and will be postponed. We'll be voting today on
12 Items 3A through K.

13 Is there any public comment on Item 3?

14 MS. BADIE: Thank you, Chair. Once again, the
15 Commission welcomes public comment at its business
16 meetings. We're asking for public comment on Item 3 at
17 this time. So if you're in the room, you'll use the QR
18 code or raise your hand, and if you're joining by Zoom,
19 you'll use the raise-hand feature on your screen, or star
20 nine if joining by phone. And I'm just giving that a
21 moment.

22 Alright, there are no raised hands to comment on
23 Item 3, so I'll send it back to you, Chair.

24 CHAIR HOCHSCHILD: Is there a motion on Item 3
25 from Commissioner McAllister?

1 COMMISSIONER MCALLISTER: So moved.

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

4 VICE CHAIR GUNDA: Second.

5 CHAIR HOCHSCHILD: All in favor, say aye.
6 Commissioner McAllister?

7 COMMISSIONER MCALLISTER: Aye.

8 CHAIR HOCHSCHILD: Vice Chair Gunda?

9 VICE CHAIR GUNDA: Aye.

10 CHAIR HOCHSCHILD: Commissioner Skinner?

11 COMMISSIONER SKINNER: Aye.

12 CHAIR HOCHSCHILD: Commissioner Gallardo?

13 COMMISSIONER GALLARDO: Aye.

14 CHAIR HOCHSCHILD: And I vote aye as well. Item
15 3 passes unanimously.

16 We're now going to take up Commissioner
17 Gallardo's request, Item 11, a little bit early. So if
18 we -- and so if you don't mind, we'll jump ahead to Item
19 11. Let me see what Item 11 is, which is a Small Power
20 Plant Exemption for STACK SVYO3A Data Center Campus.

21 Is there a Renee Longman here to present?

22 MS. BADIE: Sorry, Chair. So maybe we can go to
23 Item 4 and then we'll message.

24 CHAIR HOCHSCHILD: Okay, well, great.

25 MS. BADIE: Yeah.

1 CHAIR HOCHSCHILD: Okay.

2 MS. BADIE: Thank you.

3 CHAIR HOCHSCHILD: Okay. Alright, so let's --
4 we'll come back to Item 11.

5 So we'll go then next to item -- Commissioner
6 Gallardo, you did want Item 11 early; right? Yeah.

7 COMMISSIONER GALLARDO: I did in case. I have a
8 flight to catch.

9 CHAIR HOCHSCHILD: Okay.

10 COMMISSIONER GALLARDO: So I just wanted to make
11 sure I was able to lead that decision, but --

12 CHAIR HOCHSCHILD: Well, so let's see if we can
13 take that next. But in the meantime --

14 COMMISSIONER GALLARDO: Yeah.

15 CHAIR HOCHSCHILD: -- while we're waiting --

16 COMMISSIONER GALLARDO: No problem.

17 CHAIR HOCHSCHILD: -- we'll go to Item 4, which
18 is Home Energy Rating System Provider and Data Registry
19 Application for Golden State Registry.

20 And I welcome Archana to present. Thanks.

21 MS. ETIKALA: Good morning. Good morning, Chair,
22 Vice Chair, and Commissioners. My name is Archana Etikala,
23 and I'm a mechanical engineer in the Efficiency Division.
24 I'm here to present on Item 4, Approval of Home Energy
25 Rating System, or HERS, Provider and Data Registry

1 Applications for National Energy Testing Institute Doing
2 Business at Golden State Registry.

3 Next slide, please.

4 The HERS program provides several benefits to
5 Californians. It provides a means to verify a project's
6 compliance with the Energy Code. It provides a means to
7 protect consumers from poor equipment installations, and it
8 supports the state's decarbonization goals through
9 compliant installation of efficiency measures.

10 Next slide, please.

11 HERS provider applications are reviewed and
12 approved under the California Code of Regulations, Title
13 20. HERS providers are required to carry out primary
14 functions, such as training and certifying HERS raters to
15 conduct third-party field verification and diagnostic
16 testing and training.

17 HERS providers are also responsible for
18 performing quality assurance of the raters that they
19 certify.

20 HERS providers respond to complaints from
21 homeowners and other parties by establishing and operating
22 a complaint response system.

23 And finally, HERS providers collect and maintain
24 data related to the program. Most of this data is provided
25 to the CEC in annual reports or upon request.

1 Residential Data Registry applications are
2 reviewed and approved under the Title 24 Energy Code. A
3 residential data registry has two main functions. First,
4 it retains and validates user input data from document
5 authors or responsible persons. Second, it generates
6 official compliance documents, which are used to
7 demonstrate compliance with the Energy Code.

8 Next slide, please.

9 CEC staff evaluated the GSR application materials
10 as they pertain to the requirements in the California HERS
11 program and the 2022 Energy Code. Specifically, the
12 application evaluations were conducted to verify that the
13 materials adequately meet the requirements listed in Title
14 20 for provider certification. That includes rater
15 training and certification program, quality assurance
16 program, complaint handling system, and conflict of
17 interest.

18 CEC staff also conducted evaluations to verify
19 compliance with Title 24 for registry approval. That
20 includes applicant-tested exhibits, staff verification, and
21 data registry requirements.

22 Next slide, please.

23 Staff respectfully requests the Commission
24 approve the Executive Director recommendation to certify
25 GSR as a California HERS program provider to administer the

1 California HERS program, which includes training,
2 certifying, and overseeing HERS raters to conduct field
3 verification and diagnostic testing for Energy Code
4 compliance to approve GSR to operate a residential data
5 registry for single-family residential under the 2022
6 Energy Code.

7 The HERS provider and data registry applications
8 specify a scope of approval limited to prescriptive
9 compliance of single-family residential space conditioning
10 system alterations under the 2022 Energy Code.

11 This concludes my presentation. Isaac Serratos
12 from the Chief Counsel's Office and I are available for any
13 questions. Thank you.

14 CHAIR HOCHSCHILD: Thank you.

15 Let's go to public comment.

16 MS. BADIE: Thank you. The Commission welcomes
17 public comment on Item 4 at this time. If you're in the
18 room, please use the QR code. We've got some folks on the
19 line there. And then if you're on Zoom, you can use the
20 raise-hand feature. Start raising your hand now. And if
21 joining by phone, press star nine.

22 So we're going to start with folks in the room.
23 I'm asking folks to come up to the podium. And when I call
24 your name, if you could please state and spell your name
25 for the record, it helps our court reporter. And then we

1 are asking for comments to be two minutes or less. There
2 will be a timer on the screen.

3 First, we're going to hear from Shelby Gatlin.
4 If you could please come up? Thank you, Shelby.

5 MS. GATLIN: Good morning. Shelby Gatlin,
6 S-H-E-L-B-Y G-A-T-L-I-N. I am with Cheers, and approved
7 HERS provider.

8 CHAIR HOCHSCHILD: Shelby, can you speak a little
9 closer to the mic, please?

10 MS. GATLIN: Yes.

11 CHAIR HOCHSCHILD: Thank you.

12 MS. GATLIN: I work with CHEERS, and approved
13 HERS provider as a chief compliance officer, and CHEERS has
14 docketed some comments on this item.

15 Today's approval allows GSR to operate as a
16 partial HERS provider for prescriptive alterations only.
17 So imagine a restaurant that only serves drinks and
18 appetizers while the others are required to cover a full
19 menu with expensive entrees and chefs. That's what this
20 decision does. It puts the burden on CHEERS to support the
21 entire Energy Code, complex performance projects, new
22 construction, while shifting the resources needed to offset
23 those costs.

24 Partial providers don't make the HERS program
25 more cost effective. Without drinks and appetizers,

1 entrees become really expensive, unfeasible really. But
2 today, staff has moved this item forward for the HERS
3 program specifically.

4 But looking forward to the 2025 Code for the
5 Energy Code Compliance Program, in that program, providers
6 are required to support all of the residential program.
7 The rules are not ambiguous. Those rules were adopted with
8 stakeholder involvement in a rulemaking. And so we
9 encourage the Commission in looking forward for the Energy
10 Code Compliance Program to have the HERS providers support
11 the entire menu of the Energy Code for residential.
12 Businesses need to be able to rely on the rules as they
13 were adopted. And we encourage you to be considerate of
14 this moving forward.

15 So I'm going to thank you for listening. I want
16 to congratulate Jon Johnson and the GSR team for being here
17 today. We look forward to working with them. We look
18 forward to our continued collaboration with the Commission.

19 Thank you.

20 CHAIR HOCHSCHILD: Thank you.

21 MS. BADIE: Thank you.

22 Next, we're going to hear from Jonathan Johnson.
23 If you could please approach the podium. And just a
24 reminder to spell your name for our current reporter.

25 MR. JOHNSON: Hello, my name is Jonathan Johnson,

1 J-O-N-A-T-H-A-N J-O-H-N-S-O-N, and I'm with Golden State
2 Registry. And we're excited to be here today.

3 We want to thank everybody from the Commission
4 for all the hard work reviewing our application. It
5 started off as an idea. I've been in the industry a long
6 time. And building a team to do a project that turned out
7 to be quite monumental was very challenging, but also very
8 rewarding. And I look forward to being a part of the HERS
9 program continuing forward in California because we believe
10 it's very essential. We believe it helps the homeowners
11 achieve our energy goals.

12 And I've been in the field for over a decade
13 testing homes. And I can say firsthand that we've helped
14 so many homeowners to have more efficient homes. We've
15 solved their issues. We've, you know, made homes more
16 energy efficient. And each day that HERS raters go out,
17 that's the goal of the program. And that is certainly the
18 goal of Golden State Registry as we come in and are able to
19 provide our services.

20 There has been many questions and concerns
21 raised. And I'm here to say that we believe we're going to
22 be a real positive injection into this industry. And we do
23 look forward to completing a full registry that's going to
24 include all of the documents required, new construction,
25 multifamily, et cetera. It is a large task. But being

1 able to come in at this point and bring on more team
2 members is going to help us to get there more quickly. And
3 we're very excited about this challenge. And we're excited
4 to work with the Commission, CHEERS and all the HERS raters
5 and stakeholders and continue to improve the program step
6 by step.

7 And once again, I'd like to thank the team helped
8 us with the application. It was a lot of work. And just
9 say that we're excited to be able to provide the service
10 and be a part of the HERS program.

11 Thank you.

12 CHAIR HOCHSCHILD: Thank you.

13 MS. BADIE: Thank you.

14 And let's see, I'm going to transition over to
15 Zoom.

16 David Katz, I'm going to open your line. Just a
17 reminder again to please spell your name for our court
18 reporter. And we're asking for comments to be two minutes
19 or less. I'm going to open your line now.

20 MR. KATZ: My name is David Katz, D-A-V-I-D
21 K-A-T-Z.

22 I just want to share, you know, our -- my own
23 personal experience. I'm a CEO, founder of an HVAC company
24 in the Bay Area, California. And we've completed over
25 12,000 HVAC installation projects that passed, you know,

1 HERS tests that passed the city inspections. And working
2 with Jonathan Johnson, it's been quite a learning
3 experience because, you know, we have failed a lot of
4 those, you know, inspections that he conducted. And he was
5 always able to show us what's the right way of doing
6 things, how can we actually get the results that we need to
7 get on those jobs.

8 We were able to train our team. Now we have over
9 40 vans, 40 install crews that are going out to 40
10 different properties in the Bay Area on a daily basis that
11 are now using the practices that were learned by that.

12 And I think the initiative that, you know, Golden
13 State Registry are taking on this right now is really going
14 to help us as a contractor not to have to funnel everything
15 into just one source and having them, you know, it's -- I
16 believe that it's going to increase customer satisfaction,
17 homeowner satisfaction, better results, better service,
18 better pricing. When -- it really just for us, for me as a
19 contractor, it just gives us hope because I never thought
20 anybody's going to come forward and even say anything about
21 the need for something like this. It feels like this is
22 the only option. And, you know, with that, we're stuck.
23 But this initiative I think is going to help both
24 homeowners and contractors on a massive scale.

25 So, yeah, that's my take on that.

1 MS. BADIE: Thank you.

2 And next we're going to hear from Jonathan Risch,
3 Arcxis. Excuse me if I've misspelled your last name. And
4 I'm going to open your line, Jonathan. If you could please
5 spell your name for the court reporter? And we're asking
6 for comments to be two minutes or less.

7 MR. RISCH: Sorry for the delay. I had to take
8 myself off mute. My name is Jonathan Risch,
9 J-O-N-A-T-H-A-N, last name Risch, R-I-S-C-H. I'm the CEO
10 of Arcxis.

11 I would just like to echo all the comments that
12 have been made so far from everyone. I think they're all
13 valid, appreciated, and make a lot of sense.

14 What I would say is I think that it is really
15 encouraging to have somebody come forward and go through
16 the application process. From everything I know and having
17 been very involved in the rulemakings, if that's the right
18 terms for the -- around the Title 24 and the 25 Code, it is
19 a complicated and arduous process, so I commend the team
20 for getting through that.

21 What I think is in this, to perhaps echo David's
22 comments, it's encouraging to see investment coming into
23 this business. It's encouraging to see people entering the
24 business. And I think that, in general, it increases the
25 capacity and it will make the industry, the HERS rating

1 industry, more robust. And I think with a more robust
2 industry, more capacity, we can then turn to bringing the
3 benefits of inspections and HERS ratings to all customers
4 in California who are going through an alteration, because
5 the vast majority of homes are not getting the benefit of
6 this inspection process.

7 So I commend the Commission for working with
8 Golden State, encouraging this investment, bringing more
9 people into the business, increasing the capacity and
10 capability, so in turn, together, we can all work to build
11 a more robust industry and better results for the state of
12 California.

13 Thank you.

14 MS. BADIE: Thank you for those comments.

15 Next, we're going to hear from Robert Miller.
16 Robert, I'm going to open your line. If you could please
17 spell your name for our court reporter? We're asking for
18 comments to be two minutes or less.

19 MR. MILLER: Hi, my name is Robert Miller,
20 R-O-B-E-R-T M-I-L-L-E-R.

21 And I just wanted to voice my opinion and say
22 that Jonathan Johnson is the perfect person to be in charge
23 of this HERS registry coming up here. He's the type of
24 person that would literally call every personal rater on
25 that registry and find out what he can do to help them

1 succeed in their business. And that's the type of person
2 that you guys need to run that company and to be in charge.

3 I mean, in my own personal like lifestyle, I
4 mean, I've had a child that's had open-heart surgery twice.
5 And when I -- I mean, Jon's the type of person, you know,
6 he cares about other people. He actually will call you and
7 check up on you, and he does it still to this day, and I
8 don't even work for the guy anymore.

9 So that just tells you his like commitment. And
10 he's going to be like that as the owner and running this
11 registry. He's going to make sure that he reaches out to
12 everybody, and he's there to educate them and show them
13 what's the best way to go about things. And that's what I
14 think Jon is really good at.

15 So I wish my buddy the best. And I hope you
16 guys, you know, are taking that consideration as well,
17 because he's the perfect person for this.

18 With that said, thank you very much for your
19 time.

20 MS. BADIE: Thank you.

21 Next, we're going to hear from a caller
22 identified as HVACGOD. I'm going to open your line. If
23 you could please state and spell your name for the record
24 for court reporter? And we're asking for comments to be
25 two minutes or less.

1 MR. FLORES: Yeah, my name is Keith Flores,
2 F-L-O-R-E-S. I own HG Home Services out of Newport Beach,
3 California. I've done -- I've been in the trades for 35
4 years. And of all people, Jonathan has been just the guy
5 that you want to call and reach out to. And if you're
6 having challenges trying to get HERS testing taken care of,
7 he always has an answer. He'll come out at the drop of a
8 dime to get over there to help you, walk you through, walk
9 my technicians through.

10 So it's a bright light to see somebody like him
11 stepping up and actually putting a big investment into
12 something like this. And I think it's going to build up
13 the industry a lot more and give a little bit of guiding
14 light. He can help a lot of people out there. I've seen
15 him do it.

16 My son, I'm a third generation, my son's a fourth
17 generation HVAC guy. He's helped my son through numerous
18 projects trying to figure out where we're having issues at.
19 And he always has a great example. He's always been a
20 great, great leader as well.

21 So I think that this is going to be a phenomenal
22 experience for everybody involved. And it's going to keep
23 everybody straight on the up and up. So I wish I had a lot
24 more time, but I couldn't say more than Jonathan is the
25 right guy for this. And I'm glad that you guys are having

1 an open-minded for it.

2 Thank you.

3 MS. BADIE: Thank you.

4 And that is the last hand for this item. Back to
5 you, Chair.

6 CHAIR HOCHSCHILD: Thank you for those comments.

7 Let's go to Commissioner discussions, starting
8 with Commissioner McAllister.

9 COMMISSIONER MCALLISTER: Great. Well, Arch,
10 thanks for that presentation. I want to thank you and Che
11 Geyser (phonetic) and Will Vicent, Mike Sokol and the whole
12 team for kind of working hard over a sustained period to
13 bring, to evaluate the application and have a lot of
14 iteration with, you know, Jonathan, GSR, a lot of activity
15 on the docket. You know, obviously this is a big deal
16 for -- you know, it's the second company to come into the
17 HERS ecosystem. So I want to thank you, Jonathan, your
18 team for really sticking with it and getting us to this
19 point.

20 I'll make a few comments. I want to just thank
21 all the commenters. Shelby, really appreciate your
22 perspective and being here and all the CHEERS does in this
23 space, absolutely.

24 And David Katz and Jonathan Risch and Robert
25 Miller, Mr. Flores, really appreciate, really appreciate

1 all of you chiming in. And just speaks well of sort of the
2 institution that has been formed and is coming to us for
3 this item.

4 You know, context, I just want to provide a
5 little context for my colleagues here on the dais and for
6 all attendees.

7 So, you know, the vast majority of HVAC
8 alterations do not get a permit and do not close that
9 permit out. And so that's a problem. And actually, the
10 legislature has told us a couple of times to focus on that
11 and try to improve compliance with legislation. And I
12 think we've made a lot of efforts and just credit to Will
13 and the team for a lot of improvements there. And, you
14 know, Chris Olvera and the Outreach Team, and just there's
15 been a lot of efforts to improve that number and get it up.
16 But we still have a long way to go to get, you know, full
17 compliance on HVAC alterations. And so I think there -- so
18 one.

19 Two, we're about to push out like \$600 million
20 into this space, into existing buildings, largely to do
21 alterations of HVAC and water heating. Every single one of
22 those installations that we subsidize will be getting a
23 permit and will be required to close that permit out. And
24 so that's, you know, 100 percent. So that is going to be a
25 big job for HERS raters and they need to be there and be

1 responsive.

2 I'd note also, this approval is only for the 2022
3 Code cycle, which only has less than a year left. And the
4 2025 Code comes into effect on January 1st, 2026. So all
5 the providers, both providers, will have to come back, and
6 providers on the non-res side will have to come back to us
7 again and get approved for the 2025 cycle. I think,
8 Shelby, you noted that.

9 And I was very pleased to hear, Jonathan, that
10 you're planning on adding the various sectors, the various
11 other, you know, parts of the building ecosystem,
12 multifamily and new construction. And I certainly would
13 very much encourage that. The, you know, reality is that
14 it is kind of complicated. We heard a couple of speakers,
15 you know, make that point. And so the entry is
16 significant. And so, you know, you got to start somewhere.
17 So I feel like the -- you got to get some cash flow so you
18 can invest in those other parts. And CHEERS has done that.
19 You know, we recently had a major provider go out of
20 business as well.

21 So, you know, it is a challenging field to be in.
22 And so I think, you know, we do need more, more service
23 providers or more raters out there to really be there when
24 they're needed. And so I think this is a good step forward
25 and, you know, for the programs that are coming up, that

1 are coming up that we really are going to, you know, need
2 the administrators to have access to all the service
3 providers they need to help projects get done quickly.

4 So for those reasons, I'm very supportive of
5 this. And I just want to kind of give my colleagues here a
6 little bit more context.

7 Certainly, you know, change can be hard, but
8 change can also be very good. So I think, you know, having
9 a more robust HERS ecosystem is a good thing. I'll note, I
10 know that Will and team and Che and, you know, you, Arch,
11 and the whole team is going to be paying attention to how
12 things unfold.

13 And as we build out, we're doing a lot of work on
14 compliance and our data collection regulations on HVAC and
15 equipment. And I think as we build out that repository and
16 really digitize a lot of the project flow and the
17 compliance activities, we're going to be able to have a
18 much better view, a more complete view of the marketplace
19 and really double down on enforcement. And work with the
20 local jurisdictions, you know, carrots and sticks; right?
21 And carrots are always nicer. But, you know, we got to --
22 once we have some transparency and accountability, and we
23 know where all this equipment is going, we can really start
24 to connect those dots and start to get higher rates of
25 compliance. And that's going to generate work for all the

1 CHIRS raters.

2 So I'm pretty optimistic about that, actually.
3 We have the conditions to be able to move to a good place
4 over the next, you know, year or two. So I think this is a
5 good story and just really supportive of this item, and
6 would invite comments from my colleagues.

7 CHAIR HOCHSCHILD: Are there any other comments,
8 Commissioner Skinner or Vice Chair, please?

9 VICE CHAIR GUNDA: Thank you, Chair. I just
10 wanted to first thank Archana, thank you for your
11 presentation. We recognize the Efficiency Division's work.
12 Che, Will, and Mike, thank you for your leadership.

13 And Shelby, thank you for your comments. I
14 think, you know, it was important to have on the record,
15 you know, some of the recommendations moving forward.

16 And Commissioner McAllister, thank you for adding
17 the broader context. It was really helpful to hear kind of
18 the reasons on what we are doing and how we're approaching
19 this.

20 And again, Jonathan, thank you for your comments
21 and all the support that you, we heard about, you know, the
22 good work you all do.

23 I think, you know, just from a 30,000 foot level,
24 HERS is such an important program to ensure that, you know,
25 the efficiency goals we have and the realization of the

1 decarbonization goals actually happen. So, you know,
2 looking forward to supporting the item.

3 And, you know, just, you know, appreciative of
4 your leadership, Commissioner McAllister, and we look
5 forward to supporting you on this work.

6 Thanks.

7 CHAIR HOCHSCHILD: Do you have any comments?

8 COMMISSIONER GALLARDO: No.

9 CHAIR HOCHSCHILD: With that, I would welcome a
10 motion from Commissioner McAllister on Item 4?

11 COMMISSIONER MCALLISTER: Move Item 4.

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

14 COMMISSIONER SKINNER: Second.

15 CHAIR HOCHSCHILD: All in favor, say aye.
16 Commissioner McAllister?

17 COMMISSIONER MCALLISTER: Aye.

18 CHAIR HOCHSCHILD: Commissioner Skinner?

19 COMMISSIONER SKINNER: Aye.

20 CHAIR HOCHSCHILD: Vice Chair Gunda?

21 VICE CHAIR GUNDA: Aye.

22 CHAIR HOCHSCHILD: And Commissioner Gallardo?

23 COMMISSIONER GALLARDO: Aye.

24 CHAIR HOCHSCHILD: And I vote aye as well. Thank
25 you. Item 4 passes unanimously.

1 Before we move on, I want to share some welcoming
2 global news. There is a new Pope, the first American Pope
3 ever selected, Robert Francis Prevost, who will be known as
4 Pope Leo XIV. So big news. We don't get new Popes that
5 often, so congratulations. And never an American; right?

6 So with that, we will jump ahead to Item 11 at
7 the request of Commissioner Gallardo. This is the Small
8 Power Plant Exemption for STACK SVY03A Data Center Campus.
9 And I welcome Renee Longman to present.

10 MR. LONGMAN: Good morning, Chair and
11 Commissioners. My name is Renee Longman, and I'm a Project
12 Manager in the Siting, Transmission, and Environmental
13 Protection Division, STEP. Today, I'm presenting staff's
14 recommendation for the STACK SVY03A Data Center Campus
15 Small Power Plant Exemption.

16 Next slide, please.

17 On April 14th, 2023, the Applicant, STACK
18 Infrastructure, filed an application for a Small Power
19 Plant Exemption for the STACK SVY03A Data Center Campus
20 Backup Generating Facility located at 26062 Eden Landing
21 Road in Hayward. The backup generating facility would be
22 part of the STACK SVY03A Data Center Campus, which together
23 constitute the project under the California Environmental
24 Quality Act, CEQA.

25 The campus would include a new three-story data

1 center building, a security building, backup generators to
2 support the data center building, an on-site project
3 substation, a Pacific Gas & Electric switching station, and
4 an on-site transmission line. The backup generators would
5 only serve the campus by providing up to 67.2 megawatts of
6 emergency generation to replace the maximum electricity
7 needs of the campus in case of loss of utility power.

8 Next slide, please.

9 The CEC has exclusive licensing jurisdiction over
10 thermal power plants that have the capacity to generate 50
11 megawatts or more of electricity. An applicant can request
12 an exemption from the CEC's licensing jurisdiction for a
13 thermal power plant that will not generate more than 100
14 megawatts of electricity. The CEC can grant a Small Power
15 Plant Exemption, SPPE, if it finds that no substantial
16 adverse impact on the environment or energy resources will
17 result from the construction or operation of the proposed
18 facility.

19 CEC is the lead agency in accordance with CEQA
20 for all facilities seeking an SPPE. The CEC's SPPE
21 determination is limited to the backup generating
22 facilities for the proposed data center campus.
23 Nonetheless, the Initial Study Mitigated Negative
24 Declaration, ISMND, and evaluated the whole data center
25 project, construction, and operation to inform the public

1 and decision-makers of the potential environmental impacts
2 of the project.

3 If the exemption is granted, the ISMND is
4 expected to be used by the City of Hayward in its
5 consideration of permitting the project, as well as by the
6 Bay Area Air Quality Management District for its issuance
7 of various air quality permits. Upon exempting the
8 project, the CEC would have no permitting authority over
9 the project and would not be responsible for any mitigation
10 or permit conditions imposed by the City of Hayward or
11 other agencies.

12 Next slide, please.

13 The draft ISMND underwent all required public
14 review and comment periods. Three comment letters were
15 received on the draft ISMND. One from Mission Peak
16 Conservancy, two from Pacific Gas & Electric Company, PG&E,
17 and three, the California Department of Transportation,
18 Caltrans District 4.

19 The Final ISMND was filed in the SPPE's
20 proceeding docket on April 25, 2025. Although not
21 required, responses to the comments received were provided
22 in the Final ISMND and commenters were notified via email.
23 No significant new information has been added that would
24 require recirculation of the Final ISMND. The Final ISMND
25 demonstrates that the project will not have a substantial

1 adverse impact on the environment or energy resources with
2 the implementation of mitigation measures contained in the
3 Final ISMND.

4 The City of Hayward has agreed to enforce the
5 mitigation measures. In addition, the Final ISMND
6 demonstrates that the project's maximum electrical load
7 would not exceed 100 megawatts.

8 Next slide, please.

9 In conclusion, the CEC staff recommends, based on
10 the entire record, the Commission adopt the proposed order.
11 One, adopt the final initial study Mitigated Negative
12 Declaration. Two, adopt the mitigation monitoring and
13 reporting program. And three, granting the STACK SPY03A
14 Data Center Campus Backup Generating Facility and SPPE.

15 I would like to close by acknowledging and
16 thanking the entire step technical and management team,
17 project assistant Mariska Haas, the Chief Counsel's Office,
18 including staff attorney Brianna Zift, for all their hard
19 work on the environmental document and throughout the SPPE
20 proceeding.

21 I'd also like to thank Scott Galati, the
22 applicant's representative, and Elizabeth Blanton with the
23 City of Hayward's Development Services Department for their
24 cooperation and responsiveness.

25 Staff is available to answer any questions you

1 may have. On behalf of the Applicant -- and on behalf of
2 the Applicant, Scott Galati is available online for any
3 project-related questions.

4 Thank you.

5 CHAIR HOCHSCHILD: Thank you, Renee.

6 Let's go to public comment.

7 MS. BADIE: Thank you, Chair. The Commission
8 welcomes public comment on Item 11 at this time. If you're
9 in the room with us, you can use the QR code or raise your
10 hand. And if you're on Zoom, you'll use the raise-hand
11 feature on your screen, it looks like an open palm, or star
12 nine if joining by phone. And I'm just giving them a
13 moment.

14 Alright, we don't have anyone in the room, so I'm
15 going to transition over to Zoom.

16 Kelly Abreu, I'm going to open your line. If you
17 can please share your name as Chair and spell your name for
18 the record, that will help our court reporter capture that.
19 And we are asking for comments to be two minutes or less.
20 There will be a timer on the screen.

21 MR. ABREU: Thank you. My name is Kelly Abreu,
22 A-B-R-E-U. I'm speaking on behalf of Mission Peak
23 Conservancy.

24 The energy demand of this facility has been
25 misunderstood and misrepresented by the California Energy

1 Commission staff. The response to our comment letter says
2 that the consumption of energy resources during operation
3 would not be wasteful, inefficient or unnecessary. And it
4 talks about the efficiency, and then it talks about impacts
5 on energy resources. Of course, all of that is a
6 distraction, a diversion.

7 What's really important here is impact on peak
8 demand during maximum usage during when the grid is
9 stressed. Of course, if you throw in 67 megawatts of
10 additional demand on top of a city where all the residents
11 of the city combined are probably not consuming more than
12 that amount, this is a substantial load. Then they tried
13 to say that this load was not very much and they made a
14 comparison with 10 other sites in the City of Hayward
15 saying that, you know, the load on the grid in Hayward is
16 not too much because other sites are not very big or
17 whatever.

18 But this amount of load, 77 megawatts, is a
19 regional load. It's competing with electricity with data
20 centers in San Clara or San Jose or San Francisco or, you
21 know, all over the place. And for you to limit your
22 analysis to the city limits of Hayward is certainly very,
23 very limited. You have a microscope, a narrow focus, way
24 too narrow of a focus and you don't -- you're not
25 appreciating the real impacts of the project.

1 Also, the diesel generators emit formaldehyde and
2 nitrous oxides when operating. There are substantial
3 impacts to the environment.

4 Thank you.

5 MS. BADIE: Thank you for your comments.

6 Next, we're going to hear from Scott Galati.
7 Scott, I'm going to open your line. Just a reminder to
8 please spell your name for the record.

9 MR. GALATI: Thank you. This is Scott Galati. I
10 work with a company called DayZen and I represent the
11 Applicant here. I'm pleased to represent and honored to
12 represent STACK Infrastructure. This is our second project
13 before the Energy Commission. The first one is being
14 completed and completely built. So thank you very much,
15 Commissioners.

16 Welcome, Commissioner Skinner. I have not been
17 before you before, so it's nice to meet you and I look
18 forward to presenting to you in the future.

19 I would like to just address a few things.

20 This Applicant has been fantastic. They proposed
21 a lot of the mitigation measures that you see as part of
22 their application to show their commitment to reducing
23 impacts. They have committed to use renewable diesel as
24 long as it is available, both for testing and maintenance
25 and emergencies. The only time they wouldn't is if it

1 wasn't available during an emergency.

2 They're also committed to use 100 percent
3 renewable energy for the electrical use at this project or
4 participate in a program that achieves the same objectives.

5 And lastly, I would like to just make sure the
6 Commission understood, I know that they do understand this
7 for power plants, is you can't build a power plant without
8 filing an Interconnection Agreement, an interconnection
9 request, and getting various studies to show how you could
10 interconnect that power plant without damaging the grid.

11 The same thing happens on distribution. When we
12 actually use electricity, we make an interconnection
13 request to the provider and the provider does feasibility
14 studies, figures out if there's infrastructure that needs
15 to be built or identified things that might break during
16 our use. They do evaluate peak load. They do evaluate all
17 the different contingencies, including an N-1 contingency
18 where a power line is out or something. And the utility
19 provider said that they can serve this project up to the
20 maximum amount of load that you see.

21 So I would also like to thank, at this point in
22 time, Renee Longman. She's been very communicative with
23 us. She's let us know what was happening. I think that
24 the staff did a good job. We obviously support the
25 conclusion, and also would like to thank Elizabeth Huber to

1 help get this across the finish line.

2 So thank you very much. And we look forward to
3 building this project.

4 MS. BADIE: Thank you.

5 That's all the public comment for this item.

6 Back to you, Chair.

7 CHAIR HOCHSCHILD: Okay. Thank you.

8 We'll go to Commissioner discussion on Item 11,
9 starting with Commissioner Gallardo.

10 COMMISSIONER GALLARDO: Thank you, Chair. I
11 appreciate the accommodation as well.

12 I am grateful for the comments that were made and
13 I wanted to give staff an opportunity to respond. I know
14 Scott did respond a bit to the first commenter and I didn't
15 catch the name earlier. So I wanted to check with staff if
16 you want to respond to that first commenter?

17 MR. LONGMAN: All our technical staff evaluated
18 energy and energy resources in the ISMND. And so the
19 annual average power usage effectiveness for the project
20 would be at a level considered very efficient.

21 Finally, the project would be constructed in
22 accordance with the 2022 California Green Building Standard
23 Code and would include green building measures to reduce
24 energy consumption.

25 As such, the Final ISMND contains substantial

1 evidence supporting the conclusion that the project will
2 not result in any substantial adverse impacts on energy
3 resources and therefore comports with the requirements of
4 Public Resource Code's section 25541.

5 COMMISSIONER GALLARDO: Okay. Thank you, Renee,
6 for that response, and also for the very thorough
7 presentation.

8 Like you, I wanted to start out with expressing
9 gratitude. I would like to uplift Renee, our entire STEP
10 Division, and the attorneys in the Advocacy and Compliance
11 Unit as well. They're putting in many hours to handle the
12 growing workload of multiple permitting programs, including
13 our Small Power Plant Exemptions. And so they're making
14 sure, you know, we can certify the necessary energy and
15 related infrastructure that our state needs. So appreciate
16 that.

17 Also, if you look at the Mitigated Negative
18 Declaration document for this SPPE, you can see how much
19 diligence and hard work our teams have put into them. I
20 want to highlight two things for my fellow Commissioners
21 and the public.

22 First, staff ensured that the backup generators
23 in this case will have minimal impacts, including by
24 meeting the Tier 4 emission standards, the highest
25 standards for these types of engines. And they will also

1 be participating in PG&E's Regional Renewable Choice
2 program, or the or the AVA Community Energy's Renewable 100
3 program or something comparable that's 100 percent carbon
4 free electricity program, which I think is exciting.

5 Second, staff included responses to all of the
6 comments that were received during the public review period
7 in that Final Environmental Document, even though that's
8 not required. So this is just one more example of our
9 staff going above and beyond to ensure that they are being
10 responsive to the public, including comments we heard
11 earlier, in all of its work.

12 And I would also like to thank the Applicant and
13 the City of Hayward for the collaboration with our staff on
14 this project. It takes a lot of back and forth to get
15 these proceedings accomplished. Also for the organizations
16 and the agencies who participated in the proceeding through
17 the comments.

18 In particular, I wanted to mention that the City
19 of Hayward as the primary permitting authority for the
20 project has agreed to enforce the mitigation measures in
21 the Final Mitigated Negative Declaration, which is helpful
22 for us to know that those will be accomplished.

23 And I'll just conclude by saying that I do
24 encourage approval of this item.

25 CHAIR HOCHSCHILD: Okay.

1 COMMISSIONER GALLARDO: I'll turn it over to you,
2 Chair. Thank you.

3 CHAIR HOCHSCHILD: Yeah, just one question,
4 Renee, for these backup systems. What's the average
5 estimated annual runtime just for cycling and keeping the
6 unit available? How many hours are we talking about?

7 MR. LONGMAN: For emergency testing?

8 CHAIR HOCHSCHILD: Yeah, right.

9 MR. LONGMAN: I would need to look into that. I
10 don't have it off the top of my head.

11 CHAIR HOCHSCHILD: 50 hours a year, roughly?

12 Yeah, Elizabeth. Yeah, thanks.

13 MS. HUBER: Sorry about that. Hi, I'm Elizabeth
14 Huber. I'm the Division Director for Siting, Transmission,
15 and Environmental Protection, for the record.

16 So the average that are in our conditions is 50
17 hours a year for routine maintenance and operation. And
18 that's standard for most backup generators. And it's
19 consistent with what local governments do as well.

20 CHAIR HOCHSCHILD: Alright. Thank you so much
21 for the clarification.

22 Any other Commissioner -- yeah, Vice Chair,
23 please.

24 VICE CHAIR GUNDA: Thank you, Chair.

25 Renne, thank you for the presentation, you know,

1 super helpful. And I also just want to thank the Division
2 leadership and staff as a whole. Brianna, staff attorney,
3 Mishka for project management, and Eric, the branch
4 manager.

5 So I just have a quick, maybe, comment and a
6 question.

7 I think, you know, from the forecasting side of
8 the Energy Commission, you know, we are seeing a lot of
9 load coming from data centers. You know, we kind of right
10 now, I think, have almost 4 gigs of load expected by end of
11 2040, but then, you know, potentially, you know, double of
12 that depending on, you know, the applications.

13 Could you comment on, and again, we can do this
14 separately if that's easier, two things, you know, quick
15 questions, one on process? When a data center is
16 interested, right, like to set up, when a company is
17 interested in setting up a data center, at what point of
18 the process do we typically get looped in? Meaning, you
19 know, somebody's thinking about putting a data center. Do
20 they go to the PG&Es of the world first and looking for
21 application for interconnection? Is it coming to us? Does
22 it all happen concurrently? You know, if you have
23 information on that, or we can follow up, that would be
24 helpful.

25 And second, are you seeing the amount of

1 applications that are being queued up on data center SPPEs
2 and, you know, any emerging trends that you see based on
3 the kinds of applications we're getting?

4 MS. HUBER: Those are great questions, Vice
5 Chair. Scott Galati is on the call, and he can definitely
6 answer the first part of your question. Because it is an
7 exemption, it ends up going to the local government. So
8 our communications at that point, we hand over our draft
9 EIR that they're required to use, but then that
10 communication kind of takes us out of it once we -- should
11 you approve it today.

12 On the second question, boy, and I just -- could
13 you repeat it? I just went blank.

14 VICE CHAIR GUNDA: Yeah, just kind of trends
15 we're seeing, I mean, we heard today that this particular
16 campus, if available, they might use renewable diesel. So
17 kind of any such trends, you know, whether it's size, types
18 of fuels, you know, just kind of a strategy for the
19 companies are taking in and interconnecting quickly,
20 anything that you could offer that would be helpful.

21 MS. HUBER: Yeah, absolutely. So we are seeing
22 increased inquiries to our Division staff on data centers,
23 also looking at renewable fuels instead of diesel. As you
24 know, even natural gas is cleaner. And so we're having
25 those discussions. And so we do know the industry

1 developers, data center owners are looking at different
2 options. But immediately this has been -- you know, the
3 importance of the backup generation in case of an emergency
4 is still being deferred to from these diesel backup
5 generators. But I do know strategies are being discussed
6 and we can share those with your advisors.

7 VICE CHAIR GUNDA: Great. I don't know if,
8 Scott, are you still online? Would you be able to kind of
9 just share how the planning works in terms of developer
10 interest to interconnection and how you see the timeline?

11 MR. GALATI: Yes. Thank you, Commissioner Gunda.
12 Can you hear me?

13 VICE CHAIR GUNDA: Yes, please.

14 MR. GALATI: Okay. Great. So oftentimes a data
15 center company, before they come to the Energy Commission,
16 they already do their due diligence on the site before they
17 usually buy the site. But now that they -- now that things
18 have changed with respect to what is available for
19 electricity and power, they often file their preliminary
20 interconnection request with the utility and wait for those
21 findings.

22 So you're seeing data centers file their
23 applications in the last year or so, maybe a little bit
24 closer to the time they want to go to construction because
25 they need a positive preliminary study for the availability

1 of power, because we all know that that is -- they use a
2 lot of electricity and there needs to be infrastructure
3 built across the state, maybe, to support some of this,
4 especially with more renewables. So I see that.

5 The second thing I see is that there is -- we've
6 heard in the consulting business on the applicant side that
7 there are -- they are -- there isn't a ramp-up of refining
8 capability for renewable diesel. Primarily, you know,
9 certainly there's more demand from the generators.

10 The other trend that I've seen is the law allows
11 you to use up to 50 hours per engine to do testing and
12 maintenance. Most of my clients are reporting that they're
13 using 9 to 10 hours per engine to do that. The
14 manufacturers are providing better guarantees. They are
15 more efficient. They have -- they still want to keep the
16 50 hours in case something really bad breaks down that they
17 have to test many times to bring it back up. But normal
18 routine testing and maintenance is about somewhere between
19 15 minutes to one hour a month per engine and usually at no
20 load.

21 So we're not using a lot of the diesel fuel for
22 that, but enough to make a dent in people wanting to supply
23 us renewable diesel. And so we hope that that supply will
24 be consistent and we wouldn't have to use carb-due diesel
25 during an emergency, for example, if we couldn't get a big

1 quantity of it.

2 VICE CHAIR GUNDA: Thank you.

3 MR. GALATI: Does that answer your question?

4 VICE CHAIR GUNDA: No, thank you so much, Mr.
5 Galati.

6 And, you know, Elizabeth, thank you for that. I
7 think, you know, I'm looking forward to supporting the
8 item. Thanks.

9 CHAIR HOCHSCHILD: Commissioner Skinner?

10 COMMISSIONER SKINNER: Thank you, Chair. I
11 appreciate the project, and I also appreciate the need for
12 data centers.

13 But I wanted to speak specifically to the backup
14 generator, and I'm very glad that we're looking at other
15 alternatives, but I hope that we're looking at alternatives
16 that don't -- that are separate from either diesel at all
17 or natural gas, given that we are obviously in a transition
18 to get off fossil fuels.

19 But I want to point out, while renewable diesel
20 is far better than conventional diesel, it is still -- so
21 it produces about 34 percent less particulate matter
22 emissions. It still has particulate matter emissions. So
23 I know there's -- you know, we're only at a certain state
24 of technological development, but I hope that the
25 developers and the CEC prioritize other ways to have backup

1 power, as we know that the need for data centers is going
2 to grow and the need for lots of different electrical load
3 as we move to our full electrification.

4 So I just wanted to make those comments.

5 MS. HUBER: Thank you, Commissioner. And we have
6 been working closely with our research and development
7 division. We're looking at battery energy storage, fuel
8 cells, different alternatives for backup generation. So
9 more to come.

10 CHAIR HOCHSCHILD: Great. Thank you. Any other
11 discussion?

12 With that, I'd welcome a motion on Item 11 from
13 Commissioner Gallardo.

14 COMMISSIONER GALLARDO: I move to approve Item
15 11.

16 CHAIR HOCHSCHILD: Is there a second from
17 Commissioner Skinner?

18 COMMISSIONER SKINNER: Second.

19 CHAIR HOCHSCHILD: All in favor, say aye.

20 Commissioner Gallardo?

21 COMMISSIONER GALLARDO: Aye.

22 CHAIR HOCHSCHILD: Commissioner Skinner?

23 COMMISSIONER SKINNER: Aye.

24 CHAIR HOCHSCHILD: Vice Chair Gunda?

25 VICE CHAIR GUNDA: Aye.

1 CHAIR HOCHSCHILD: Commissioner McAllister?

2 COMMISSIONER MCALLISTER: Aye.

3 CHAIR HOCHSCHILD: And I vote aye as well. Thank
4 you.

5 We will now return to regular order. I believe
6 we were on Item 5. So let's welcome Scott McCarthy to do
7 Load Management Standard Compliance Plans, yes.

8 MS. MCCARTHY: Good morning, Chair, Vice Chair,
9 Commissioners, and attendees. I am Scott McCarthy, Load
10 Management Compliance Analyst for the Efficiency Division's
11 Load Management Standards Unit.

12 Next slide, please.

13 Today, I am seeking approval of 6 of the 19
14 compliance plans submitted by regulated parties of the Load
15 Management Standards, LMS. The LMS requires regulated
16 parties to submit compliance plans detailing how they will
17 comply with the LMS requirements.

18 These six plans are from three investor-owned
19 utilities, IOUs, and three community choice aggregators,
20 CCAs. The IOUs are Pacific Gas & Electric, PG&E, Southern
21 California Edison, SCE, and San Diego Gas and Electric,
22 SDG&E. The CCAs are Valley Clean Energy, VCE, San Jose
23 Clean Energy, SJCE, and Peninsula Clean Energy Authority,
24 BCE. The remaining compliance plans from 2 publicly-owned
25 utilities and 11 CCAs will be brought for consideration to

1 a later meeting.

2 Next slide, please.

3 The goals of the LMS are to help save money for
4 electricity customers, reduce greenhouse gases, GHG
5 emissions, reduce renewable curtailment, and improve grid
6 reliability. The LMS regulations are a groundbreaking
7 effort to achieve these goals by creating a comprehensive
8 infrastructure to facilitate and promote automated and
9 continuous load shifting from periods of high cost and high
10 GHG emissions to periods of low cost and low emissions.

11 Load shifting benefits Californians by saving
12 them money on electricity bills. It also increases grid
13 reliability and reduces the need for future infrastructure
14 investments.

15 To reach these load shifting goals, regulated
16 entities are required to design and offer marginal cost-
17 based rates, also called dynamic rates, and/or programs to
18 their customers. Marginal cost-based rates are updated
19 hourly based on current and future supply and demand of
20 system-generated electricity, transmission, and
21 distribution costs.

22 To meet the LMS, IOUs must apply to the CPUC for
23 approval of dynamic rates. By January 2027, dynamic rates
24 must be available to all IOU electricity customers and
25 regulated customer classes, provided such rates are

1 approved by their rate-approving body.

2 Time-varying rates are required to be uploaded to
3 the Market-Informed Demand Automation Server, or MIDAS, at
4 a regulated entity offering them. Customers and third
5 parties can access MIDAS to get rate signals and
6 automatically and/or manually respond to them.

7 The LMS also requires regulated parties to
8 design, build, and maintain a single statewide standard
9 tool, referred to as the statewide tool. The statewide
10 tool's goals are to enable third parties, with a customer's
11 permission, to look up the rate the customer is on, review
12 and compare bill prices for other available rates and, with
13 consent, change a customer's rate. IOU's compliance plans
14 detail the IOU's plans for developing and submitting a
15 concept and building the statewide tool.

16 IOUs submitted their compliance plans as required
17 by the regulations. On behalf of the CEC's Executive
18 Director, staff reviewed and provided technical feedback to
19 the IOUs and supported them in bringing their plans into
20 compliance. Specific areas of modification include
21 identifying appropriate rate modifiers for uploading into
22 MIDAS, ensuring all electricity customers have access to
23 dynamic rates by 2027, updating timelines to meet the
24 required LMS milestones, and updating information on the
25 statewide tool concept submission. Once modifications were

1 agreed upon and made, IOUs docketed their final plans.

2 Next slide, please.

3 The Executive Director found good cause for
4 extending the deadline of the statewide tool plan to May
5 8th, 2026, and requests the Commission condition its
6 approval of the IOU compliance plans on this. Good cause
7 exists because developing the statewide tool plan has
8 proved to be more complex than anticipated.

9 Next slide, please.

10 For (indiscernible), CEC's Executive Director
11 believes the IOU's revision -- revised compliance plans are
12 consistent with the requirements of the LMS regulations.
13 The IOUs have committed to offering dynamic rates to all
14 electricity customers in regulated classes by January of
15 2027. The IOUs are currently uploading their time-varying
16 rates to MIDAS and have committed to uploading their
17 dynamic rates to MIDAS per the LMS regulation.

18 The IOUs worked with other regulated entities to
19 develop and submit a proposed statewide tool concept as
20 required and have committed to continue working with other
21 regulated parties and the CEC to implement and maintain the
22 statewide tool in a timely manner, subject to the tool's
23 approval by the CEC.

24 Next slide, please.

25 CEC's compliance plan requirements are similar to

1 IOU requirements with two main differences.

2 First, CCAs must evaluate the feasibility of
3 offering their own dynamic rates and, based on that
4 evaluation, offer marginal cost-based rates and/or programs
5 to electricity customers in regulated customer classes by
6 July of 2027.

7 Second, instead of offering their own rates
8 and/or programs, they can adopt and use an IOU's dynamic
9 rate in their service area and offer the rate to their
10 customers to achieve compliance.

11 CCAs submitted their plans to the CEC and CEC
12 staff reviewed the plans on behalf of the Executive
13 Director. Staff provided feedback and technical support to
14 the CCAs in bringing their plans into compliance. Specific
15 areas of modification include updating the plans to confirm
16 adoption of IOU rates, adding information on the statewide
17 tool progress and submission, and confirming timelines to
18 meet the LMS goals. Once modifications were agreed upon
19 and made, the CCAs docketed their final plans.

20 Next slide, please.

21 Staff evaluation. CEC's Executive Director
22 believes the CCAs' revised compliance plans are consistent
23 with the requirements of the LMS regulations. The CCAs
24 have committed to adopting PG&E's rates to comply. They
25 are uploading their time-varying rates to MIDAS and have

1 committed to uploading future rates as required by
2 regulation.

3 The CCAs worked with all regulated entities to
4 design and submit the proposed statewide tool concept as
5 required and have committed to continue working with other
6 parties in the CEC to implement and maintain the statewide
7 tool in a timely manner, subject to the tool's approval by
8 the CEC.

9 Next slide, please.

10 For the purposes of complying with the California
11 Environmental Quality Act, CEQA, staff analysis indicates
12 the approval of the compliance plans is not a project.
13 Additionally, if it was a CEQA project, seven and eight,
14 along with the common sense exemption, would apply. All
15 six compliance plans are consistent with the LMS regulatory
16 requirements. And staff, on behalf of the Executive
17 Director, recommends Commission approval.

18 CEC staff and I would like to thank the IOUs and
19 CCAs for their cooperation and commitment to meeting the
20 LMS regulations. They have been responsive and easy to
21 work with.

22 I and the LMS team are available for questions.
23 Thank you for your time and consideration.

24 CHAIR HOCHSCHILD: Thank you, Scott.

25 We'll go to public comment on Item 5.

1 MS. BADIE: Thank you, Chair.

2 The Commission welcomes public comment on Item 5
3 at this time. If you're in the room with us, you can use
4 the QR code or raise your hand. And if you're on Zoom, you
5 can start using the raise-hand feature on your screen at
6 this time, or star nine if joining by phone.

7 And I will start with folks in the room. Sarah
8 Taheri, if you could please approach the podium? And just
9 a reminder to spell your name for our reporter.

10 MS. TAHERI: Thank you. Good morning,
11 Commissioners. My name is Sarah Tahari, that's S-A-R-A-H
12 T-A-H-E-R-I. I'm here today on behalf of San Diego Gas and
13 Electric in support of this item, and specifically in
14 support of the adoption of SDG&E's LMS compliance plan.

15 First, I want to thank Commissioner McAllister
16 for his leadership in this proceeding. We've been a long
17 road here talking and very much appreciate all of the great
18 think work and collaboration.

19 I also want to thank Mr. Bohan and the Executive
20 Office for the proposed approval of the plan today. And
21 last but certainly not least, staff for the ongoing
22 collaboration in this LMS implementation.

23 I briefly just wanted to comment on one component
24 of the resolution. That's the extension of the date for
25 the Final SST, or Single Statewide Tool, plan to May of

1 2026. We support this extension. We agree with a lot of
2 the staff work and background information that was provided
3 to you on this. It is a complex tool and there's a lot of
4 discussion that has happened to date and that we know will
5 continue to happen over the next year as we work toward May
6 2026.

7 Last fall, the IOUs, CCAs, and POUs filed a joint
8 submittal, a joint load serving entity submittal that
9 outlined an initial approach for how we could get to the
10 plan. It also noted a number of considerations in there
11 and questions that we believe still need to be resolved
12 before we get to May 2026. Those include issues such as
13 just refining the scope of the tool, aligning on procedural
14 elements with the Public Utilities Commission, and cost
15 recovery among others. We know that the CEC staff, and
16 with your direction Commissioners, are looking at these
17 issues. We are here and committed to continuing that
18 conversation.

19 And would lastly just say, encourage the
20 continued conversation, as well, in collaboration with the
21 Public Utilities Commission given the close alignment with
22 this proceeding and their demand flexibility proceeding, as
23 well as the important role they're going to have for many
24 of us LSEs going forward.

25 So thank you very much. Encourage your aye

1 votes. Appreciate it.

2 MS. BADIE: Thank you.

3 Next we're going to hear from Nate Moore. And
4 after Nate, we'll hear from Josh Harmon.

5 Nate if you could approach the podium? And just
6 a reminder to spell your name for our call reporter.

7 MR. MOORE: Good morning, Chair, Vice Chair,
8 Commissioners. Nate Moore, N-A-T-E M-O-O-R-E from Southern
9 California Edison. Good morning.

10 Just wanted to make a brief comment in support of
11 the Commission's approval of our own LMS compliance plan,
12 and thank both leadership and staff for your work to get
13 this across the finish line.

14 And then I also want to express our alignment
15 with the comments that SDG&E just made about ongoing
16 collaboration amongst all the stakeholders on the statewide
17 tool.

18 Thank you very much.

19 MS. BADIE: Thank you.

20 And then next we'll hear from Josh Harmon.

21 Thanks, Josh.

22 MR. HARMON: Josh Harmon, PG&E, J-O-S-H
23 H-A-R-M-O-N. Good morning Commissioners. Glad to be here.
24 Thanks for the opportunity to follow up on Sarah's robust
25 comments.

1 PG&E supports approval of our compliance plan and
2 we'd like to express appreciation for the CEC's ongoing
3 collaboration over the last few years to get us to this
4 point.

5 We'd also like to thank Commissioner McAllister
6 and the CEC staff for your prudence in recognizing the need
7 to further assess the best path forward on the statewide
8 rate tool. I'd only asked that the CEC include LSEs and
9 the CPUC in this process so that we collectively have the
10 best chance of success.

11 We'd also just like to note that it's crucial for
12 the CEC and CPUC to coordinate regulatory efforts on
13 dynamic rates since PG&E is required to have spending on
14 this effort approved by the CPUC. As you know, a clear
15 path to cost recovery makes it possible to invest the
16 resources needed.

17 And I just want to finish by noting that these
18 short presentations often belie the huge amount of effort
19 that goes into getting an item in front of the dais. You
20 guys know that better than anyone else. Just know that if
21 we were in Oakland right now, that the entire PG&E LMS team
22 would be here to commemorate this milestone.

23 Thank you.

24 CHAIR HOCHSCHILD: Thank you.

25 MS. BADIE: Thank you.

1 There are no further comments in the room. I'm
2 going to transition over to Zoom.

3 Alright, Kelly A, I'm going to open your line.
4 Just a reminder to please state and spell your name again
5 for our current reporter. We're asking for comments to be
6 two minutes or less. I'm going to open your line now.

7 MR. ABREU: Thank you. My name is Kelly Abreu,
8 A-B-R-E-U. And as the speaker noted, if we were in
9 Oakland, we'd have all of PG&E here to provide input. If
10 this meeting were being held in Spain, we'd have a lot of
11 electricity users in the room telling you about the
12 importance of frequency rate stabilization to keep the
13 lights on in the entire country.

14 This proposal is talking about dynamic rate
15 signals that are transmitted to a central market, that
16 dynamic rates will supposedly lower prices. Of course,
17 that's a gross oversimplification because dynamic rates
18 will actually cause price spikes over short intervals of
19 time in the interest of overall efficiency, overall lower
20 costs, and overall grid stabilization. But let's not
21 forget that rates will spike. And that is the whole
22 purpose of a dynamic market, is to create those spikes to
23 give the proper signals, the proper market incentives, to
24 the participants in the market, the suppliers and the
25 users.

1 Now, dynamic pricing could provide fast transit
2 response to frequency deviations, but current standards
3 don't mandate this capability. The market-informed demand
4 automation server real-time rate signals could
5 theoretically be synchronized with frequency regulation
6 markets, but they are not in practice. The load management
7 is focusing on probably megawatts of power supply, but not
8 frequency regulation. This tilts the playing field in the
9 market in favor of solar. It disadvantages high-inertia
10 rate-stabilizing suppliers like hydropower, like batteries,
11 and like large thermal plants.

12 And when you're sending these -- we just heard
13 about this nice fantasy, dream picture, of dynamic rates
14 being transmitted instantly to the central market. In
15 practice, these dynamic signals are only transmitted with a
16 certain time lag. And even a minor time lag, milliseconds,
17 gives participants in the markets incentives to jump the
18 gun, hijack those signals, get them in faster, and be
19 front-running the market.

20 Thank you.

21 MS. BADIE: Thank you for those comments.

22 Next, we're going to hear from Doug Karpa. I'm
23 going to open your line, Doug. Just a reminder to please
24 spell your name for our court reporter, and there will be a
25 timer on the screen. We're asking for comments to be two

1 minutes or less.

2 MR. KARPA: Yeah, good morning. Doug Karpa, so
3 it's D-O-U-G, last name K-A-R-P-A, from Peninsula Clean
4 Energy.

5 And I hadn't planned to speak, but I did just
6 want to jump in very quickly to thank staff and the
7 Commission, I think, for what has been a pretty good
8 collaborative process. And it, you know, it has worked
9 pretty well. It's been a long road to get here, and I
10 think we've got a lot more issues to resolve going forward,
11 but it will be an exciting adventure, and I'm looking
12 forward to working with the group on doing that.

13 So I just wanted to commend the staff on a lot of
14 hard work and good diplomacy, and the Commission, thank the
15 Commission for getting us this far, and I'm looking forward
16 to the next chapter.

17 Many thanks.

18 MS. BADIE: Thank you. And we've heard from all
19 the commenters, Chair, so back to you.

20 CHAIR HOCHSCHILD: Okay. Thank you.

21 Before we turn to Commissioner discussion led by
22 Commissioner McAllister on this, I would just
23 appreciate -- we adopted load management standards two
24 years ago or a year and a half ago?

25 COMMISSIONER MCALLISTER: No, it's been three

1 years.

2 CHAIR HOCHSCHILD: Three years ago?

3 COMMISSIONER MCALLISTER: Yeah. Yeah.

4 CHAIR HOCHSCHILD: Okay. Time flies when you're
5 having fun.

6 COMMISSIONER MCALLISTER: Yeah, exactly.

7 CHAIR HOCHSCHILD: So I would just invite you, if
8 you could, just in layman's language, maybe at the outset,
9 just explain exactly what these standards do. I think
10 that's helpful. And then we'll get into discussion.

11 COMMISSIONER MCALLISTER: Absolutely. And I'm
12 going to invite sort of key staff to fill in any gaps that
13 I might leave.

14 So I really appreciate all the presentations,
15 Scott. Thanks very much. This is a lot of iteration with
16 all the covered entities and just within the Commission and
17 just a lot of creative thinking. I'm actually really
18 grateful for this process.

19 I want to just sort of start out by saying, you
20 know, we're doing something new here; right? And it is
21 remarkable if you go back to the Warren-Alquist Act, the
22 original Warren-Alquist Act, right, not even amended, the
23 load management standard authority was in there from the
24 very start. And if you read it, it almost, it's little
25 dated, but it almost could have been written like this

1 year. I mean, it's quite remarkable how visionary Charlie
2 Warren and Al Alquist were in their whole process of
3 putting that legislation together back in the '70s, you
4 know, before the founding of the Energy Commission.

5 And so -- but we're now fully, you know, in the
6 digital age, and really are applying this authority for the
7 first time fully and sort of with a full set regulations
8 and actually -- and now implementing those regulations.

9 And so the idea is to -- I mean, Scott, I think
10 you laid it out high level well, there's -- the idea is to
11 create a platform by which all the time-dependent rates
12 that the utilities have are in a place in the cloud, and
13 that that can serve as sort of the definitive resource for
14 those rates, so they will always be up to date, and so --
15 and API compatible, right, enabled, so that enables now
16 automation at the service provider level, at the site, the
17 facility level, you know, at the utility or the LSE level,
18 if they want to be an aggregator and reach, you know, into
19 individual devices or, you know, different loads that they
20 might want to modulate and aggregate.

21 So that's the overarching idea. And there are
22 some other components, but things that -- you know,
23 California, our regulatory regime is relatively complicated
24 and it's sort of neither fish nor fowl. You know, it's not
25 fully vertically integrated, certainly, and it's not

1 actually sort of fully restructured either. And so we
2 don't have retail competition.

3 And so in a way, the LMS is kind of trying to
4 enable automation in a way that has sort of an organization
5 that can help markets function, even though our utility
6 sector isn't structured exactly that way, right, because
7 there are all these modulatable, these movable loads that,
8 especially with EVs coming on and all the other
9 electrification devices, that we really need to be able to
10 modulate to match up with variable supply. So that's the
11 sort of big picture for load management.

12 It turns out there are a lot of (indiscernible),
13 you know? There's a lot of components to different rates,
14 and that they change monthly in some cases. And so part of
15 the process has been, you know, on the MIDAS side to just
16 understand which components are the ones that really need
17 to be in the MIDAS, and sort of working very closely with
18 the PUC on that one.

19 I agree with the comments that the coordination
20 with the PUC is critical. They do ratemaking for the
21 investor-owned utilities. The boards of the public-owned
22 utilities, SMUD, DWP, and those of the CCAs also do their
23 ratemaking. And so, you know, we really -- there's
24 absolute clarity that that collaboration is critical for
25 success.

1 On the single statewide tool, you know, the idea
2 has been for that to simplify so that customers who want to
3 work with third parties, or whoever they want to work with
4 to sort of modulate their load and to aggregate it and then
5 bid it up into the CAISO market or, you know, however
6 they're going to monetize it, to simplify that connection
7 between a customer service provider and their data; right?

8 And so, again, California is a little bit hybrid,
9 and it's more complicated than it maybe sounds on paper.

10 And so those are some of the issues that I think staff and
11 covered entities and stakeholders have really been working
12 on and why, you know, we're doing this new. A lot of
13 people sort of looking at this, wanting it to succeed, and
14 so, it's a resource for the state, and I think it's
15 demonstrative. Once we make it work, a lot of other people
16 will sort of take a cue and move in that direction.

17 So I guess the CAISO is also very interested. I
18 think, you know, Elliot and his team at Cal ISO really
19 want -- they see the value of aggregated load-based
20 resources and DERs, generally, and are now convening a
21 conversation that's, I think, going to be really helpful to
22 define some of the standards and protocols that will help
23 with aggregation and automation and that sort of thing,
24 too. So I'm really optimistic, actually.

25 I did want to thank staff here, just Scott, thank

1 you, and Gavin Situ, Stephanie Whalen, Heather Bird, let's
2 see, Rajiv Dabir, Scott Blunk, and of course, Mike Sokol,
3 who oversees the Division. Just the team, the verticals on
4 load management standards and the staff that's working on
5 it is just really top-notch, and I just really, really
6 appreciate. Let's see, also, I've left a couple people
7 out, but I'm sorry that I did.

8 But, again, we're doing something really
9 pioneering, I think, here, and so I'm just really gratified
10 that staff's gotten us to the finish line and just all the
11 collaboration with stakeholders and appreciate all the
12 comments. You know, Sarah and Josh, and Nate, really
13 appreciate you, and also Kelly and Doug.

14 So lots of work ahead, but I'm really optimistic
15 that we're -- you know, if we jump forward to sort of full
16 implementation, we're going to really see on those critical
17 days that we're going to have some load-based resources
18 that we can count on in a dispatchable way.

19 And leading up to that, we're going to have
20 leveled our loads day in and day out so that the load
21 shapes, actually, are less challenging to deal with in the
22 first place. So that's a sort of load-modifying resources
23 paired up with more dispatchable supply-side aggregated
24 demand response, let's call it. So both of those work
25 together to really improve and optimize and manage costs

1 and enhance reliability, and also help us in our
2 decarbonization journey. It's really the trifecta here of
3 using demand-side resources in a way that goes really far
4 beyond what we traditionally think of as energy efficiency.

5 So, anyway, that's the sort of way that answered
6 your overall question. And I just also wanted to provide
7 some context in which to appreciate staff and all the hard
8 work that they put in, so thanks.

9 CHAIR HOCHSCHILD: Other Commissioners? Vice
10 Chair?

11 VICE CHAIR GUNDA: Yeah, Chair, thank you.

12 Scott, thank you for the presentation.

13 Again, Commissioner McAllister, to you for your
14 incredible leadership over, you know, not just the last
15 three years but many, many years on thinking about the load
16 side.

17 And just, you know, also want to recognize
18 Heather, you know, Rajiv, Stephanie, for all the work that
19 you're doing on not just the load management stance, but
20 also helping with the event that we're putting together on
21 the 22nd. So really appreciate all your work.

22 I think I just wanted to add a little bit of
23 maybe perspective to what Commissioner McAllister is
24 saying. And, Chair, this has been an important thing for
25 you on kind of thinking about the overall load flexibility.

1 And Senator Skinner and -- Commissioner Skinner, I almost
2 said Senator Skinner, so all the work that you've done at
3 the legislature to kind of operationalize this.

4 I think, you know, the pieces that I really
5 resonate with, you know, some of the comments that were
6 already made is how do we create the conditions for demand
7 flex to be successful. You know, I think there is a lot of
8 value in simplifying, standardizing the kind of regulatory
9 regime that includes rate making; right? So the overall
10 paradigm has to be, you know, as we think about us from the
11 planning side at CEC and creating the common backbone tools
12 and frameworks to operationalize that, has to be really
13 well articulated and in cohesion with the rate making
14 process and the operationalization in a real-time market
15 side.

16 So I think the pieces for us, too, is think about
17 how do we harmonize these efforts to get the maximum
18 opportunity? And I think a couple of observations I want
19 to note, thanks to Liz for all the work she's done on the
20 2021 SB 100 report.

21 You know, you could see from just the resource
22 build, every megawatt of load flexibility at the right
23 time, to your point, Commissioner McAllister, could be in
24 multiple times of reduction in the resource build required
25 on the bulk side. So that's a very clear indication. The

1 analysis keeps showing that over and over. So it's about
2 how do we make sure it's cost effective and reliable, and
3 how operationalize that in a harmonious way between the
4 different lanes of work we have and the regulatory
5 frameworks we have. So, you know, I cannot imagine a
6 better person than Commissioner McAllister to kind of help
7 with that.

8 But I just, you know, Scott, thank you for the
9 presentation and look forward to supporting it.

10 COMMISSIONER MCALLISTER: I want to maybe pitch
11 in one more thing, and I've already talked too long, but
12 this -- I don't know if it's worth it, actually, because
13 this is something, a leadership position that the Energy
14 Commission has, and so I just want to make sure we give it
15 a full sort of hearing.

16 So another part of LMS is that -- load management
17 standards is that we've asked the utilities to go develop
18 more time-dependent rates, more sort of they reflect the
19 cost of service, so hourly and marginal locational. And so
20 we're still working through some of the nuances there, but
21 that obviously has to go through the PUC, and they either
22 approve it or they don't; right? SMUD approves rate that
23 the staff brings to them, or they don't. We're not the
24 rate-making body. But I think that conversation is a
25 really vital one. And so that process is on a longer time

1 frame. It depends on the actual rate case cadence, right,
2 at the PUC, which is every four years for each utility. So
3 that will move forward.

4 I did want to also just respond to the comment
5 about the sort of real-time pricing risk, the comment from
6 the gentleman about that. I think that was Kelly A. So
7 this is not actually -- certainly at this moment, we're
8 talking, basically, hourly pricing changes to accelerate,
9 we expect it to accelerate, but we're not talking about a
10 true real-time price. Even in the pilots that the IOUs are
11 doing, it's not a true real-time price. And so I think,
12 certainly, getting into frequency markets at that scale is
13 just not kind of part of how this works.

14 And so I certainly do understand that concern for
15 true real-time pricing, creating an exposure to wildly
16 variable prices, particularly in a tight system, but that's
17 not what we're talking about here. So I just wanted to
18 sort of make that clear that this doesn't run that risk;
19 right? I've talked about some of the other risks we have.
20 We have difficult, sort of complexities that we're working
21 through, but that's not one of them.

22 And I also, I did want thank Drew. I'd like to
23 thank Drew for all of your sort of, I think, oversight of
24 the process and approval of the plans and all your due
25 diligence and just making sure that everything's moving in

1 the right direction, just that's been invaluable, so thanks
2 very much.

3 CHAIR HOCHSCHILD: Great. Thank you.

4 Unless there's other Commissioners wishing to
5 comment, I would welcome a motion from Commissioner
6 McAllister on Item 5.

7 COMMISSIONER MCALLISTER: Move Item 5.

8 CHAIR HOCHSCHILD: Is there a second from the
9 Vice Chair?

10 VICE CHAIR GUNDA: I second Item 5.

11 CHAIR HOCHSCHILD: All in favor, say aye.
12 Commissioner McAllister?

13 COMMISSIONER MCALLISTER: Aye.

14 CHAIR HOCHSCHILD: Vice Chair Gunda?

15 VICE CHAIR GUNDA: Aye.

16 CHAIR HOCHSCHILD: Commissioner Skinner?

17 COMMISSIONER SKINNER: Aye.

18 CHAIR HOCHSCHILD: Commissioner Gallardo?

19 COMMISSIONER GALLARDO: Aye.

20 CHAIR HOCHSCHILD: And I vote aye as well. Item
21 5 passes unanimously.

22 Thank you, Scott.

23 We'll turn now to Item 6, City of Burbank Water
24 and Power.

25 COMMISSIONER MCALLISTER: Thanks Scott.

1 CHAIR HOCHSCHILD: (Indiscernible.)

2 MR. NEFF: Good morning, Chair, Vice Chair, and
3 Commissioners. I'm Bryan Neff, and I work in the Energy
4 Assessments Division, leading up a publicly-owned utility
5 integrated resource plan review process. Today, I'm
6 presenting staff's review and Executive Director
7 determination of Burbank Water and Power's 2024 Integrated
8 Resource Plan. This is the first of three IRPs being
9 presented today.

10 Next slide, please.

11 First, I'd like to provide some context about
12 integrated resource plans. IRPs are comprehensive planning
13 documents prepared by utilities to help them manage their
14 electricity resource portfolios. The core of an IRP is the
15 planning process itself, generally involving a capacity
16 expansion model. Inputs into this model include the
17 utility's demand forecast, current resource portfolio,
18 transmission and distribution constraints, and other
19 modeling parameters, including renewable energy targets and
20 emission limits. The model is then run to construct
21 potential resource procurement plans. Outputs from this
22 effort yields detailed information ranging from total costs
23 to power plant emissions.

24 As part of SB 350, the 16 largest publicly-owned
25 utilities are required to create IRPs every five years and

1 submit them to the Energy Commission to ensure that they
2 are consistent with state policies. Staff reviews each IRP
3 to make sure it is consistent with state regulations as
4 documented in the POU IRP Guidelines. Staff then provides
5 its recommendation to the Executive Director, who provides
6 a determination of consistency for each IRP. This
7 determination must be adopted by the Commission at an
8 Energy Commission business meeting.

9 Next slide, please.

10 Guidelines follow statute as laid out in Public
11 Utilities Code section 9621. The statute specifies that
12 the IRPs must demonstrate that utility will meet policy
13 targets of GHG emissions and renewable portfolio standard,
14 support just and reasonable rates, minimize impacts to
15 ratepayer bills, ensure system and local reliability,
16 increase the diversity, resilience, and sustainability of
17 the energy system and communities, minimize localized air
18 pollution with a priority on disadvantaged communities, and
19 maintain a diverse portfolio of energy resources.

20 Next slide, please.

21 Burbank Water and Power is a vertically
22 integrated utility that serves 105,000 people in the City
23 of Burbank, located just north of the City of Los Angeles
24 in the Los Angeles Basin. Burbank has roughly 46,000
25 residential accounts and a combined 7,000 commercial and

1 large commercial accounts. Burbank's governing body is the
2 Burbank City Council, which approved this IRP.

3 Next slide, please.

4 This slide shows Burbank's net energy for load
5 and peak demand between now and 2030, the timeframe
6 specified in the Guidelines. Peak demand increases an
7 average of 2.7 percent per year, while the energy increases
8 slightly faster at an average rate of 3.7 percent per year.
9 The drivers of peak demand are electrification of existing
10 load and new residential and commercial developments. The
11 drivers of increased energy consumption are the same, but
12 with the addition of new EV charging. New EV charging
13 accounts for about 25 percent of new energy load. Energy
14 efficiency and behind-the-meter solar reduced demand are
15 included in this forecast.

16 Next slide, please.

17 Burbank is unique in that they provided two
18 modeled scenarios. The two scenarios start from the same
19 resource portfolio and have similar assumptions in the near
20 term. This includes Intermountain Power Plant switching
21 from coal-fired generator to one fueled by natural gas in
22 the summer of 2025. Investments in new geothermal and
23 solar resources starting in 2027 and 2028 are also in both
24 scenarios. These new capacity additions reduce the need
25 for spot market purchases. Expiring contracts of wind and

1 landfill gas are also in both scenarios.

2 New transmission is anticipated in 2035 in this
3 scenario, which will allow the import of out-of-state wind
4 and solar resources to meet future demand.

5 Next slide, please.

6 Burbank's dependable capacity falls with the
7 retirement of coal replacement -- of coal as the
8 replacement generator is smaller in capacity. Burbank has
9 an agreement with LADWP to manage any reliability shortfall
10 in the near term until the additions of solar and
11 geothermal exceed its peak demand. Natural gas plays an
12 essential role in helping Burbank meet its peak demand
13 through 2030.

14 Next slide, please.

15 Burbank's second preferred scenario features the
16 same near-term trends, including the phase-out of coal,
17 increasing renewable procurement, and reduced spot market
18 purchases. This scenario is distinguished by contracting
19 for a small modular reactor coming online in 2030. This
20 significantly increases the amount of energy from nuclear
21 power and reduces energy generated from natural gas.

22 Next slide, please.

23 The second preferred scenario also relies on
24 Burbank's agreement with LADWP to meet its potential near-
25 term reliability shortfall. This scenario also differs

1 from the first in that it invests less in geothermal and
2 more in solar, storage, and solar-plus-storage facilities,
3 which helps Burbank meet its peak demand. Like the first
4 scenario, its natural gas generators are still needed for
5 peak demand reliability.

6 Next slide, please.

7 In summary, Burbank has multiple pathways to
8 succeed. Both include the phase-out of coal and
9 investments in geothermal and solar generation. Beyond the
10 required study period, Burbank includes fuel switching of
11 its natural gas fire generators to green hydrogen in 2035.
12 The two preferred scenarios diverge in 2030, with one
13 prioritizing interstate transmission to bring in wind and
14 solar power, while the other features a small module
15 reactor.

16 Burbank is facing some challenges ahead. New
17 transmission has a long lead time and the commercial
18 availability of small modular reactors and hydrogen
19 generation beyond the utility's control. Burbank prides
20 itself on maintaining reasonable rates for its customers
21 and is concerned about the cost of new capital investment.
22 Burbank is looking for cost sharing opportunities at the
23 state and federal level to help offset these new
24 expenditures.

25 Burbank is also concerned about CARB's

1 accelerated GHG targets. Moving this target means
2 additional investment will be necessary, which means
3 increased rates for its customers.

4 Next slide, please.

5 In conclusion, staff found that Burbank's IRP is
6 consistent with the statutory requirements of Public
7 Utilities Code section 9621, including meeting GHG targets,
8 RPS goals, just and reasonable rates, system reliability,
9 and reducing air pollutants.

10 Next slide, please.

11 Staff recommends the Commission approve the order
12 adopting the determination that Burbank Water and Power's
13 IRP is consistent with the requirements of Public Utilities
14 Code section 9621.

15 Thank you for your time. I'm available to answer
16 any questions you may have.

17 Also, a representative from Burbank, Mandip
18 Samra, is present and would like to make some public
19 comments.

20 VICE CHAIR GUNDA: Thank you, Bryan.

21 Let's move to a public comment on the item.

22 MS. BADIE: Hi, Vice Chair. We're going to have
23 the representative from Burbank come speak, and then we'll
24 start public comment.

25 And if you could just spell your name when you

1 approach the podium for a court reporter, it's really
2 helpful. Thank you.

3 MS. SAMRA: Great. My name is Mandip Samra,
4 M-A-N-D-I-P, last name is Samra, S-A-M-R-A. I'm the
5 General Manager of Burbank Water Empower, and I also led
6 the efforts for the IRP when I was the Assistant General
7 Manager of Power Supply.

8 One of the things I want to highlight about
9 Burbank's IRP is we did it with full transparency in mind.
10 We had nine stakeholder technical advisory groups made up
11 of community members from all different ratepayer aspects,
12 from large commercial, small commercial, residential,
13 sustainability, affordability, and reliability advocates.

14 We also did four community town halls on this
15 IRP. It does have significant rate impacts. We are one of
16 the lowest rates in Southern California. We pride
17 ourselves on that.

18 We also have a lot of issues with how we're going
19 to bring in hydrogen to our combined cycle power plant on
20 our campus. We're trying to work with Angeles Link and the
21 other projects, ARCHES, that's out there, but we're about
22 seven miles short of getting a pipeline to Burbank, so we
23 have to be mindful of that. We're not going to be shipping
24 in via, you know, not going to ship it in via diesel
25 trucks. So we really need to find partners and we need

1 some funding sources for that too. We've looked at carbon
2 capture and storage. You need four acres. We don't have
3 that space in the metropolitan area to do that with the
4 combined cycle.

5 So I think in the future, we just really need to
6 look at options that are going to be viable and they're not
7 viable right now with the technology that exists. We made
8 a lot of assumptions here that I made in the IRP that the
9 technology will exist in the future. SMRs, the small
10 modular reactors, are actually under construction right
11 now. We're looking to actually hopefully contract with a
12 couple, but we don't have transmission. So that's the
13 other challenge.

14 Renewables is the third challenge. We really
15 cannot find enough contracts. Everyone's going after the
16 same contracts. I'm not going to pay fourfold or fivefold
17 for a resource that is not worth it. So it's just a lot of
18 challenges.

19 But I really am grateful for you to approve of
20 the IRP today. It took a lot of effort from our team. It
21 was a year and a half effort. And in one year, we're
22 starting the next cycle.

23 So thank you. If there's any questions, I'm here
24 to answer them.

25 MS. BADIE: Thank you, Mandip. We'll move to

1 public comment now.

2 Alright, so the Commission welcomes public
3 comment on Item 6 at this time. If you're in the room, you
4 can raise your hand or use the QR code. If joining by
5 Zoom, you'll use the raise-hand feature on your screen or
6 star nine if joining by phone. And I'm just giving that a
7 moment.

8 Alright, I am not seeing any raised hands of
9 items, so back to you, Vice Chair.

10 VICE CHAIR GUNDA: Thank you, Mona.

11 Mandip, thank you for being here. And thanks for
12 your comments. And, you know, just before we go to the
13 Commissioner comments or questions, I just want to
14 recognize, you know, the unique relationship that the CEC
15 has with publicly-owned utilities. I think it's really,
16 for me, you know, just one public servant to another, and
17 it's important for us to have, you know, strong
18 collaborative partnership as you move forward. And as I
19 see, there are some ambitious goals, you know, the goals.
20 And thanks for hosting the Energy Commission in Burbank.
21 And I can recognize both the ambition, which is needed,
22 rightfully so, but also the challenges that, you know,
23 whether it's transmission, you know, kind of having access
24 to hydrogen for some of the firm power that you're looking
25 for.

1 So overall, you know, want to support, but also
2 have, you know, opened the conversation for ensuring that
3 there is a clear partnership, you know, that the state is
4 here to support the transition of different LSEs and POUs.

5 Also want to note, you know, the importance of
6 some of the comments we've heard from the publicly-owned
7 utilities. You know, we've developed a forum, thanks to
8 our Executive Office with Drew, to thinking about how do we
9 streamline some of the work we do with the publicly-owned
10 utilities that allows for that, you know, kind of
11 regulatory space to maximize our partnership. So we're
12 looking into all of that.

13 So with all those comments, I wanted to, Mandip,
14 maybe ask you a couple of questions before I pass it to the
15 other Commissioners who might have questions.

16 You know, as you noted on the transmission pieces
17 and on the hydrogen pieces, could you elaborate from the
18 city council's perspective, as you work through this, you
19 know, the rate at which you can make the zero-carbon goals?
20 Any light you want to shed on what can be done, what sort
21 of help you need? I mean, you said funding, but anything
22 else on the transmission and hydrogen?

23 MS. SAMRA: Yeah, definitely. I'll start with
24 the transmission piece. We are under the balancing
25 authority of Los Angeles, so we do not have access to

1 CAISO. I know there's an EIM and the EDAP market that's
2 starting. However, the cost to transition Burbank to that
3 would be tens of millions of dollars in additional staffing
4 as well. I've been there from a CAISO utility when we
5 transitioned to MRTU. It took two years and over \$10
6 million and a lot of staff time. So we have to be mindful
7 of that.

8 We're trying to partner with two different
9 entities to look for interconnection with transmission.
10 One, if it's expedited, will be six years, the other one
11 over 15 years if we were to start today. I would be the
12 lead of that effort, but I can't be leading that and also
13 be running the utility. So it's going to be a little bit
14 difficult to find that subject matter expertise because
15 it's not going to -- it can't be me. So that's one of the
16 challenges of just getting it started, finding that
17 partnership. It's going to be a billion dollars to do an
18 interconnection. So that's the other thing. We have to
19 take out major bonds.

20 On the SMR, what was the other question? Was it
21 on the renewables or --

22 VICE CHAIR GUNDA: Hydrogen access.

23 MS. SAMRA: For hydrogen access, the difficulty
24 is the pipeline; right? We need a pipeline access to that
25 hydrogen. And if it's going to be green hydrogen, where is

1 it going to be piped in from? The Intermountain Power
2 Project, which has the salt caverns, which we are part of,
3 has an easy location to be able to do the electrolyzer for
4 the hydrogen. Burbank doesn't; right? We don't have the
5 space. We don't have the luxury of having neighbors being
6 okay with building pipelines as well. So it's just going
7 to be extremely difficult. The only way it's going to
8 happen is if the state and the agencies kind of work with
9 us to get it to happen.

10 We actually had to push our way in to the
11 dialogue on the pipelines. We weren't invited to the
12 table. And that was a little difficult to hear because our
13 Magnolia Power Project keeps the Southern California region
14 power on and reliability high. We need to make sure we do
15 everything possible to keep that power plant on.

16 VICE CHAIR GUNDA: Thank you, Mandip.

17 Commissioner McAllister?

18 COMMISSIONER MCALLISTER: Well, Mandip, thank you
19 so much for being here and for just all the innovation
20 Burbank does and the leadership that Burbank embodies, both
21 on the power side and the water side, actually.

22 And let's see, I did want to just ask, I mean,
23 the sort of evolution of geothermal, the expansion of that
24 wedge over the next, you know, half decade or more is
25 notable there in your plan, and I guess I wanted to ask a

1 little bit about what technologies you're looking at. You
2 know, are you thinking jointly with SCPPA or sort of like
3 what does that look like for Burbank?

4 MS. SAMRA: So that specific piece was based on
5 the transmission policy planning process with LADWP that's
6 public. So they meet every quarter. The last four
7 quarters, they had a focus on geothermal from Imperial
8 Irrigation District and building transmission to Imperial
9 Irrigation District. So that's where that comes from.

10 Originally, we were looking in Utah. There were
11 a couple of projects there that we were working to
12 negotiate. Those fell off and went to some CCAs. So that
13 project is no longer a viability, so we're basing it on the
14 long-term planning process from LADWP, what was publicly
15 available.

16 COMMISSIONER MCALLISTER: Okay. Great. I've
17 heard, yeah. Okay, so that's kind of why I asked, because
18 the CCAs are talking about geothermal that's not, you know,
19 sort of transmitted from Salton Sea area that's sort of
20 local to them. And that's been a surprise to sort of see
21 that come up. And it's based on some new technologies that
22 allow you to use, you know, advanced drilling to have a big
23 enough delta T to be able to do that with geothermal.

24 So just, but you're not thinking along those
25 lines for building your own plant? Or, I guess, maybe it's

1 another question. You're thinking of that being like in
2 a -- together with other SCPPA utilities?

3 MS. SAMRA: That would be the hope. With us
4 being a smaller utility with a peak load of a little bit
5 over 320 megawatts --

6 COMMISSIONER MCALLISTER: Yeah.

7 MS. SAMRA: -- we would have to partner with
8 others. We're really looking at 25 to 40 megawatts of
9 geothermal. It really depends on when it starts because
10 it's a ramp up. So we'd have to partner with LADWP
11 balancing authorities, so it's really going to be either
12 L.A., Glendale, the Burbank, but ideally all three because
13 the geothermal projects are usually a couple hundred
14 megawatts.

15 COMMISSIONER MCALLISTER: Yeah.

16 MS. SAMRA: They can't just take 50. So that is
17 the assumption.

18 COMMISSIONER MCALLISTER: Yeah. Okay. Great.
19 Thanks very much. Very impressive. Thanks for being here.

20 MS. SAMRA: Thank you.

21 VICE CHAIR GUNDA: Yeah, thanks again, Mandip.

22 Before I pass it to the Chair for the Board, I
23 think just it's going to be a consistent theme for me for
24 all the IRPs. Just 30,000-foot level, I want to recognize
25 all the POUs for the work we do together. I think we are

1 learning a lot, you know, from the POU IRPs, which we're
2 able to incorporate into the broader state planning, the SB
3 100 and such, so it's a total process. So I appreciate
4 your openness, but also the proactiveness in working with
5 us.

6 I also want to just thank our staff. You know,
7 we have a lot of staff work on different IRPs, but for
8 this, Bryan, to you, Elyssa, and also Brian McCullough, the
9 three of you for the work on this item.

10 I also want to recognize for the record, but
11 also, you know, to my colleagues on the Commission, much of
12 the work that we are trying to do at a state level actually
13 kind of happens at the local level and then the impacts of
14 health at the local level. And it's important for us to
15 kind of recognize the partnership on how the state goals
16 and the local needs and goals kind of have a good handshake
17 and the processes are well-established to enable the local
18 governments to succeed.

19 Also, I want to say, Burbank specifically, you
20 know, thanks to, you know, being open for us not only on
21 these items but others to continue to work with us. So
22 overall, super excited to support you and do not envy your
23 job as you move forward. So thank you and look forward to
24 supporting the item.

25 CHAIR HOCHSCHILD: Are there any other --

1 COMMISSIONER GALLARDO: May I please speak, too?

2 CHAIR HOCHSCHILD: Yeah, yeah, please,
3 Commissioner.

4 COMMISSIONER GALLARDO: Yeah, first, I want to,
5 I'm grateful for the thorough presentation. That was
6 really helpful.

7 Also, Mandip, grateful to you for being here,
8 speaking to us, also just being very candid about the
9 challenges that you're facing. I think that's really
10 helpful to us to better understand where we can step in and
11 lean in, so much appreciated.

12 I also want to echo Vice Chair Gunda's comments
13 about the importance of the partnership that we have with
14 the POUs and MOUs. I've been seeing that through the RPS
15 program, which I lead. And so, again, I think it's really
16 valuable and we need to be candid with each other to be
17 able to get -- move forward. And we're not able to get to
18 our -- accomplish our mission of a 100 percent clean energy
19 future for all Californians without valuable partners like
20 this.

21 So I did have a question. I'm not sure if this
22 would be best answered by a presenter or by Mandip, but my
23 question is, I did have a question about geothermal that
24 was answered. So, thank you, Commissioner McAllister, for
25 bringing that up. I was curious about the small modular

1 reactor scenario. I think it was mentioned that that was
2 already under construction. I was just curious where that
3 is located.

4 MS. SAMRA: So there are currently SMRs under
5 construction, but it wasn't this specific one. This
6 specific one was looking at new scale. That project ended.
7 It was an Idaho National Lab project that we were looking
8 at.

9 We currently signed an NDA with another nuclear
10 provider, so we are looking at that. We're going to
11 continue to move forward with that. It's actually going to
12 be located in one of two areas, either Utah or Pacific
13 Northwest. So that is what we're currently looking at.
14 The one that we planned in here deviated because that
15 project is no longer moving forward.

16 COMMISSIONER GALLARDO: Got it. Thank you so
17 much. That's very helpful.

18 CHAIR HOCHSCHILD: Thank you.

19 COMMISSIONER GALLARDO: Great project.

20 CHAIR HOCHSCHILD: Unless there's any other
21 Commissioners wishing to make comments, I would welcome a
22 motion from the Vice Chair on Item 6.

23 VICE CHAIR GUNDA: Yeah, move Item 6.

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

1 COMMISSIONER SKINNER: Second.

2 CHAIR HOCHSCHILD: All in favor, say aye.

3 Vice Chair Gunda?

4 VICE CHAIR GUNDA: Aye.

5 CHAIR HOCHSCHILD: Commissioner Skinner?

6 COMMISSIONER SKINNER: Aye.

7 CHAIR HOCHSCHILD: Commissioner McAllister?

8 COMMISSIONER MCALLISTER: Aye.

9 CHAIR HOCHSCHILD: Commissioner Gallardo?

10 COMMISSIONER GALLARDO: Aye.

11 CHAIR HOCHSCHILD: And I vote aye as well.

12 We'll turn now to Item 7, City of Redding Utility
13 IRP.

14 MS. TAVARES: Good morning, Chair, Vice Chair,
15 and Commissioners. My name is Alyssa Tavares, and I am
16 with the Energy Assessments Division at the California
17 Energy Commission. I will be presenting on the City of
18 Redding Electric Utilities Integrated Resource Plan. This
19 presentation will discuss why the Integrated Resource Plan,
20 or IRP, is consistent with requirements of Public Utility
21 Code section 9621.

22 Next slide, please.

23 An IRP is a comprehensive planning document that
24 describes how the utility will meet the standards already
25 described in Bryan's previous presentation. These IRPs are

1 submitted to the CEC for review.

2 Next slide, please.

3 An IRP must address the following statutory
4 requirements as discussed previously.

5 Next slide, please.

6 The City of Redding Electric Utility is a
7 vertically integrated utility serving the City of Redding.
8 Redding is home to approximately 92,000 people. Its
9 service territory is located in Northern California and can
10 be seen on the right-hand side of the slide. It is the
11 smallest utility in California that is required to file an
12 IRP. Their 2024 IRP was approved during a conclusive
13 workshop with a stakeholder group prior to them submitting
14 it with the CEC.

15 Next slide, please.

16 This shows the net energy for load and peak
17 demand while focusing on a planning horizon up to the year
18 2030. We can see that there is a relatively flat trend up
19 until the year 2030. To further elaborate, Redding's peak
20 demand was 224 megawatts in 2023, and is projected to grow
21 to 227 megawatts in 2030. This is an average annual
22 increase of 0.15 percent. This can be seen on the dotted
23 line of the graph.

24 Redding's total net energy for load was 731
25 gigawatt hours in 2023 and is projected to grow to 753

1 gigawatt hours in 2030. This is an average annual increase
2 of 0.42 percent. This can be seen on the solid blue line
3 of the graph.

4 There are three factors that keep the load
5 forecast steady through 2030. Behind-the-meter solar is
6 forecasted to increase. There is expected lower overall
7 net migration and economic outlook, and typical household
8 appliances are assumed to gain efficiency. The increase in
9 peak demand will largely occur after the year 2030, which
10 will be driven by increased electrification in the
11 forecast.

12 Next slide, please.

13 This graph shows the supply to meet net energy
14 demand. As seen in the graph, there are more spot market
15 purchases than sales in 2023. Starting in 2025, there are
16 more spot market sales. Also in the year 2025, index plus
17 renewable PPAs come online. These PPAs consist of solar
18 and wind, and Redding continues to get natural gas from
19 their main power plant.

20 Starting in 2031, which is beyond the horizon
21 shown on the graph, there is expected to be an increase in
22 solar and eight-hour battery storage.

23 Next slide, please.

24 Defendable capacity is the expected availability
25 of energy from the resources at the time of the annual

1 peak. We can see that there is an adequate reserve margin.
2 Redding Power Plant continues to provide natural gas to
3 meet peak demand. Wind is the largest renewable resource
4 in their portfolio up to 2030. The wind comes from a
5 contract with Bighorn, which expires in 2031. As load
6 grows beyond 2031, battery is expected to provide
7 incremental support.

8 Next slide, please.

9 Redding's Net-Zero Carbon 2045 Scenario is part
10 of their vision for the future and is their preferred plan.
11 This scenario retains reliability in addition to
12 affordability, is expected to meet renewable energy
13 mandates and GHG goals by 2045, and the costs of this
14 scenario closely align with their current portfolio. This
15 is due to the solar and storage resources that will be
16 acquired operating at rates similar to those in the market.
17 In the years beyond 2030, they expect to procure solar and
18 eight-hour batteries.

19 Redding also faces some challenges. Although we
20 focused on our horizon up to 2030, Redding will make some
21 decisions ahead. This is due to updated renewable energy
22 mandates and goals that led them to evaluate a planning
23 portfolio beyond the 2030 horizon. There is a possibility
24 for the Bighorn Wind resource to be extended beyond 2030.
25 This would result in increases in fixed and variable costs

1 for this resource.

2 Next slide, please.

3 Redding's IRP is consistent with the following
4 statutory requirements, which were discussed previously in
5 Bryan's presentation.

6 Next slide, please.

7 CEC staff recommends the adoption of the
8 determination that the City of Redding electric utilities
9 IRP is consistent with requirements of public utilities
10 code section 9621. I would like to extend my thanks to
11 Lisa Casner and Nick Rosso from Redding Electric Utility.
12 Lisa Casner is available from Redding Electric Utility for
13 remarks.

14 Thank you, and this concludes my presentation.

15 CHAIR HOCHSCHILD: Thanks.

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

17 MS. BADIE: Chair, before we begin public
18 comment, we'd like to invite Lisa from Redding Utility --

19 CHAIR HOCHSCHILD: Oh, yeah.

20 MS. BADIE: -- to make remarks, and then I'll
21 begin public comment.

22 CHAIR HOCHSCHILD: Very well.

23 MS. CASNER: Hi, good morning. I'm Lisa Casner,
24 L-I-S-A C-A-S-N-E-R. I'm the Long-Term Planning Manager
25 for Redding Electric Utility.

1 And first, I want to thank you for the
2 opportunity to provide comments today, and I wanted to take
3 the opportunity to thank CEC staff for all of the work and
4 time that they have put into the review of our IRP.

5 Like Alyssa mentioned, we're the smallest
6 publicly-owned utility in California required to file an
7 IRP, and as a small utility, that means that we all wear
8 many hats, and so this was a significant undertaking for
9 staff. We worked on really in-depth studies for about two
10 years, looking at our transmission and distribution
11 systems, updating our electrification forecasts, and
12 working with stakeholder groups.

13 We actually had a stakeholder group that we went
14 through a series of workshops with to basically turn them
15 into resource planners and ensure that they understood what
16 the integrated resource planning process meant, and that
17 they represented a diverse group of community members. So
18 through that process, we were able to share a lot about the
19 utility and the concerns and challenges that we're faced
20 with.

21 We are also a designated low-income community,
22 and 38 percent of our customers live in disadvantaged
23 census tracts. So maintaining affordability as we're
24 balancing the need for reliability and clean energy
25 mandates is really critical for us.

1 One of the significant challenges that we're
2 faced with is we have some legacy contracts that will be
3 exiting our portfolio around the 2030-2031 timeframe, like
4 Alyssa mentioned. And as we're looking at starting to work
5 on contracts to replace those resources, having to meet the
6 RPS requirements along with the carbon-free requirements
7 means that we're having to look specifically at resources
8 within the California footprint, and it's limiting the
9 availability of the type of resources that we can procure.
10 So it's really limited to solar and battery storage, is
11 what we're finding is available, which is a concern for us
12 being a small utility. Maintaining a diverse portfolio is
13 really important to having that reliability.

14 So that's one of the challenges that we're seeing
15 is, you know, the conflict of trying to meet the bucket
16 requirements while meeting the carbon-free requirements and
17 trying to maintain the reliability.

18 So I just wanted to address that, but really
19 wanted to just make sure that we reiterated the time and
20 planning that went into developing this IRP. We really
21 didn't want this to be a check-the-box document. We tried
22 to really produce something that was meaningful and that
23 could help the utility in that future planning and make
24 sure that we're moving toward a path of balancing those
25 three criteria, like I mentioned, reliability,

1 affordability, and clean energy mandates for our community.

2 And again, just wanted to extend thanks to the
3 staff who really provided feedback to us, provided guidance
4 to us along the way. I think it was a notable difference
5 from the 2019 IRP process. They really held our hand
6 through this, and we really appreciate the collaboration
7 and the continued partnership with you guys. So thank you
8 for that.

9 CHAIR HOCHSCHILD: Yeah, thank you for being
10 here. You traveled far. And I just want to say, you don't
11 have to be a big utility to make a big difference. In
12 fact, the constellation of the smaller utilities
13 collectively matters a lot. So thank you so much for all
14 your hard work.

15 Any other comments?

16 MS. BADIE: One moment, Chair.

17 If there's anyone who'd like to comment on Item 7
18 at this time, can you please raise your hand in the room?
19 If you're on Zoom, use the raise-hand feature, or star nine
20 if joining by phone.

21 Alright, I'm not seeing any comments for Item 7,
22 so back to you, Chair.

23 CHAIR HOCHSCHILD: Okay. Thank you.

24 We'll go to Commissioner discussion, starting
25 with the Vice Chair.

1 VICE CHAIR GUNDA: Yeah. Thank you. And thanks
2 for being here. Just a quick question. And thank you for
3 kind of noting the challenges, especially because of the
4 size and the needs on both the RPS and the clean energy
5 goals.

6 I'm seeing in the presentation that there is
7 quite a bit of reliance on spot rates as you move forward.
8 Just wanted to -- from a planning perspective, how you see
9 the resiliency that you have with transmission and
10 distribution, anything that you could comment on, how
11 well -- how resilient do you feel like you are within the
12 balancing area?

13 MS. CASNER: I think that we're pretty well
14 positioned as far as our transmission and distribution. So
15 I would say one of the issues being in Northern California
16 is having projects that are in that area that we can bring
17 along and bring to load. So we're not a carousel
18 (phonetic) utility, we're in bank, and so that's probably
19 the biggest challenge is trying to overcome that hurdle.
20 But as far as our local distribution and transmission
21 system, we're well resourced.

22 VICE CHAIR GUNDA: Great. It's kind of a second
23 quick question on, I see kind of the dependable capacity,
24 the overall natural gas doesn't go down in terms of the
25 capacity needs, but the usage goes down. And this is

1 something that we're seeing as we have more and more
2 intermittent resources kind of supporting the clean energy
3 goals. You're still having to carry that capacity for, you
4 know, peak times, you know, our frequency management.

5 Will you just talk about the kind of rate impacts
6 on kind of having to do with this transition for a utility
7 like yours?

8 MS. CASNER: Yeah, I mean, it's significant.
9 Obviously, we have the resource that provides the resource
10 adequacy and capacity that we need. And so it definitely
11 creates some challenges as we're going forward and having
12 to, essentially, over resource. And so it really makes it
13 where we have to go out and ensure that those resources
14 that we're procuring are cost effective, that it fits
15 within the current portfolio. Like you mentioned, we have
16 our natural gas power plant. We have to keep that online
17 for peaking, which creates a significant cost impact going
18 forward.

19 And so it just makes it really critical as we're
20 going out and looking at new contracts, which, like I
21 mentioned, we have our wind contract that's going to expire
22 in 2031 and maybe even earlier. So we're looking at other
23 contracts that can come online and replace that.
24 Obviously, now we're faced with tariff issues and tax
25 credit issues. And so that's something that we're really

1 cognizant of and really concerned about having a short-term
2 issue like tariffs and tax credits end up in a long-term
3 contract, so just all the things that we're considering and
4 trying to weigh against that affordability criteria and
5 really trying to manage those costs for our customers.

6 VICE CHAIR GUNDA: Yes, as far as that, one more
7 kind of like you heat up really well in your second thing.
8 So we are kind of observing that overall the liquidity in
9 the market has increased, right, so in terms of steel in
10 the ground, and that's putting some downward pressure on
11 the audited prices. And what we kind of are observing,
12 again, you know, some of the numbers we see that the
13 overall PCC1 bucket is also dropping. Is that consistent
14 with your observation?

15 And also given this, whether it's demand
16 uncertainty or tariff uncertainty, your approach for PPAs,
17 is it kind of because of the uncertainty, are you having to
18 pick short-term contracts versus long-term contracts that
19 might be actually beneficial?

20 MS. CASNER: We're definitely looking for long-
21 term contracts, but in addition to the RECs, we need the
22 energy and capacity. So, yes, we're seeing the PCC1 prices
23 coming down, which is helpful. But in looking at those
24 contracts, we really need long-term contracts and we need
25 the capacity to backfill those projects that we have

1 leaving our portfolio.

2 So we're not looking at short-term contracts at
3 this point. We've been working with our JPA to go to
4 renewable projects that are out there that have RFPs out
5 there right now. And the projects that we're seeing are
6 mainly long-term projects. They're mostly solar-plus-
7 storage coming on in the 2030 timeframe. And, you know,
8 with the tariff issue, what we're actually seeing is
9 they're saying, well, if you extend the online date of the
10 project, then we can provide some certainty around pricing.
11 But that becomes an issue where we need it to come on in a
12 certain timeframe. And so delays of those projects is now
13 a concern in terms of reliability for us.

14 VICE CHAIR GUNDA: Awesome. Thank you so much
15 for taking the time to answer those questions. And I
16 think, again, just repeating the sentiment, you know, that
17 we raised in the previous one, really, this is a
18 partnership. I look forward to continuing working
19 together. And I thank you for recognizing the staff and
20 their support and collaboration. I think that's something
21 that the staff take very seriously in recognition of our
22 work together as partners, so thank you so much.

23 And I want to recognize Alyssa. Thank you for
24 the presentation and I look forward to supporting the item.
25 Thanks.

1 CHAIR HOCHSCHILD: Thank you so much.

2 Unless there's other comments --

3 COMMISSIONER MCALLISTER: Just one --

4 CHAIR HOCHSCHILD: Yeah.

5 COMMISSIONER MCALLISTER: -- one other comment.

6 CHAIR HOCHSCHILD: Please, Commissioner
7 McAllister.

8 COMMISSIONER MCALLISTER: I'm just looking at the
9 slide on the energy supply evolution sort of out to 2030.
10 And I might have missed this in the presentation, but, you
11 know, right now, you're in that -- you're buying on the
12 spot market, and then 2025, a bunch of solar comes online
13 and you sort of turn into a net exporter. I'm imagining
14 that said, the graph is about energy; right? So it doesn't
15 talk about capacity.

16 But I guess could you sort of describe what that
17 looks like? It looks sort of you have a bunch of -- you're
18 not turning around and selling the solar on the spot
19 market. I'm sure you're sort of dispatching appropriately.
20 But sort of, what does that mean for operation --
21 operationally for Redding?

22 MS. CASNER: I don't manage our short-term
23 operations, so I don't want to be speak out of turn.

24 COMMISSIONER MCALLISTER: Okay.

25 MS. CASNER: But I think what that might be

1 referencing is an index plus contract that we have for
2 renewable energy credits.

3 COMMISSIONER MCALLISTER: I understand. Okay.

4 MS. CASNER: So it would actually be energy for a
5 system that liquidates into CAISO. So that might be a
6 little bit misrepresented.

7 COMMISSIONER MCALLISTER: Oh, got it. Okay.

8 MS. CASNER: And that's usually true of any
9 energy.

10 COMMISSIONER MCALLISTER: Yeah. Okay. Okay. So
11 I appreciate that. I won't dig into more of that but
12 that's helpful context. Thanks.

13 MS. CASNER: Thank you. Really appreciate you
14 being here. And would just echo the comments to staff.
15 And thanks to staff and Redding for all the good work. I
16 really appreciate it.

17 MS. CASNER: Appreciate that.

18 CHAIR HOCHSCHILD: Unless there's further
19 discussion from my colleagues --

20 COMMISSIONER GALLARDO: I have comments, Chair.

21 CHAIR HOCHSCHILD: Oh, please go ahead. Go
22 ahead, Commissioner Gardner.

23 COMMISSIONER GALLARDO: Thank you. I also want
24 to express gratitude for you coming, especially in person,
25 to join us here. I wanted to uplift something different

1 than what my fellow Commissioners just talked about.

2 One, I appreciate you sharing the demographics.
3 I think it's important to know who the customers are, you
4 know, how they could potentially be affected. So just a
5 quick highlight on that.

6 And then also, I wanted to applaud you for
7 sharing that exercise you did of having -- you know,
8 building out a group of participants, training them to help
9 you in, you know, participating in this overall process of
10 coming up with the IRP. I think that potentially could be
11 a best practice we use and so that's why I appreciate you
12 sharing it. And I'm just wondering if you'd be willing to
13 share a little bit more detail on what you did there --

14 MS. CASNER: Absolutely.

15 COMMISSIONER GALLARDO: And then, also, the
16 outcomes, you know, are they excited to participate
17 further? Are they, you know, exhausted and want to break?
18 I'm just curious.

19 MS. CASNER: Yeah, definitely. So it was
20 actually a really rewarding project for us to work on. As
21 resource planners in this group, I mean, obviously, we're
22 all very passionate about what we do. And it's not very
23 often that we get the chance to share that with other
24 people.

25 So what we did is we put together a panel of

1 about 10 stakeholders from a variety of groups. We had
2 tribal members, we had environmental groups, we had
3 representatives from our low-income communities, just
4 different community members, and just people kind of like
5 off the street. And we put together a series of five
6 different workshops. And so we had presentations that went
7 through. Each one of those was about two hours. So it was
8 quite a time commitment for the people who were involved.

9 And we started out with kind of a 101, what is
10 resource planning? Went through the different types of
11 resources. We went through load forecasting. We went
12 through, you know, what is an intermittent resource versus
13 a dispatchable resource. And by the time that we got to
14 the end, we were able to really demonstrate to them how
15 critical our power plant is in maintaining reliability.

16 I'm sure you're all familiar with the car fire
17 that happened in Redding, and the natural gas power plant
18 was what was able to keep us from rolling blackouts during
19 that time. So I think they really recognized that. And
20 after going through the series with us, they just had a
21 much better understanding of what power planning means and
22 how it impacts rates.

23 And so while some of the people said they would
24 prefer us to go to a 100 percent clean energy portfolio,
25 they recognized that we need to have the reliability. So

1 we presented to them with a couple of options and said, you
2 know, here we could go to 100 percent zero carbon, or we
3 could do this 100 percent net-zero carbon and explained the
4 difference of those two scenarios. And ultimately, they
5 chose the net-zero carbon and said, we recognize how
6 critical the natural gas plant is for maintaining
7 reliability. We would encourage you to try to meet those
8 net zero carbon goals as soon as possible, but we
9 understand the importance of maintaining reliability.

10 So I think it was great. And it sailed through
11 our council meeting, and we had all the support from those
12 stakeholders as we went through that process. So we really
13 enjoyed it. I think it really formed some great
14 relationships for us. And I think it was just a great
15 overall process.

16 CHAIR HOCHSCHILD: Great. Thank you.

17 COMMISSIONER GALLARDO: Yeah, thank you.

18 I just want to comment, I think that that also
19 builds more trust with the utility when you have to make
20 these really critical decisions. So, again, just want to
21 applaud you for doing all that. And I think this is
22 something that we can also share with other utilities, you
23 know, the practice that they can apply. So thank you.

24 MS. CASNER: Thank you so much.

25 CHAIR HOCHSCHILD: Alright, I would welcome a

1 motion from the Vice Chair on Item 7.

2 VICE CHAIR GUNDA: Yeah, move Item 7.

3 CHAIR HOCHSCHILD: Is there a second from
4 Commissioner Gallardo?

5 COMMISSIONER GALLARDO: I second.

6 CHAIR HOCHSCHILD: All in favor, say aye.
7 Vice Chair Gunda?

8 VICE CHAIR GUNDA: Aye.

9 CHAIR HOCHSCHILD: Commissioner Gallardo?

10 COMMISSIONER GALLARDO: Aye.

11 CHAIR HOCHSCHILD: Commissioner Skinner?

12 COMMISSIONER SKINNER: Aye.

13 CHAIR HOCHSCHILD: Commissioner McAllister?

14 COMMISSIONER MCALLISTER: Aye.

15 CHAIR HOCHSCHILD: And I vote aye as well. At
16 this time, we're going to recess for closed session.

17 Let me also note that Item 13 is being pulled
18 from the agenda and will not be heard today.

19 With that, let me go to our Chief Counsel.

20 MR. RANCHOD: Thanks, Chair.

21 The Commission will now go into closed session to
22 discuss Item 17d. Pursuant to Government Code section
23 11126(e), Commissioners may discuss any judicial or
24 administrative proceeding that was formally initiated after
25 this agenda was published or determine whether facts and

1 circumstances exist that warrant the initiation of
2 litigation or that constitute a significant exposure to
3 litigation against the CEC.

4 CHAIR HOCHSCHILD: Okay, and we're going to
5 reconvene here at 1:15. Thanks, everybody.

6 (Closed session was convened from 12:18 p.m.
7 until 1:25 p.m.)

8 CHAIR HOCHSCHILD: Welcome back for lunch,
9 everyone.

10 We are going to pick up where we left off, which
11 I believe is Item 8; is that correct, Mona? Okay. That is
12 Vernon Public Utilities IRP, and I welcome Angela to
13 present. Good to see you. Is your mic on? Can you speak
14 into it?

15 MS. TANGHETTI: No? Okay. Oh, thank you. Okay.
16 Good afternoon, Chair and Commissioners. I'm Angela
17 Tanghetti, and I want to thank you for allowing me the
18 opportunity to provide the Energy Commission staff review
19 of the Vernon Public Utilities 2023 Integrated Resource
20 Plan. Throughout this presentation, I may refer to Vernon
21 Public Utilities as Vernon or VPU.

22 Next slide, please.

23 So the previous two presenters, Bryan and Alyssa,
24 already covered this background slide and information, so
25 let's just move to the next slide, please.

1 In the posted version of CEC's staff review
2 document of the Vernon 2023 IRP, we presented in detail how
3 the Vernon Public Utilities IRP addressed each of these
4 statutory requirements. In the following slides, I'll
5 highlight this POU and some areas of specific interest for
6 this 2023 IRP.

7 Next slide, please.

8 As you can see from what Bryan and Alyssa just
9 shared, the POUs in California are unique entities meeting
10 California's energy policies and goals in many differing
11 and also similar ways.

12 I was excited to be given the opportunity to
13 review Vernon's IRP because a key feature that makes Vernon
14 unique is a customer base that is predominantly comprised
15 of commercial and industrial manufacturing businesses.
16 Over the past decade, the breakdown of customers and the
17 total number of customers has remained relatively the same.
18 Vernon Public Utilities not only provides electricity, but
19 also water, natural gas, and fiber optics to their
20 customers and visitors.

21 In a recent year, their winter and summer
22 electric peak demand load differed only by about 15
23 megawatts, and their annual load factor is about 70
24 percent, which is very high compared to other utilities in
25 California. Basically, a high load factor means their

1 hourly loads do not fluctuate very much each day and
2 throughout the year.

3 Another interesting fact is 99 percent of
4 Vernon's energy consumption is used by their commercial and
5 industrial accounts. While the city's total area is only
6 5.2 square miles, the electrical demand of 1,900-plus
7 businesses in Vernon is like the consumption of a city with
8 about 100,000 residential accounts.

9 Next slide, please.

10 Vernon hired the consulting team at Ascend
11 Analytics for the modeling work in this IRP. Ascend
12 Analytics developed the PowerSIMM model, which provides
13 capacity expansion, resource adequacy, and production cost
14 modeling. For this IRP, Vernon is projecting a slight
15 increase in peak demand driven mainly by customer
16 manufacturing processes and, to a lesser extent, electric
17 vehicles. Some of this increase is being met with energy
18 efficiency measures, while at the same time, behind-the-
19 meter PV is actually slowing the growth in net energy
20 demand.

21 Shown on the right axis of this chart, peak
22 demand, the solid line, increases from about 160 megawatts
23 in 2023 to about 174 in 2020 -- 2035, excuse me. And this
24 represents an average annual increase of less than 1
25 percent, 0.7 specifically percent.

1 Shown on the left axis, the total net energy for
2 demand increases from about 1,150 gigawatt hours in 2023 to
3 about 1,300 gigawatt hours in 2035. And that's the dotted
4 line. So this represents an annual average increase of
5 just over 1 percent, or specifically 1.3.

6 Next slide, please.

7 This chart displays Vernon's energy resources
8 over the forecast period. The bottom bar on this chart
9 shows their natural gas consumption. Vernon's preferred
10 portfolio revolves around the future status of their
11 natural gas-fired Malburg Generating Station, which began
12 commercial operation in about 2005. Vernon must reduce
13 emissions generated at Malburg by 2030. The most favorable
14 option for accomplishing the emission reductions is to stop
15 operating one of the facility's two combustion turbines
16 that run in concert with the facility's steam turbine.

17 Starting in 2030, the preferred portfolio assumes
18 that Malburg will operate in a one combustion turbine and
19 one steam turbine configuration with limited dispatch in
20 months that have lower loads and, you know, the higher
21 renewable months. In 2035, Vernon plans to stop operating
22 the entire plant to help align with the state's renewable
23 and clean energy requirements.

24 This 2023 IRP is expected to be updated in 2028.
25 However, this plan can be updated as necessary to respond

1 to any number of evolving situations, such as emerging
2 renewable generation technologies, changing community
3 needs, a sudden change in regulatory, financial, or
4 operational policies. This preferred portfolio includes
5 new cost-effective solar, wind, and battery storage, as
6 well as leaving room by including spot market purchases to
7 meet load. Vernon believes this will allow them to be
8 flexible to unforeseen changes, again, in emerging
9 renewable technologies and their costs in any regulatory or
10 operational policy changes.

11 Next slide, please.

12 On this chart, the single line shows Vernon's
13 projected planning reserve margin, the PRM, of 15 percent
14 over the forecast period. The stacked bars display
15 Vernon's projected resources to meet a 15 percent PRM.

16 As you can see from the chart, Vernon has
17 sufficient resources throughout the forecast period.
18 However, by the year 2030, the capacity expansion model
19 identified the need for new energy storage to come online
20 to cover the capacity drop from that reconfiguration at the
21 Malburg Generating Station.

22 Vernon, again, is reconfiguring this facility
23 from a two-to-one natural gas-fired combustion turbine
24 fueling that steam turbine in the year 2030. As you can
25 see, Vernon is planning to add a significant amount of

1 storage in this year 2030 to meet the PRM covering the loss
2 of this natural gas capacity.

3 Next slide, please.

4 Vernon, as well as many of the other publicly-
5 owned utilities in California, are adding enough renewable
6 resources to meet the RPS targets, as well as energy
7 demand. For Vernon, battery storage is included to meet
8 the phase-out of their natural gas facility to meet not
9 only their greenhouse gas emissions target, but contribute
10 to their planning reserve margin.

11 In Vernon's 2023 IRP modeling, hydrogen fuel
12 generators were considered for their environmental and
13 contribution to PRM. However, the technology is not
14 effective from a cost perspective for Vernon at the time of
15 this modeling exercise for the 2023 IRP.

16 One issue or challenge VPU faces in meeting their
17 projected GHG target range is a static annual emission
18 intensity factor applied to their spot market purchases.
19 Vernon staff requested the CEC consider refining this
20 static metric in a more granular time step.

21 VPU is pretty unique in that their system peak is
22 projected to occur between the hours of 10:00 a.m. and 2:00
23 p.m., and this is year-round. For most other utilities in
24 California, their system peak is generally after 5:00 p.m.

25 Analyzing the historic five-minute and hourly

1 system emission intensities posted by the California
2 Independent System Operator, we observed some of the lowest
3 emission intensities during these hours, that is from 10:00
4 a.m. to:00 2 p.m. The emission intensities observed during
5 these hours is considerably lower than the CEC POU IRP
6 guidelines static metric of 0.428 metric tons of CO2
7 equivalents per megawatt hour. Vernon asked that CEC
8 consider refining this metric in a future release of the
9 POU IRP guidelines document.

10 Next slide, please.

11 I want to thank the Vernon staff team of Aziz
12 Dinalian (phonetic), Ramzi Raufdeen, and their consultants
13 for providing an IRP with strong analytics and
14 comprehensive written documentation. They were always
15 quick to respond to our questions and a pleasure to work
16 with.

17 Bryan, Alyssa, and I did rely on Energy
18 Commission staff who were subject matter experts in the
19 areas of electric vehicles. Thank you to Charles Smith.
20 And for the CEC's consistency review with SB 350 energy
21 efficiency requirements, we thank you Cynthia Rogers and
22 Usman Mohammad. Chad Oliver of the CEC Legal Team provided
23 wise counsel on subject matter content as well as protocols
24 for bringing these IRPs before the full Commission today.
25 Also many thanks to Mikayla Roberts for support in all

1 types of documentation required for this IRP review.

2 Energy Commission staff has found the Vernon
3 Public Utilities 2023 IRP meets the section 9621
4 requirements in each of the areas listed on this slide.

5 Next slide, please.

6 Energy Commission staff recommends adoption of
7 our determination that the Vernon Public Utilities 2023 IRP
8 is consistent with requirements of Public Utilities Code
9 section 9621.

10 Ramzi Raufdeen of Vernon Public Utilities staff
11 may want to comment. I'm not sure if they're online. So
12 Ramzi, please raise your hand. Okay. And he'd like to
13 comment.

14 MS. BADIE: Thank you. We do have a few folks
15 from Vernon on the line. If you'd like to make comments,
16 please raise your hand and I can open your line.

17 Ramzi, I'm going to start with you. And just a
18 reminder to please spell your name so we can capture that
19 on our court reporter record.

20 MR. RAUFDEEN: Good afternoon, Chair, Vice Chair,
21 and Commissioners. This is Ramzi Raufdeen, R-A-M-Z-I
22 R-A-U-F-D-E-E-N, Raufdeen, and I'm the Integrated Resource
23 Manager with the Vernon Public Utilities. First of all, I
24 would like to apologize for not being able to be there in
25 person today.

1 I'd also like to thank the CEC leadership staff
2 and especially Angela for her support throughout this IRP
3 review. Your emails, phone calls, and thoughtful
4 conversations have been greatly appreciated.

5 As a small utility with limited staff, many of us
6 were wearing multiple hats. Developing this IRP was a
7 significant undertaking. It took us more than a year to
8 plan, adopt, and for that, I'd like to thank our resource
9 group planning group for their dedication and hard work.

10 Vernon is a 5.2 square mile city, as Angela
11 mentioned, southeast of Los Angeles, home to a small low-
12 income residential population and a large industrial
13 commercial base. Historically known for cement and
14 rendering plants, Vernon now hosts food processing
15 facilities, gas production such as oxygen, and data
16 centers.

17 We took a collaborative approach to our IRP
18 planning, engaging with residents, businesses, the Vernon
19 Business and Industry Commission, as well as the Vernon
20 Green Commission. So we held three public stakeholder
21 meetings, distributed our surveys to all utility users, and
22 promoted the survey through our community events and
23 digitally. Throughout our stakeholder engagement, we
24 consistently heard that reliability is our top priority for
25 our customers, followed closely by affordable rates. I

1 would call them 1 and 1B.

2 Our planning process considered three options,
3 storage, wind, and solar. And we also considered storage,
4 wind, and geothermal, and also took into consideration
5 running our existing turbines with hydrogen. Those are
6 kind of the considerations given for the options.

7 Local reliability is critical for us. That's one
8 of our -- I can echo some of the comments made by the
9 previous speakers on the IRPs as well. We need stable
10 rates. Important local capacity, and grid reliability is
11 like important for us, as well as valued diversified
12 growth. We, here, we want to have a diversified portfolio
13 for the city.

14 We are evaluating some regional projects as many
15 others, but Vernon has faced unique constraints. Our
16 Laguna-Bell connection to SCE, Southern California Edison,
17 we're in the process of upgrading to additional
18 transmission lines. It's a costly but necessary investment
19 to support our load growth.

20 In closing, I want to sincerely thank you for the
21 opportunity to speak today, for your consideration, and for
22 the staff to work in moving this plan forward for adoption.
23 We appreciate your continued support.

24 Thank you.

25 MS. BADIE: Thank you. Oh, sorry, I didn't mean

1 to cut you off, Ramzi.

2 If there's no other speakers from Vernon, we can
3 open it up for public comment. So if anyone would like to
4 provide public comment for Item 8, please let us know at
5 this time. If you're in the room, please raise your hand.
6 If you're on Zoom, you'll use the raise-hand feature on
7 your screen, and star nine if joining by phone.

8 Alright, I am not seeing any hands in the room or
9 on Zoom for this item. Back to you, Chair.

10 CHAIR HOCHSCHILD: Okay, let's begin with Vice
11 Chair Gunda.

12 VICE CHAIR GUNDA: Thank you, Chair.

13 You know, Mr. Ramzi, I just want to say thank you
14 for your comments.

15 And, Angela, I always call you coach because when
16 I first started here, much of my learning happened from
17 your cubicle. So thank you for presenting on the IRP.
18 And, yes, you know, just thanks for noting the high load
19 factor, kind of the unique components of Vernon's plan.

20 You know, I just want to continue to reflect and
21 associate the comments from the previous IRP items. Just
22 really grateful to the staff for taking that partnership
23 approach and being available to support the IRP
24 developments. And especially seeing how small Vernon is,
25 you know, but also a mighty power player in terms of

1 thinking through, you know, how best to do this. So thanks
2 for your work.

3 And I don't have any questions. I'm looking
4 forward to supporting it.

5 Chair, back to you.

6 CHAIR HOCHSCHILD: Is there any other discussion?
7 Yeah, Commissioner Skinner?

8 COMMISSIONER SKINNER: Thank you. Thank you for
9 the presentation. Thank you, Vice Chair, for leading on
10 this. And, of course, Vernon.

11 I was pleased to see that Vernon anticipates
12 being able to go off natural gas and to meet their needs,
13 and looking at battery and solar for, you know, for helping
14 to achieve that and getting off the fossil fuels. And
15 while I note, and it was noted in the presentation, that
16 their peak demand, they have a, you know, different profile
17 than most of our utilities and such because of the nature
18 of the -- it's much more commercial-industrial than
19 residential there, and also the aspects of their industrial
20 particular profile.

21 But that said, what I note from it, and I think
22 is useful for all of us, is that it definitely demonstrates
23 the value of load shift and demand management. Because
24 while they had the kind of good fortune of having naturally
25 a lot of their usage in these times, they're also doing

1 some of that. But usage, as we know, does not, while we
2 may have habits related to it, it does not have to be
3 particularly at the times that it does. In other words,
4 there is ability to demand manage or load shift. And as we
5 proceed in all of our development and electrification, it's
6 going to become more and more important.

7 So I just thought it was a great example of the
8 value and benefits of it. So I just wanted to just point
9 that out.

10 CHAIR HOCHSCHILD: Do you think it's a great
11 enough example to move the item?

12 COMMISSIONER SKINNER: I will move the item.

13 CHAIR HOCHSCHILD: Is there a second for Vice
14 Chair Gunda?

15 VICE CHAIR GUNDA: I'll second the item.

16 CHAIR HOCHSCHILD: All in favor, say aye.

17 Commissioner Skinner?

18 COMMISSIONER SKINNER: Aye.

19 CHAIR HOCHSCHILD: Vice Chair Gunda?

20 VICE CHAIR GUNDA: Aye.

21 CHAIR HOCHSCHILD: Commissioner McAllister?

22 COMMISSIONER MCALLISTER: Aye.

23 CHAIR HOCHSCHILD: Commissioner Gallardo?

24 COMMISSIONER GALLARDO: Aye.

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

1 8 passes unanimously.

2 So we'll turn now to Item 9, City of Pasadena
3 Water and Power Department.

4 O'Shea Bennett.

5 MR. BENNETT: Good afternoon, Chair, Vice Chair,
6 Commissioners. My name is O'Shea Bennett, and I work on
7 the Distributed Electricity Backup Assets, or DEBA, program
8 within the RREDI Division here at the CEC. With me are
9 Deana Carrillo, Director of our Division, and Chad Oliver
10 from the Chief Counsel's Office. Also, representatives
11 from the City of Pasadena Water and Power Department, or
12 Pasadena, are available on Zoom to help respond to
13 questions. Today we are presenting for your consideration
14 a proposed grant agreement with Pasadena under the DEBA
15 program's Bulk Grid Assets Enhancements for Grid
16 Reliability, or Bulk Grid, Solicitation.

17 Next slide, please.

18 The effects of climate change, including heat,
19 drought, and wildfires, coupled with supply chain delays,
20 have challenged the State's ability to plan and maintain
21 grid reliability. So as part of Budget Act of 2022, the
22 Legislature and Governor created a Strategic Reliability
23 Reserve with programs such as the DEBA program and the
24 Demand-Side Grid Support Program. These help meet
25 emergency grid needs outside of our normal reliability

1 planning standards.

2 The DEBA and DSGS programs serve as complementary
3 programs to help meet grid needs during extreme events such
4 as heat waves. Whereas DSGS incentivizes the use of
5 existing load reduction resources during extreme events,
6 DEBA incentivizes the purchase of new, cleaner, and more
7 efficient distributed energy assets that will serve as on-
8 call, emergency supply, or load reduction during extreme
9 events. This includes efficiency upgrades and capacity
10 additions to existing power plants.

11 Next slide, please.

12 As part of the DEBA program under the Strategic
13 Reliability Reserve, this proposed agreement will support
14 grid reliability by increasing the capacity of an existing
15 power plant. And per the agreement, the incremental
16 capacity resulting from this project must be made available
17 during grid emergencies for a term of five years from the
18 projected online date.

19 Next slide, please.

20 The purpose of the DEBA Bulk Grid Solicitation
21 was to strengthen electric grid reliability by funding
22 efficiency upgrades and capacity additions to existing bulk
23 grid power generators. The solicitation prioritized zero-
24 and low-emission resources and then efficiency improvements
25 for conventional resources.

1 Notice of Proposed Awards, posted in April of
2 2024, recommended five energy storage projects and four
3 conventional resource efficiency projects for a total of
4 almost \$123 million in grant funding, which is anticipated
5 to bring 297 megawatts of incremental capacity online by
6 June 2027 to support California's grid. To date, the CEC
7 has approved three agreements related to the DEBA Bulk Grid
8 Solicitation, and we plan to bring additional agreements
9 for consideration at future business meetings.

10 Next slide, please.

11 The project related to today's proposed agreement
12 is located at Pasadena's Glenarm Power Plant. The proposed
13 funding under DEBA will install a 25-megawatt, four-hour
14 battery energy storage system at that site. This project
15 will improve reliability and support critical resilience
16 while reducing congestion in a community that is currently
17 served by aging capacity-restricted feeder lines. The
18 battery system will be made available to CAISO for system
19 reliability as needed and will need to operate -- and will
20 also be used to help meet peak demand within Pasadena's
21 service territory and reduce the need to operate natural
22 gas peaker plants.

23 As lead agency under CEQA, Pasadena prepared an
24 initial study and Mitigated Negative Declaration. The city
25 consulted with the CEC staff, and the Final Environmental

1 Document and Mitigation Monitoring and Reporting Program
2 adopted by the lead agency on March 19th of 2025 included
3 CEC staff's comments and requests for enhanced mitigation
4 and monitoring related to fire hazards, public safety,
5 biological resources, and aesthetics.

6 Next slide, please.

7 This process has been a team effort. I would
8 like to thank staff from the Siting Division,
9 Administrative Services Division, and the Chief Counsel's
10 Office for their contributions and assistance.

11 Staff recommends the Energy Commission adopt
12 findings as a responsible agency under CEQA that it is the
13 independent judgment of the CEC that there is no
14 substantial evidence that the actions under the agreement
15 will have a significant effect on the environment. Also,
16 staff recommends the Energy Commission approve the proposed
17 DEBA grant agreement 24-DBA-006 with the City of Pasadena
18 Water and Power Department.

19 This concludes the staff presentation for this
20 item, and we are available to answer any questions you guys
21 may have. Thank you.

22 CHAIR HOCHSCHILD: Thank you.

23 MS. BADIE: Thank you.

24 The Commission welcomes public comment on Item 9
25 at this time. If you're in the room with us, you can raise

1 your hand or use the QR code. If you're joining by Zoom,
2 please use the raise-hand feature on your screen, or star
3 nine if joining by phone.

4 And I'm not seeing anyone in the room, so I'm
5 going to transition over to Zoom. Alright, Kelly Nguyen,
6 I'm going to unmute your line. Just a reminder to please
7 spell your name for our court reporter record, and we're
8 asking for comments to be limited to two minutes or less.
9 There will be a time on the screen.

10 MS. NGUYEN: Yes. Hi, can you hear me?

11 MS. BADIE: Yes.

12 MS. NGUYEN: Okay. Great. My name is Kelly
13 Nguyen with the City of Pasadena, K-E-L-L-Y N-G-U-Y-E-N. I
14 do apologize for not being there in person, but thank you
15 for allowing me to speak. I am the Assistant General
16 Manager of Power Supply at the City of Pasadena Water and
17 Power Department.

18 The City of Pasadena is very excited with the
19 opportunity to receive grant funding from the California
20 Energy Commission Distributed Electricity Backup Assets, or
21 DEBA, program to support the construction and installation
22 of a local 25-megawatt battery energy source system in
23 Pasadena. The Department of Water and Power wishes to
24 thank Mr. Bennett and CEC staff for all their guidance and
25 assistance throughout this process.

1 Overall, the battery energy storage system is
2 designed to help provide a safe, reliable, and sustainable
3 energy future for Pasadena. So the City of Pasadena thanks
4 the Chairman and Commission members for your work, this
5 opportunity, and consideration for valued projects like
6 this one you are reviewing today.

7 Thank you so much.

8 MS. BADIE: And that is the only raised hand we
9 have for this item. Back to you, Chair.

10 CHAIR HOCHSCHILD: Great. Let's begin with
11 Commissioner discussion, starting with the Vice Chair.

12 VICE CHAIR GUNDA: Thank you, Chair.

13 O'Shea, thank you so much for the presentation.
14 You know, I think, just for -- I mean, I followed this
15 carefully, and thank you for all the presentations. I
16 think it will be helpful for the Commission to just hear
17 the decision on improving the existing infrastructure as we
18 were trying to, you know, create other projects. So we,
19 you know, started with the easiest to do, which is the
20 efficiency upgrades and additions that are existing, you
21 know, interconnection capacity. Would you just comment on
22 the vision on that one from the division?

23 MR. BENNETT: (Off mic.) Can you give me just
24 one moment? (Indiscernible.)

25 MR. SPIVEY: Just the intent here with the bulk

1 Grid Solicitation, if I understand your question --

2 VICE CHAIR GUNDA: Yeah.

3 MR. SPIVEY: -- correctly, Vice Chair -- I'm
4 Hudson Spivey, I'm the supervisor of the DEBA program. The
5 intent is to basically make the best use of the assets and
6 power plants on the bulk transmission grid and take
7 advantage of the existing interconnections to provide
8 support to the ISO and reduce the likelihood of emergency
9 events by basically enhancing the capacity of existing
10 power plants.

11 The second target for the DEBA program is
12 distributed energy assets on the distribution grid. So
13 that would be the next phase of our funding.

14 VICE CHAIR GUNDA: Great. Just on the first kind
15 of question, so these assets, could you just comment on its
16 addition to RA or not RA resource adequacy?

17 MR. SPIVEY: Right. So this battery system, and
18 I think Pasadena is on the line and can speak more
19 specifically to the performance characteristics, but it
20 will be bid into the CAISO energy market to provide real
21 time energy support. But I believe will be RA-like rather
22 than participating in the RA market.

23 VICE CHAIR GUNDA: Great. Thank you. I want to
24 just recognize you, you know, and all the work that you do
25 behind the scenes, but also to the entire Division. You

1 know, Deana, you're here, Ashley, Aloke, Pam, Renee and
2 Brett from STEP.

3 I think one of the things I want to make sure I
4 relate to the Commission members here, one of the things we
5 keep hearing about is the time it's taking for DEBA
6 projects to move forward. I just want to recognize that
7 since the funding came through in 2022, the way we are on
8 the funding today, it's less than a quarter of what was
9 originally intended. And the staff had to constantly
10 iterate and kind of change the overall vision for the
11 program and make the guidelines necessary to bring these
12 projects online.

13 So I just want to really commend the RREDI Team
14 who have been on not just DEBA, but DSGS. They were able
15 to bring in, you know, hundreds of megawatts so quickly to
16 support the grid right after the funds were dispersed. So
17 thank you, Deana, you know, starting at the top, just to
18 the entire team for your work. Looking forward to
19 supporting this.

20 CHAIR HOCHSCHILD: Any other Commissioners
21 wishing to make a comment? Okay.

22 Is there a motion from the Vice Chair?

23 VICE CHAIR GUNDA: Yeah, I move item.

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

1 COMMISSIONER MCALLISTER: Second.

2 CHAIR HOCHSCHILD: All in favor, say aye.

3 Vice Chair Gunda?

4 VICE CHAIR GUNDA: Aye.

5 CHAIR HOCHSCHILD: Commissioner McAllister?

6 COMMISSIONER MCALLISTER: Aye.

7 CHAIR HOCHSCHILD: Commissioner Skinner?

8 COMMISSIONER SKINNER: Aye.

9 CHAIR HOCHSCHILD: Commissioner Gallardo?

10 COMMISSIONER GALLARDO: Aye.

11 CHAIR HOCHSCHILD: And I vote as well.

12 Thank you, O'Shea. Item 9 passes unanimously.

13 We'll turn now to Item 10, Tribal Electric

14 Vehicle Infrastructure, Planning, and Workforce

15 Transmission and Development.

16 MS. MAGANA: Thank you, Chair, Vice Chair,
17 Commissioners. My name is Pilar Magana with the Fuels and
18 Transportation Division. Staff is seeking approval for
19 three projects that were proposed for funding under our
20 grant funding opportunity entitled Tribal Electric Vehicle
21 Infrastructure, Planning, and Workforce Training and
22 Development.

23 Next slide, please.

24 Before presenting these projects, I wanted to
25 provide a brief overview of the original solicitation,

1 which sought proposals to fund projects that will
2 accelerate zero-emission vehicle adoption among California
3 Native American tribes. Extensive outreach was conducted
4 prior to the solicitation's release with tribes throughout
5 the state informing the development of this solicitation to
6 ensure the awareness and availability of funds and
7 encourage the maximum possible response.

8 Applicants were allowed to apply for funding
9 under one, multiple, or all of the three categories,
10 including EV infrastructure deployment, EV infrastructure
11 planning, and development of EV infrastructure workforce
12 and training resources. Through the solicitation, a total
13 of 26 applications were received with over \$46.7 million in
14 funding requested, with a total of nine projects
15 recommended for just over \$15 million. To date, six of
16 these nine projects have been presented and approved at
17 previous business meetings, and today I will present the
18 final three of these projects for consideration for a total
19 of \$4.39 million.

20 Next slide, please.

21 EV adoption remains a challenge for tribal
22 nations, especially those living in rural and low-density
23 areas. Access to reliable charging infrastructure remains
24 a barrier to switching from traditional fossil fuel-based
25 modes of transportation. Many tribal nations are eager to

1 adopt these technologies. However, access to resources for
2 deployment and training has been limited.

3 All of these projects benefit Native American
4 tribal nations throughout California by increasing access
5 to EV infrastructure and improving their ability to plan
6 for EV infrastructure both now and for future projects.
7 Overall, these projects will encourage continued and
8 increased establishment of EV infrastructure deployment
9 that will increase mobility, reduce emissions, and support
10 economic growth within these communities.

11 Next slide, please.

12 The first proposed project is with Vector Energy
13 on behalf of the Santa Ynez Band of Chumash Indians located
14 in Santa Barbara County. The Santa Ynez Band of Chumash
15 Indians is partnering with Vector Energy for the
16 installation and maintenance of 75 Level 2 charging ports
17 at the Chumash Casino in Santa Ynez. The casino currently
18 has 25 ClipperCreek Level 2 chargers on site, but demand
19 has increased. The demand is tremendous from not only
20 casino patrons, but from members of the Chumash community
21 based on an initial survey conducted.

22 The tribe has come to the conclusion that
23 additional chargers are crucial to increase the economic
24 development of the community and to provide for the needs
25 of visitors and employees who own electric vehicles. This

1 agreement is for just under \$899,000.

2 Next slide, please.

3 The second project is with the Paskenta Band of
4 Nomlaki Indians, or PBNI, in Corning. They applied for
5 funding under the EV Blueprint Development Project
6 Activity. The information and analysis required to
7 determine positive outcomes for EVSE implementation has
8 historically been challenging to ascertain and develop for
9 California Native American tribal communities, especially
10 in comparison to similar opportunities available to private
11 industry in the urban centers of California.

12 In order to make the decision to move forward
13 with implementation of electric vehicle charging
14 infrastructure, PBNI must first determine and understand
15 the factors that will lead to positive outcomes from
16 implementation of such infrastructure. PBNI will, one,
17 determine the optimal EV infrastructure solutions and
18 locations on the PBNI reservation, and two, create a
19 blueprint for other Native American tribes to assess the
20 implementation of EV infrastructure on their own
21 reservations.

22 Furthermore, the blueprint would serve as a
23 framework for other tribes in determining the feasibility,
24 planning, and implementation opportunities for EV charging
25 infrastructure deployment in the region. This agreement is

1 for just under \$686,000.

2 Next slide, please.

3 The third and final project is with the Agua
4 Caliente Band of Cahuilla Indians in Riverside County and
5 will focus on Activity 1 for infrastructure deployment.
6 The Agua Caliente Band of Cahuilla Indians is a federally-
7 recognized tribe located in a region that spans from the
8 Coachella Valley to Palm Springs.

9 The tribe and their charging provider, EV
10 Charging Solutions, will install five Level 2 and 32 DC
11 fast charging ports at key tribal locations, commercial
12 areas, and tourist destinations on tribal land. The sites
13 include Agua Caliente Cathedral City Casino in Cathedral
14 City, Agua Caliente Fuel in Rancho Mirage, and the Tribal
15 Administration Plaza in Palm Springs, all of which are
16 centered in high-traffic and tourist destinations.

17 The Agua Caliente EV Charger Initiative marks a
18 major investment into the zero-emission infrastructure,
19 securing Agua Caliente's foothold in a clean energy future.
20 This also aligns with the tribe's strategic commitment to
21 promoting sustainability, supporting economic development,
22 and enhancing community services through the deployment of
23 publicly accessible EV charging infrastructure. This
24 agreement is for just over \$2.8 million.

25 Next slide, please.

1 And since these are the final three projects
2 being recommended for approval under the solicitation, we
3 wanted to share a brief summary to demonstrate the impact
4 these projects will have across the state.

5 Of the nine projects, seven have infrastructure
6 deployment component, six have an EV infrastructure
7 planning for future EV development, and four have workforce
8 development and training components.

9 As shown by the map, projects were selected from
10 across the state, with many of the projects in areas that
11 will greatly benefit not only from the infrastructure and
12 planning itself, but from the economic and job
13 opportunities they will create.

14 Next slide, please.

15 Staff is seeking your approval for these three
16 agreements, as well as adoption of staff's recommendation
17 that each of these projects are exempt from CEQA.

18 We have representatives from Vector, Jeremy Ruiz
19 (phonetic) from Paskenta, and Jake Schuller (phonetic) from
20 Agua Caliente that are in attendance via Zoom and are
21 available for questions.

22 This concludes my presentation, and I'm happy to
23 answer any additional questions you may have.

24 Thank you.

25 CHAIR HOCHSCHILD: Thank you.

1 Let's go to public comment.

2 MS. BADIE: Thank you, Chair.

3 The Commission welcomes public comment on Item 10
4 at this time. If you're in line with us, you can just
5 raise your hand. If you're on Zoom, use the raise-hand
6 feature on your screen, it looks like and open palm, and
7 star nine if joining by phone. And I'm just giving that a
8 moment right now. I'm not seeing any hands.

9 Alright, there are no public comments for this
10 item. Back to you, Chair.

11 CHAIR HOCHSCHILD: Let's go to Commissioner
12 discussion. Why don't we start with Commissioner Skinner.

13 COMMISSIONER SKINNER: Thanks so much, Chair.

14 I want to appreciate Pilar for the presentation
15 and the other FTD staff that worked on this project and the
16 tribal grant solicitation. As you mentioned, this is our
17 last one in this round, and we had acted previously at
18 previous business meetings on a couple. And it obviously
19 continues CEC's work to help create reliable, accessible EV
20 charging network available, not only to the tribes, but
21 also to the public. In most cases, the hardware is also
22 available to the public.

23 As you heard the description of the Chumash
24 tribes, these will be at their casino. There will be 75
25 Level 2 as a result, and that is a highly visited location.

1 So that's a great thing for all of our goals. And the
2 total result is, as we've described, were, you know, in
3 addition, there's a couple -- at least one more of these
4 projects has actual hardware in the ground. And then the
5 other one is to develop a blueprint that will assist not
6 only the tribe who's developing that blueprint, but all
7 tribes for how they would assess their electrical
8 infrastructure, what type of equipment would be
9 appropriate, and just how they might go forward if they
10 want to pursue electric vehicle charging infrastructure
11 themselves.

12 So anyway, I'm just very happy that we're seeing
13 progress on these and that there's going to be actually
14 hardware on the ground and appreciate all of it. And of
15 course, welcome any other Commissioner comments, but I'm
16 happy to move the item additionally.

17 CHAIR HOCHSCHILD: Commissioner Gallardo?

18 COMMISSIONER GALLARDO: Thank you, Chair. I too
19 wanted to thank Pilar and the rest of the staff for their
20 hard work on this program. I'm very proud of what's
21 happening here. Thank you, Commissioner Skinner for your
22 leadership as well on moving this, and also to Director
23 Hannon (phonetic) for his work.

24 So I realize this one's a big lift, but it was
25 really amazing, especially, you know, removing barriers so

1 that we could enable a wide array of tribes to participate.
2 You noted this, Commissioner Skinner, I think it's very
3 important to emphasize that, you know, this grant program
4 is helping fund EV infrastructure all across California,
5 even just with this batch. We're seeing projects in
6 Northern California, on the Central Coast and Southern
7 regions of California. And this is one way that the Energy
8 Commission is working to support tribal energy sovereignty
9 and we are always working to continue and improve our work
10 in that area, including in our newly-opened tribal
11 informational proceeding that's being led by Director of
12 Tribal Affairs, Sierra Graves. We're really excited about
13 that.

14 I do have a question that I wanted to raise. In
15 regards to the Chumash EV chargers, I'm just curious, you
16 know, the ones that have been there, how reliable have they
17 been? Because it sounds like they're getting used a lot.
18 It's very popular. Even, you know, used not just by the
19 casino customers, but also tribal members. And I'm curious
20 if there's anyone on the line who can speak to that a
21 little bit? I'm not sure if there is.

22 MS. BADIE: I don't have anyone on the line.

23 COMMISSIONER GALLARDO: I was hoping there were
24 some folks on the line who could answer questions. That's
25 why I thought I'd dare to ask.

1 MS. BADIE: Let me ask for raised hands from
2 anyone from Chumash who --

3 COMMISSIONER SKINNER: And maybe someone from
4 Vector Energy.

5 MS. BADIE: -- or Vector Energy, who might be on
6 the line that can answer the Commissioner's questions. If
7 not, we can make sure to get that information back to you,
8 Commissioner.

9 COMMISSIONER GALLARDO: Sure.

10 MS. BADIE: I'm not seeing any raised hands at
11 the moment, so thank you.

12 COMMISSIONER GALLARDO: Okay. No problem.

13 Back to you, Chair.

14 CHAIR HOCHSCHILD: Okay, Vice Chair?

15 VICE CHAIR GUNDA: Thank you, Chair.

16 Pilar, thank you. You know, we see you here
17 regularly and doing tremendous presentations on kind of
18 laying out the broad vision and what we're trying to do.

19 I just wanted to take a moment to just thank
20 staff and, you know, kind of make a genuine appreciation,
21 Chair, to you, Commissioner Skinner, and Commissioner
22 Gallardo on kind of our commitment to the tribal
23 sovereignty and upliftment of, you know, opportunities
24 where we can uplift economically. So I just want to say,
25 you know, it's great to be on the Commission, you know, as

1 you all are shepherding this important economic growth, but
2 also, you know, support of the tribal nations, so thank
3 you.

4 CHAIR HOCHSCHILD: Okay, I just want to add my
5 support as well. To the best of my knowledge, no tribe has
6 deployed more chargers than the San Pasqual tribe, which is
7 like 60 chargers. So to see Chumash get to 75 is
8 wonderful, and we hope that's a record that gets broken
9 again and again across the state.

10 So really thrilled to see this, Pilar. Thank you
11 and the team for all the good work.

12 Sorry, Commissioner McAllister, do you want to --

13 COMMISSIONER MCALLISTER: Yeah, yeah.

14 CHAIR HOCHSCHILD: Please.

15 COMMISSIONER MCALLISTER: I just wanted to sort
16 of just chime in and thank you, Pilar, for the briefing and
17 just agree with the context. You know, it's part of a
18 following through with the commitment on tribal
19 sovereignty, and there's just -- we really can't do enough
20 to follow up on that and seize every opportunity. I really
21 appreciate trying to deliver and maintain and expand good
22 partnerships with all the tribes. So it's one way we can
23 do that, and I really just appreciate you and them, so
24 thanks.

25 CHAIR HOCHSCHILD: Okay, with that, I would

1 welcome a motion from Commissioner Skinner on Item 10.

2 COMMISSIONER SKINNER: So moved.

3 CHAIR HOCHSCHILD: Is there a second from the
4 Vice Chair?

5 VICE CHAIR GUNDA: Second.

6 CHAIR HOCHSCHILD: All in favor, say aye.
7 Commissioner Skinner?

8 COMMISSIONER SKINNER: Aye.

9 CHAIR HOCHSCHILD: Vice Chair Gunda?

10 VICE CHAIR GUNDA: Aye.

11 CHAIR HOCHSCHILD: Commissioner McAllister?

12 COMMISSIONER MCALLISTER: Aye.

13 CHAIR HOCHSCHILD: Commissioner Gallardo?

14 COMMISSIONER GALLARDO: Aye.

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

17 We'll skip ahead now to Item 12, since we already
18 did Item 11, Disadvantaged Communities Advisory Group,
19 DACAG, Appointments.

20 Ryan, represent.

21 MR. YOUNG: Good afternoon, Commissioners and
22 Chair. I'm Ryan Briscoe Young, Deputy Public Advisor for
23 the California Energy Commission. Today, I'm pleased to
24 present five proposed appointments to the CEC-CPUC
25 Disadvantaged Communities Advisory Group.

1 Next slide, please.

2 As you likely know, the Disadvantaged Communities
3 Advisory Group, or DACAG, is an 11-member advisory body
4 created by SB 350 that advises the CEC and CPUC on how to
5 design and implement policies and programs to be more
6 effective on behalf of disadvantaged communities and the
7 achievements of our clean energy and pollution reduction
8 goals. California is a diverse state by any measure, so
9 the CEC and CPUC try to solicit and select members from
10 varied regions, energy expertise areas, and community
11 perspectives.

12 Next slide, please.

13 As our energy and climate action goals quickly
14 ramp up to 100 percent, reaching all Californians with our
15 programs and policies is not just the right thing to do,
16 it's an imperative. Access to the DACAG's expansive
17 expertise helps the CEC design and implement effective
18 statewide programs and policies.

19 Next slide, please.

20 This is the current makeup of the DACAG. Today,
21 I'm presenting for your approval five appointments to the
22 DACAG as recommended by the CEC and CPUC lead
23 Commissioners, Commissioners Gallardo for the CEC and
24 Commissioners Houck and Douglas for the CPUC. Five
25 appointments consist of three reappointments of the

1 existing members and two new member appointments to fill
2 vacancies from recently termed-out members. Now, the CPUC
3 considered and approved these five same appointments on
4 Thursday, April 24th to approve them.

5 Next slide, please.

6 First up are consideration of our three
7 reappointments. Ramon Partida, our current Chair, is
8 Senior Legal Counsel for Transportation Equity at the
9 Greenlining Institute, and he has served since May of 2020.

10 Senait Forthal is the Executive Director and
11 founding member of OC Goes Solar. She has served since
12 June of 2024.

13 Elena Krieger is the Senior Director of Research
14 and Policy Analysis at Just Solutions, and she has served
15 since June of 2021.

16 Next slide, please.

17 Next up are our proposed new members to the
18 DACAG. First up is Gem Moon Montes, based in Colton,
19 California, in San Bernardino, California, part of the
20 Imperial Valley. She's a Policy Analyst for the People's
21 Collective for Environmental Justice, a Project Manager for
22 the Air I Breathe campaign, and is experienced in both
23 policy and pollution issues, with over 12 years of working
24 for disadvantaged communities. I believe she is on the
25 line and wishes to say a couple words of introduction.

1 Mona, will you give the instructions for how to
2 unmute?

3 MS. BADIE: Yes, thank you.

4 Gem, I'm going to open your line. You'll just
5 unmute on your end, and we'd love to hear from you.

6 MS. MONTES: Can you hear me? Did I do it right?

7 MS. BADIE: Yes.

8 MS. MONTES: Yes, I would just like to express my
9 gratitude for this appointment and the opportunity to
10 uplift the voices of the communities that I love so much.
11 I'm excited to learn and get to work right away as we
12 navigate our way through climate change and advanced planet
13 wellness. As well as adding more acronyms to my
14 vocabulary.

15 So, again, thank you very much, and I'm looking
16 forward to this.

17 MS. BADIE: Thank you.

18 Handing it back to you, Ryan.

19 MR. YOUNG: Thank you, Gem.

20 Next slide, please.

21 Next up, we have Chris Walker, based in Los
22 Angeles, California, who's the Vice President of Policy and
23 Programs for GRID Alternatives. He's experienced in both
24 policy and climate equity issues, with over nine-plus years
25 working on behalf of disadvantaged communities. Now, Chris

1 is on a flight right now and is unable to chime in
2 virtually, but he asked that I read a statement.

3 "Thank you. I'm deeply humbled and honored to be
4 confirmed as a member of California's Disadvantaged
5 Communities Advisory Group. I look forward to working
6 alongside other members to ensure equity and
7 environmental justice remain at the heart of our
8 state's clean energy future, and that California
9 continues to lead the nation in equitable solutions to
10 the energy burden and the climate crisis."

11 Next slide, please.

12 CEC and CPUC DACAG, Lead Commissioners are
13 recommending the appointment and approval of the five
14 appointments I presented before you here today.

15 That concludes my presentation. I'm happy to
16 answer any questions.

17 CHAIR HOCHSCHILD: Thank you so much.

18 Let's go to public comment.

19 MS. BADIE: Thank you, Chair.

20 The Commission welcomes public comment on Item 12
21 at this time. If you're in the room with us, you'll raise
22 your hand. If you're on Zoom, you'll do the same using the
23 raise-hand feature on your screen, or star nine if joining
24 by phone. And I'm just giving that a moment.

25 Alright, I'm not seeing any raised hands for this

1 item. Back to you, Chair.

2 CHAIR HOCHSCHILD: Alright. Well, let's go to
3 Commissioner discussion, starting with Commissioner
4 Gallardo.

5 COMMISSIONER GALLARDO: Thank you, Chair.

6 First, I want to thank Ryan Young for his
7 leadership here. Ryan, you probably still feel like you're
8 settling in, but you've been doing a fantastic job. You've
9 been participating in different forums and really
10 appreciate all the support you're giving to our DACAG
11 members who provide a tremendous value to all the work that
12 we're doing at the Energy Commission.

13 I want to point out that Roman and Elena have
14 been on the DACAG for a number of years now. They're
15 incredible leaders. They bring different types of
16 expertise and it's just so helpful to have that consistency
17 and folks who are so committed. To providing us the advice
18 that we need. So I'm really glad that Roman and Elena are
19 going to -- are coming back.

20 And then Senait is a newer and she's been
21 fantastic. I think she also brings a more geographic
22 diversity to the DACAG by representing Orange County. This
23 is the first, with her, it's the first time that we have
24 Orange County specific representation. So really grateful
25 that Senait is also coming back.

1 And then in terms of the new members, I want to
2 welcome Gem. I haven't had the opportunity to meet you
3 one-on-one, but really grateful that you applied. Excited
4 that you are accepting. And also that you're joining us
5 today and bringing some good humor. That's always helpful
6 and we appreciate that too, aside from your expertise.

7 And then I'll just say, in terms of Christopher
8 Walker from GRID Alternatives, I'm really excited about the
9 expertise he'll bring on the policy side, also focused on
10 workforce development, given his experience at GRID
11 Alternatives. I had the opportunity to get to know him
12 when I was in the solar industry through the SOMAH program
13 activities that were going on. So he brings a lot to the
14 table and really excited to have all of these five
15 candidates be approved for DACAG. I think they will add
16 value to us.

17 So I recommend approval. Thank you, Chair.

18 CHAIR HOCHSCHILD: Great. One question. These
19 are three-year terms or two-year terms?

20 MR. YOUNG: Two-year terms.

21 CHAIR HOCHSCHILD: Two-year terms. Okay. Thank
22 you.

23 Vice Chair, please.

24 VICE CHAIR GUNDA: Thank you, Chair.

25 Thank you, Ryan. Thanks for all the work you're

1 doing.

2 I just wanted to, you know, recognize the
3 incredible value that the DACAG members provide to the
4 state, not just the two Commissions operating. You know,
5 oftentimes, you know, just having the DACAG leadership, you
6 know, just aware of what we're doing and kind of giving us
7 guidance and confidence is such a comforting thing that
8 we're on the right lane in thinking through equity, whether
9 it's procedural equity or whether it's thinking through the
10 funding strategies. So just want to thank all the DACAG
11 members and take this opportunity to do so.

12 Also, just want to uplift, you know, Roman,
13 Elena, and Senait. I know, you know, they're being
14 reappointed here, but especially Roman and Elena have been
15 such incredible supporters for some of the work we are
16 leading in our office, you know, whether it's non-energy
17 impact studies proceeding or the SB 100. So just want to
18 give another shout-out of gratitude for their leadership.

19 And the two new members that are coming on board,
20 thank you for your hearts that you bring to the table.
21 And, you know, oftentimes, this is unpaid work. A lot of
22 this is, you know, just coming from your commitment to
23 equity and the community you represent. So thank you so
24 much. I'm looking forward to supporting this item.

25 COMMISSIONER GALLARDO: I'd like to make a

1 clarification, just really quickly. The DACAG members are
2 eligible for per diem. So some of it is paid, but I agree
3 with you, Vice Chair, not enough, given all that we ask for
4 --

5 VICE CHAIR GUNDA: Yes, that's what I mean.

6 COMMISSIONER GALLARDO: -- all that they do. So
7 I get where you're going --

8 VICE CHAIR GUNDA: Yes. Yeah.

9 COMMISSIONER GALLARDO: -- but just to be clear.

10 COMMISSIONER MCALLISTER: Not a --

11 CHAIR HOCHSCHILD: Commissioner McAllister?

12 COMMISSIONER MCALLISTER: -- not a completely
13 thankless job, yeah.

14 But, no, I just would just pile on, really.
15 Thanks, Ryan, for the presentation. And it's a lot of
16 work. And these are, you know, high-level professionals
17 that have a ton of experience, and we rely on them for
18 feedback and input on all of our programs. I mean, there's
19 really nothing that we do that they shouldn't sort of --
20 they shouldn't be aware of or shouldn't be able to comment
21 on or help us improve and make sure that we're covering all
22 our bases. And I think they do that. And the diversity
23 point you made, or one of us made, is super important as
24 well.

25 We have such a big, complex state. And I'm not

1 aware of any other state that has a mechanism like this to
2 really sort out, you know, make sure that we're covering
3 the bases and being, you know, fully cognizant of the
4 potential impacts and the coverage and all the issues
5 around programs. Because, you know, it's hard to keep
6 track of everything in a state with, you know, 40 million
7 people and so much diversity. So I'm just really proud of
8 the work.

9 And then finally, I would just lift up you,
10 Commissioner Gallardo and Vice Chair Gunda, just for all of
11 your real engagement and just multidimensional commitment
12 to supporting the DACAG and all the work that they do. So
13 thanks.

14 CHAIR HOCHSCHILD: Let me just add my thanks,
15 Ryan, to you.

16 And Gem, nice to meet you. Thank you for being
17 willing to serve. The DACAG has played a really important
18 role in the development of all these critical energy
19 policies and very grateful to Senator de Leon for authoring
20 SB 350 and getting this enshrined as part of our formal
21 process.

22 So I'm thrilled to support all these nominees and
23 would welcome a motion on the item from Commissioner
24 Gallardo.

25 COMMISSIONER GALLARDO: Move to approve Item 12.

1 CHAIR HOCHSCHILD: Is there a second from
2 Commissioner Skinner?

3 COMMISSIONER SKINNER: Second.

4 CHAIR HOCHSCHILD: All in favor, say aye.
5 Commissioner Gallardo?

6 COMMISSIONER GALLARDO: Aye.

7 CHAIR HOCHSCHILD: Commissioner Skinner?

8 COMMISSIONER SKINNER: Aye.

9 CHAIR HOCHSCHILD: Vice Chair Gunda?

10 VICE CHAIR GUNDA: Aye.

11 CHAIR HOCHSCHILD: And Commissioner McAllister?

12 COMMISSIONER MCALLISTER: Aye.

13 CHAIR HOCHSCHILD: I vote aye as well and Item 12
14 passes unanimously. Thank you and congratulations to all
15 of the new DACAG members.

16 Let's turn now to Lead Commissioner and Presiding
17 Member Reports.

18 Let's start with Commissioner Skinner.

19 COMMISSIONER SKINNER: Thank you, Chair.

20 My update, since I wanted to point out, I'm sure
21 it was noticed, but we don't tend to comment on the consent
22 calendar, but there on the consent calendar was some of the
23 grants that we are distributing to our local governments.
24 And in doing so, obviously we are doing our work to support
25 the expansion of EV charging infrastructure.

1 And in two of them, many times when we fund a
2 particular fleet operator, the infrastructure that's
3 installed is only available to the fleet's vehicles of that
4 particular fleet manager. However, in this case, both
5 Livermore and Santa Barbara County will have some number of
6 their chargers open to the public during select hours.

7 So I was really happy to see their willingness to
8 do that and appreciate the effort that was made by those
9 localities, and plus our staff, to achieve that. Because
10 obviously, as we invest our public funds into EV
11 infrastructure, we want to have maximized the impact that
12 we can have. So I was very happy about that.

13 And I presided over my first Clean Transportation
14 Program Advisory Committee. So we have an advisory group.
15 It is not -- I don't believe it's quite as large as the
16 DECAG group, or it might be approximately, but it's a very
17 important set of stakeholders from all types of backgrounds
18 that give us input as we develop our clean transportation
19 investment plan, which, of course, we will have -- we are
20 in the midst of developing and will have a new one for the
21 following year. And they discussed some guiding principles
22 that we put out.

23 We would, in many cases, perhaps have a draft
24 already circulating. But given all the things that are
25 going on with uncertainties in certainly our federal

1 funding, but also knowing the pressures that there is in
2 the state budget, we decided, okay, rather than fixing a
3 draft of a plan yet, let's see how some of these things
4 play out, let's get input on guiding principles, and then
5 we'll go to the real draft phase.

6 Also been spending a lot of my time meeting with
7 OEMs, meeting with charging providers, meeting with, you
8 know, all types of stakeholders within this entire EV
9 ecosystem. And I'm really happy to report that we're not
10 seeing a pullback from private sector investment in either
11 EVs or EV infrastructure. We're seeing -- there's a little
12 bit more, I would say, hesitation perhaps in the heavier
13 duty space.

14 But of course, as we can imagine, the purchase of
15 a heavy-duty EV is a very significant purchase. And such
16 investments are not made that frequently. So it would be
17 expected to see a little more action, say, in the light
18 duty market than in that market. But still, even there,
19 we're seeing new -- we're seeing manufacturers going out
20 there with new heavy-duty truck models and just, you know,
21 new activity there too. But it's a little shakier.

22 But anyway, in terms of that, pleased report the
23 good news part. There's the new consortium, IONNA, which I
24 may have mentioned in the past at a meeting, but I'm not
25 sure if I did, which is eight OEMs, including Mercedes,

1 BMW, GM, Honda, and others, who have already secured 26
2 sites in California, I believe, have plans for a rollout
3 across the country. And it's DC fast charging on corridors
4 where there's a lot of vehicle movement.

5 Additionally, Walmart recently, through -- for
6 those of you who are wonks around EVs, you might listen to
7 or watch this one guy's YouTube channel called State of
8 Charge. And Walmart chose to put out their announcement
9 through State of Charge. But an interesting factoid is
10 that 90 percent of Americans live within 10 miles of a
11 Walmart. And Walmart has now done their market research,
12 and they've seen an increase of EVs coming to their stores,
13 and they've decided, we're going to supply EV charging.
14 This is a good business for us to get in.

15 So they are planning out, you know, it's going to
16 be over multiple years, but they're planning out
17 installation of EV charging infrastructure at all their
18 stores across the country.

19 CHAIR HOCHSCHILD: And it's all ultrafast. So
20 it's only 450 kW chargers, which is superfast.

21 COMMISSIONER SKINNER: Yeah.

22 CHAIR HOCHSCHILD: So --

23 COMMISSIONER SKINNER: With some, they may -- it
24 may be lower in some cases --

25 CHAIR HOCHSCHILD: Oh, is that right?

1 COMMISSIONER SKINNER: -- but that's okay, yeah --

2 CHAIR HOCHSCHILD: Oh, okay.

3 COMMISSIONER SKINNER: -- only because it's by
4 and large going to be fast. But of course, they're also
5 being very cognizant of, you know, the different location
6 and what, you know, what type of upgrades may or may not be
7 required.

8 CHAIR HOCHSCHILD: Okay.

9 COMMISSIONER SKINNER: But it's all going to be
10 fast. It's all going to be fast --

11 CHAIR HOCHSCHILD: Great.

12 COMMISSIONER SKINNER: -- which is great.

13 And then we are also seeing new investments by
14 companies like Rivian in infrastructure, not just in
15 vehicles, meaning charging publicly available, and many of
16 our usual, what I'll call usual suspects like EVgo and
17 Electrify America and such.

18 So that's some good news story in the work that
19 we're doing and reinforcing California's meeting of our
20 goals.

21 CHAIR HOCHSCHILD: Great.

22 COMMISSIONER SKINNER: So that's my report.

23 CHAIR HOCHSCHILD: Okay. I'll go next, we're
24 going this way.

25 Well, just some big news. Yesterday, I did a

1 press conference with the Attorney General. We're suing
2 the Trump administration in coordination with a number of
3 other states about the NEVI funding, which is \$384 million
4 that is being held up for EV charging in California. And
5 obviously, many other states are in the same circumstance.
6 I've asked our Chief Counsel to share a little bit more
7 about that when he reports out.

8 Also, we opened a new factory, had a ribbon-
9 cutting ceremony with Liane Randolph for a facility in
10 Richmond at the site of the old Rosie the Riveter location
11 where the United States built something like, you know, 800
12 ships during World War II. And that is now -- this company
13 Verruti is making all electric construction equipment. So
14 they're doing small electric (indiscernible) and bucket
15 trucks and electric generators, which can displace diesel
16 generators. And these can be gang, so you can daisy chain
17 10 of them, and you can put it on a job site for a concert
18 or to do EV charging for an event.

19 And so they relocated here from New York State,
20 and we were able to with (indiscernible) support, and
21 Commissioner Skinner's and Commissioner Monahan before her,
22 to move about \$9 million in support from our manufacturing
23 grant.

24 So I'm very interested to explore how we, in our
25 capacity, can support all-electric construction equipment,

1 you know, to displace diesel generators, that kind of
2 thing. And that's something I'd love to work with DGS on
3 and others and definitely incent that, you know? So that's
4 definitely a conversation I want to lean into.

5 Spoke at Climate Week, which has become now a
6 bigger and bigger thing. The big one, of course, is in New
7 York in the fall, but this is the third time we've done it
8 here in California in San Francisco. So it's now about
9 25,000 people, 400 events. So I probably spoke at five or
10 six of those events the other week, and that was good to
11 see.

12 And then finally, I'll just share out that I
13 spoke at Stanford at the celebration of the 10-year
14 anniversary of the Shultz Fellowship Program. If you'll
15 recall, we worked with them to get these paid summer
16 internships for graduate students who come in. And now
17 it's about 20 students who come and work at ISO and PUC,
18 and the Energy Commission, the Water Board, and so on, and
19 the number of projects that they're doing for us, just an
20 amazing, you know, talented group coming to work on tribal
21 and other issues for the summer. And I think it's just a
22 fantastic connection, and we'd love to see that with more
23 schools.

24 And that's all I got.

25 Vice Chair?

1 VICE CHAIR GUNDA: Thank you, Chair. I'll keep
2 mine short here. Just going to want to comment on four
3 topics quickly.

4 So summer reliability, you know, this is the
5 season to start thinking about how the summer's looking.
6 Commissioner McAllister and I were on the summer
7 reliability workshop we did at the CEC. That's a joint
8 workshop. Just the general news is we are doing better and
9 better compared to previous years. We seem to have a
10 pretty good cushion going into the summer. But again, we
11 don't like to jinx it, so we'll say cautiously optimistic
12 and, you know, hoping, you know, we don't have, you know,
13 coincidental events that are really hard.

14 But one piece on just the weather, we expect
15 warmer weather in June and July. So the heat is going to
16 come up in June and July and then, you know, temper towards
17 the end of the summer, so just flagging that.

18 Second, just want to make sure we have the demand
19 flexibility event, thanks to Commissioner McAllister. And
20 we're doing that at UC Davis on the 22nd. And Commissioner
21 Skinner will be there, an important panel. So we're doing
22 that with UC Davis, LBNL, and CEC collectively. Really
23 excited and looking forward to that. And Chair, that was
24 part of your vision to make that happen. So we are kicking
25 tires on that one.

1 So the third and one of the biggest priorities
2 right now is the petroleum markets. You know, I'm guessing
3 all of you are pretty well tracking that (indiscernible)
4 Benicia, you know, announced that they might close in 12
5 months' time. So we're really working hard to think about
6 the options and how to protect the consumers.

7 I want to just give a big shout out to CEC staff
8 who have been just -- you know, we keep saying it's not a,
9 you know, it's not sprint, it's a marathon. But for them,
10 it's been a marathon sprint for the last two years. I just
11 want to just give them some grace and gratitude for the
12 incredible work that they're doing. And also to the
13 Executive Office, specifically I want to know Drew has been
14 an important voice in all the work that we do.

15 And so we have a letter that we got from the
16 governor asking for some options. And we are on the hook
17 to send a response by July 1st. So we are working on that.
18 And, you know, just given how much this is of interest for
19 legislature, and I want to just uplift Sarah and her team
20 with the (indiscernible) director who's been, you know,
21 working tirelessly to make this happen. And also the CCO
22 who have been in the middle of this, given how complex and
23 controversial these items are.

24 Finally, on SB 100, so we have some draft results
25 and we're going to have a workshop next month to start

1 putting the results out, so look forward to that. I would
2 encourage if you have time to attend that. It will be a
3 good workshop.

4 VICE CHAIR GUNDA: Great. Thank you so much. I
5 look forward to the 22nd.

6 Commissioner McAllister.

7 COMMISSIONER MCALLISTER: Great. Well, so first
8 of all, you all will have noticed that I was certainly --
9 maybe not, but that I was out for 10 days, 11 days, really.
10 And so I just wanted to say thank you for, you know,
11 holding the fort and just doing all the great work.

12 And in particular to my staff, you know, Bryan
13 Early, my Chief of Staff, and Hughson Garnier, Maggie Deng,
14 Bill Pennington, and Diana Meneta, and Dory Floyd
15 (phonetic), my, sort of, my EA, just to keep all the plates
16 spinning and all the trains running. And I was completely
17 out of communication. My phones were locked up for 11 days
18 and nobody, you know, there was no place to go to get a
19 hold of me other than, you know, yank me out of something.
20 So it was good to know that I'm not really needed.

21 But it just really speaks to the quality of not
22 just my staff, but the whole Commission and, you know, and
23 my colleagues on the dais here, just that -- and I just
24 want to say thanks. It was probably the most I've been
25 unplugged since my kids were born 22 years ago, 23 years

1 ago. So just thanks. Thanks for that. And I would just
2 encourage everyone, you know, to think about how to do a
3 refresh, because with a little bit of time, you can really
4 do it.

5 I wanted to thank just a couple of teams, the
6 program staff, RREDI staff, a lot of programs that are
7 getting, you know, in various phases of implementation, a
8 lot of detail, both the state and federal funding, a lot of
9 stakeholder work. So I just really appreciate Deana and
10 Jen and the whole -- Savey (phonetic), the whole team
11 that's working on those programs.

12 And similarly, the Building Code Team in the
13 Efficiency Division, just a lot of going on with the
14 Building Code, a lot of discussions, you know, about sort
15 of, you know, the directionality and sort of, you know, how
16 we can really -- you know, how to apply the Building Code
17 in situations of duress like fire recovery and the like.
18 And so I think that's an important sort of policy
19 discussion that has a lot of long-term implications. And
20 the team has just really been engaged in providing a lot of
21 good data and information for that discussion.

22 And both teams that I just talked about are
23 facing, you know, a lot of drama, really, you know, around
24 the federal funding situation. And, you know, NEVI, one
25 example the Chair just brought up, but across the board,

1 you know, just a lot of uncertainty and uneven
2 communication or no communication. And so it just can be
3 really challenging. And I just want to commend staff and
4 thank them for rolling with the punches and doing their
5 best in trying times.

6 I did want to mention the Cal ISO had a, let's
7 see, a week ago Thursday, a Demand Flexibility Summit. It
8 was an invite only kind of discussion just among sort of
9 diversity of stakeholders, sort of load flex providers and
10 utilities and balancing authority folks. And obviously the
11 Cal ISO had a good contingent. And just, it was a great
12 discussion about how to make load flexibility cheaper, more
13 efficient, more effective, simpler and scalable in a way
14 that can obviously benefit the Cal ISO and our balancing
15 authority and our reliability project.

16 But also on the retail level, and, you know, we
17 talked about the LMS item, we talked about the load
18 modifying resources, but also, you know, sort of stack the
19 deck so that the load shape that the Cal ISO is actually
20 following every day is as optimal as it can be. And so
21 demand side and DER resources, the diversity of those
22 resources, just a lot of potential to help us through, you
23 know, help us through, you know, help us going forward to
24 manage affordability and enhance reliability. So I really
25 appreciate the Cal ISO leadership for convening that and

1 really sort of bringing that together in a way that I think
2 is going to end up being very helpful.

3 Let's see. Let's see.

4 Vice Chair, going to mention the reliability
5 workshop. And I would just say that sort of that it's
6 great to be in a position where you really feel like the
7 teams are humming along and paying attention to the right
8 things and that we're not sort of getting whipped last year
9 to year. I mean, every year is different for sure; right?
10 But our team is, I think, paying attention and able to sort
11 of compare and contrast now that we got, you know, four or
12 five years under our belt looking at these issues.

13 So there were lots of issues to talk about, and
14 there always will be. But I just was really heartened and
15 just really pleased with the fact that we have such a
16 capable set of teams, really. It's not just one team, it's
17 a whole group of community really focusing on reliability
18 in the right way. So really, I think it bodes well for the
19 future. You know, fingers crossed, knock on wood and all
20 that, but I just think we're in a better situation than we
21 were. And that's a testament to Vice Chair Gunda's
22 leadership as well. So I just want to -- I can't talk
23 about the reliability topic without pointing and sort of
24 really giving kudos to Vice Chair Guinda for his
25 leadership, so thank you.

1 And, yeah, and then, also, you mentioned the Load
2 Flex workshop on May 22nd, so that's great.

3 And let's see, I think the last thing I'll do is
4 just, I wanted to thank, again, my Chief of Staff, Bryan,
5 and also the OJIA (phonetic) team for all the international
6 support. I think just they do a lot of work. Elsa, on the
7 Mexico stuff, is really proving to be a great asset to the
8 Commission, really well connected and just helping
9 implement, you know, all the various MOUs that we have with
10 Mexico and ones that may be coming up. So I wanted to say
11 thanks to Sarah and Elsa, and welcome back to Kelan.

12 So, alright, that's it for me. Thanks.

13 CHAIR HOCHSCHILD: Thank you. I also just
14 neglected to mention for our Commission meeting a month
15 from now in June, on June 11th, we're going to start an
16 hour late because we have a really special guest, which is
17 former Energy Secretary Jennifer Granholm, who's going to
18 come do a little fireside chat. And this room turns out to
19 be quite difficult to reserve. So we decided to do it on
20 the day where we already have the room. So I hope everyone
21 can join for that. And I think we'll start at 11:00
22 instead of 10:00. So I think we're doing 9:30 to 10:15
23 with her.

24 Commissioner Gallardo.

25 COMMISSIONER GALLARDO: Thank you, Chair. I have

1 some slides to show. And I have -- I didn't give a report
2 last time so hoping this isn't too stale as I have some
3 items for March.

4 You can go to the next slide.

5 So today, I think you may have heard, I'm in
6 Minnesota for the Tribal Energy Evolution Summit, put on by
7 an alliance that our Director of Tribal Affairs, Sierra
8 Graves, has connected us to. And it's just been fantastic
9 to be here representing California and Energy Commission in
10 particular. I think we are one of the most progressive
11 states on tribal affairs.

12 And I wanted to elevate that that has to do with
13 our Chair, David Hochschild, who's, you know, had this
14 vision of having the tribes as partners and really treating
15 them as such. And so anytime we go into a room with
16 tribes, they're so excited to talk with us, and the vendors
17 that they work with are excited to talk with us, and then
18 folks from other states are excited to talk with us to find
19 out, like what are we doing, how can they do something
20 similar. So, Chair, I wanted to thank you for that.

21 And then also wanted to elevate Sierra Graves,
22 who's been tremendous in this role. After Katrina Leni-
23 Koenig left, you know, I wasn't sure how things are going
24 to go, and Sierra has just been incredible. So we've been
25 lucky to have that legacy of really great leaders on our

1 tribal affairs.

2 And so I just, I have some images here from our
3 Energy Commission Tribal Energy Summit, which went really
4 well. Sierra did a fantastic job coordinating this.

5 And I wanted to point out Carmen Lucas, who is a
6 tribal elder and tribal leader, who doesn't attend a lot of
7 events, but she does attend Energy Commission events. She
8 has told us how much she trusts us and feels comfortable
9 with us. And so she's going to turn 90 this year, and so
10 it's hard for her to get out, but she made it to our
11 Summit. And so I just thought that was a great reflection
12 of the work we're doing.

13 Carmen is the one in the middle of Commissioner
14 Houck and myself with a Chair on the side there. We wanted
15 to document that, you know, that moment with her so again
16 she's turning 90. And so, you know, she's been tremendous.
17 The majority of her life has been advocating for tribal
18 matters. And she's not necessarily a fan of development or
19 energy development particular, she doesn't want to prevent
20 it but she wants to make sure we're thinking about all the
21 things that impact tribes, and so that's why she's been
22 active with us.

23 And, Vice Chair, I wanted to point out that I
24 think a lot of the trust she has is because of you and that
25 engagement you had during, I think it's during our IEPR,

1 2022 IEPR efforts. And so, you know, big applause to you
2 for helping us get to that relationship building.

3 Alright, we'll go to the next slide.

4 Here, also wanted to take a moment to appreciate
5 all of the STEP Team, the folks. Those folks are working
6 on an array of permitting programs that are taking a lot of
7 capacity. They're stretched very thin. Luckily, we have
8 great partners in our Chief Counsel's Office, also our
9 advisor, Office of Public Advisor, Energy Equity, and
10 Tribal Affairs. Also in the Executive Office, Drew has
11 been helping us tremendously, in particular with the Opt-In
12 Permitting Program, which is new-ish. We're moving several
13 applications. Three of them have been deemed complete and
14 so that's really exciting.

15 These images are from a workshop we had for
16 Darden. So that's the application that's moved to the
17 farthest along. And that's a solar and storage project
18 that could generate 2300 megawatts. So, Vice Chair, I hope
19 that makes you excited. If that goes through, we're going
20 to -- we'll probably see that at an upcoming business
21 meeting this year, so I wanted to give you a heads up.

22 But again, just want to show you like that
23 picture in the middle shows all the people that it takes to
24 put on these workshops, to go out there. Here we are in
25 Coalinga in the Central Valley. But also having that big

1 team is makes it fun and so -- and enjoyable, so really
2 appreciate everybody for stepping up here.

3 We'll go to the next slide.

4 So we're doing a lot of work on our JAEDI
5 proceeding, so again, that stands for Justice, Access,
6 Equity, Diversity, and Inclusion. So regardless of what's
7 going on outside of the Energy Commission, we're still
8 moving forward on this. And we had a great workshop. I
9 want to thank Aretha Welch, one of my advisors, who's
10 leading this effort and did tremendous bringing so many
11 different speakers here, including folks from all the
12 divisions. So you all should be proud of the work that the
13 staff is doing from your divisions. They spoke about
14 various examples. And so I'm proud of the work we're doing
15 here.

16 One of the key themes was nothing about us
17 without us, meaning like we need to involve people in the
18 decisions we're making, even with energy. And so I think
19 that's a good reminder for us to keep going and to make
20 sure that we are being inclusive, bringing everything,
21 everyone with us.

22 I also wanted to point out here Ryan Young, our
23 Deputy Public Advisor, is here. he helped out a lot with
24 this workshop. Roman Partida-Lopez, who we highlighted
25 earlier from the DACAG. Here, he was representing the

1 Greenlining Institute, but very active on our on all of our
2 efforts.

3 We'll go to the next slide.

4 Alright, so this one's for the Commissioners. I
5 just wanted to remind you, you know, during our 2022 IEPR,
6 we worked on a JAEDI framework and we came up with some
7 terminology for the constituents we work with who need our
8 prioritization or focus. And so we came up with this term
9 of tribes and justice communities in short form, so it's
10 California Native American tribes, and then justice
11 communities, and that there's a list there of everybody
12 that that covers.

13 But what I -- why I'm bringing this up is because
14 we used capital letters in our framework. And we were just
15 reminded by CNRA, they're going to put out a style guide,
16 but one of the things that they're sticklers on is having
17 lowercase letters when it's not a proper name so you might
18 come across this. I just wanted to give you a heads up.
19 So it's California Native American, that's capitalized, but
20 tribe is not, for justice communities. We can continue
21 using that term but J the J and the C are lowercase.

22 And I bring this up, Commissioner McAllister, I
23 think there was a report, the BEAP report, or B-E-A-P,
24 where this came up. And so I didn't get into the content
25 or anything like that, but was addressing this issue. So,

1 anyways, just a reminder for you all.

2 Alright, we'll go to the next slide.

3 Alright, this is my last one. Just really
4 grateful I got the opportunity to go to Korea for an ICLEI.
5 And Commissioner Skinner, I always forget what it stands
6 for so help me out here because you're the one of the
7 founders of ICLEI, and it's a great concept of bringing
8 local governments together to focus on sustainability.
9 Yeah, please.

10 COMMISSIONER SKINNER: ICLEI. ICLEI, Local
11 Governments for Sustainability, and that ICLEI is a
12 cuckoo bunch acronyms, the International Council for Local
13 Environmental Initiatives but yes, I am a founder, 1990.

14 COMMISSIONER GALLARDO: Excellent. Well, I was
15 really grateful to be a part of this. I was the only state
16 representative from the United States. Everybody else were
17 local government leaders, like mayors. But the reason that
18 they wanted to have someone from California there is to
19 ensure people could hear how much work we were doing still
20 and how we weren't going to lose momentum, despite other
21 things going on in the world. And so that was one of the
22 key messages I gave. And then I also provided an array of
23 examples of the work we're doing, so that also made me very
24 proud to be representing the Energy Commission and be part
25 of all the things that we're doing.

1 We're making a big impact. And even on the
2 international stage people were really interested in, you
3 know, the things that I was talking about, so like the eco
4 loans, the Opt-In permitting, and other items. So I wanted
5 to let you all know that you should be proud too. Folks
6 are really excited about all the work we're doing together.

7 So that's it for me. Thank you.

8 CHAIR HOCHSCHILD: Thank you.

9 Let's go to Item 15, Executive Director's Report.

10 MR. BOHAN: Thank you. No report today.

11 CHAIR HOCHSCHILD: Item 16, Public Advisor's
12 Report.

13 MS. BADIE: Thank you. Mona Badie for the Office
14 of the Public Advisor, Energy Equity, and Tribal Affairs.

15 I just wanted to announce that our disadvantaged
16 communities advisory group is meeting next Friday the 16th,
17 it will be via Webex, and then also at the CPUC offices in
18 San Francisco. And on the agenda, thanks to the vote
19 today, they will welcome the two new members. And also, we
20 will have a presentation on the tribal energy proceedings.
21 That's the order -- or excuse me, that's informational
22 proceeding that Sierra Graves from the office presented not
23 too long ago, so they're going to get an informational
24 presentation on that.

25 And they're also going to get an informational

1 proceeding from our Energy Assessments division on the
2 summer reliability outlook. And then I'm looking forward
3 to their feedback there.

4 And then, also, a DACAG member, Sarah Sharpe, is
5 going to present a perspective from her organization. And
6 that's going to be entitled a Just Transition for Asthma
7 Prevention. So I just wanted to mention those things.

8 And then also, thanks to the Chair's Office, the
9 Public Advisor's Office is welcoming a Shultz -- a Stanford
10 Shultz Fellow Kelsey Freeman. She'll start this summer and
11 she's going to work on tribal affairs. She's got a lot of
12 great background so we're excited to work with her.

13 Thank you.

14 CHAIR HOCHSCHILD: Yeah, she's great.

15 Item 17, Chief Counsel's Report.

16 MR. RANCHOD: Thank you, Commissioners. I'd like
17 to update you on a couple developments.

18 As the Chair mentioned yesterday, a multi-state
19 lawsuit was filed challenging actions taken by the Federal
20 Highway Administration to unlawfully withhold billions of
21 dollars in funding approved by Congress to expand EV
22 charging infrastructure.

23 The background quickly, Congress established the
24 National Electric Vehicle Infrastructure, or NEVI, Formula
25 Program through enactment of the, in 2022, Bipartisan

1 Infrastructure Law. And that appropriated \$5 billion for
2 NEVI to facilitate a national network of EV charging
3 infrastructure across the states. Congress required
4 distribution of that \$5 billion among the states over
5 fiscal years 2022 through 2026, According to a mandatory
6 formula.

7 California was apportioned a total of
8 approximately \$384 million in federal funds over the five
9 fiscal years to carry out the NEVI Formula Program. And
10 California State EV Infrastructure Deployment Plan, which
11 was approved by the federal government, would leverage both
12 public funding and private investment to build out our
13 statewide charging infrastructure. CEC administers
14 California's NEVI program for Caltrans.

15 At the direction of President Trump, the Federal
16 Highway Administration issued a directive that effectively
17 halted the NEVI Formula Program by withholding billions in
18 funds that Congress had directed to the states for building
19 EV infrastructure in direct opposition to the statutory
20 mandate. As a result, the State of California joined
21 Washington and Colorado, and leading a coalition of 17
22 state attorneys general to prepare a lawsuit against the
23 Federal Highway Administration.

24 And the complaint and a motion for preliminary
25 injunction in that case were filed yesterday and Federal

1 District Court in Seattle. The complaint alleges that the
2 administration's anti NEVI directive was arbitrary and
3 capricious and not in accordance with law under the Federal
4 Administrative Procedure Act, and also in violation of the
5 US Constitution. The plaintiffs asked the court to declare
6 that the NEVI directive is unlawful and to permanently stop
7 the administration from withholding the funds.

8 California is represented in the case through the
9 Attorney General and the Governor, as well as Caltrans and
10 CEC. Hardworking attorneys in the AG's Office are
11 litigating the case for the state and CCO will keep you
12 apprised as it develops.

13 The second in additional developments on which
14 I'll update you are internal. Chief Counsel's Office
15 recently refreshed our units mission statement that guides
16 the work of our talented and dedicated legal professionals.
17 It is now,

18 "To advance CEC's mission by providing pragmatic
19 solutions oriented legal services and counsel to
20 support sound decision making throughout our agency."

21 I hope this resonates with you.

22 Third, I want to acknowledge the newest member of
23 our legal team, David Sakai, who's attending his first CEC
24 business meeting today. David joined us a couple weeks ago
25 from -- as Attorney III in the Hearing and Advisory Unit,

1 and he comes to CEC from the Social Security
2 Administration. Welcome to David. I expect he's not going
3 to be the last attorney this year to join CCO from the
4 federal service.

5 I also want to congratulate Maya Murphy-Cook, a
6 graduate legal assistant in our Regulatory and Advocacy
7 Unit. Maya received the good news earlier this week that
8 she passed the California Bar Examination. We are excited
9 for Maya and look forward to her transition to an Attorney
10 I position in CCO.

11 Finally, I'd like to express my appreciation for
12 the work of Blanca Camberos, who leads and manages the
13 Administrative Unit in CCO. Blanca and her team serve as
14 the backbone of CCO, and their dedication, attention to
15 detail, ability to just get things done enable CCO to stay
16 on top of our many, many deadlines and run smoothly. Thank
17 you, Blanca.

18 That concludes my report.

19 CHAIR HOCHSCHILD: Thank you. Well, that's a
20 bunch of good news in there. And just a special thank you
21 for the mission statement, which really does resonate, I
22 think, with all of us. So much appreciated.

23 And with that, we are adjourned.

24 (The meeting adjourned at 2:42 p.m.)
25

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 23rd day of May, 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.

May 23, 2025

MARTHA L. NELSON, CERT**367