

## DOCKETED

<b>Docket Number:</b>	15-BUSMTG-01
<b>Project Title:</b>	Business Meeting Transcripts
<b>TN #:</b>	204464
<b>Document Title:</b>	01 - 14 - 15 Business Meeting Transcript
<b>Description:</b>	N/A
<b>Filer:</b>	Sabrina Savala
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	5/1/2015 8:48:26 AM
<b>Docketed Date:</b>	5/1/2015



Commissioners Present

Robert B. Weisenmiller, Chairman  
Karen Douglas  
J. Andrew McAllister  
David Hochschild  
Janea A. Scott

Staff Present:

Robert P. Oglesby, Executive Director  
Jeffery Ogata, Acting Chief Counsel  
Alana Mathews, Public Adviser  
Elena Miller, Staff Counsel  
Dave Ashuckian, Deputy Director, Efficiency Division  
Harriet Kallemeyn, Secretariat

Agenda Item

Camille Remy-Obad	2
Chris Kavalec	3
Sarah Williams	4
Jennifer Allen	5
Andre Freeman	6
Cheryl Closson	7, 8
Amir Ehyai	9, 10
Joseph Merrill	11

Also Present

Interested Parties (\* Via WebEx)

John McKinsey	2
*George Piantka	2
*Daniel Morris	5
*Craig Rindt	6
Pat Splitt	10, 17
Michael Garabedian	11

# I N D E X

	Page
Proceedings	4
Items	
1. ENERGY COMMISSION COMMITTEE APPOINTMENTS	Deferred
2. EL SEGUNDO ENERGY CENTER (ESEC)	11
3. CALIFORNIA ENERGY DEMAND UPDATED FORECAST 2015-2025	16
4. LINDE LLC	36
5. UNITED STATES GENERAL SERVICES ADMINISTRATION	37
6. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, IRVINE	40
7. MODOC JOINT UNIFIED SCHOOL DISTRICT	46
8. COUNTY OF MODOC	49
9. CITY OF SAN MATEO	53
10. CITY OF MORRO BAY	55
11. ASPEN ENVIRONMENTAL GROUP	59
12. Minutes	74
13. Lead Commissioner or Presiding Member Reports	74
14. Chief Counsel's Report	93
15. Executive Director's Report	96
16. Public Adviser's Report	96
17. Public Comment	97
Adjournment	107
Transcriber's Certificate	108

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

P R O C E E D I N G S

JANUARY 14, 2015 10:00 a.m.

CHAIRMAN WEISENMILLER: Welcome to the business meeting. The Pledge of Allegiance.

(Whereupon, the Pledge of Allegiance was recited in unison.)

CHAIRMAN WEISENMILLER: Okay, so let's start the meeting with a couple of things. First of all, Item 1 will be held at the next meeting.

Second of all, I've been reappointed by the Governor and was sworn in last week. And one of my first steps, then, is to provide a copy of that oath to the Executive Director.

Rob, if you want to come up.

EXECUTIVE DIRECTOR OGLESBY: Documented. Thank you.

COMMISSIONER HOCHSCHILD: Actually, with your permission, could we take a minute to acknowledge this. Actually, it's not -- I do think it's actually a great foundation of the trajectory that all of us are on together and, you know, combined with some variable and ambitious, but achievable goals the Governor's laid out. I just want to say, you know, I am really excited for the next chapter and want to congratulate you on your reappointment.

1                   CHAIRMAN WEISENMILLER: Thank you. Thank you  
2 very much. I mean, yeah, it's going to be an exciting five  
3 years. You know, I think we've laid a lot of groundwork in  
4 the last five but, basically, you haven't seen anything,  
5 yet.

6                   COMMISSIONER DOUGLAS: I'll just briefly say, I  
7 think all of us wholeheartedly endorse and join what David  
8 just said. And we're delighted to have you back, and sworn  
9 in, and officially right here with us starting a new year,  
10 a new term. And we are very much looking forward to  
11 working with you and working together to achieve the  
12 Governor's goals and move this forward.

13                  COMMISSIONER MC ALLISTER: Yeah, I just will pile  
14 on here, but just say, also, I find it -- I mean, we have a  
15 great Commission of complimentary, and highly knowledgeable  
16 and capable appointees right now. And I just find it very  
17 -- you know, and I will include Rob and the executive team  
18 in that as well. There's just a really good, I think,  
19 sense of professionalism and urgency both -- and when we  
20 heard what we heard last week from the Governor, obviously  
21 we have even more on our plate.

22                  And from my perspective, it's all good stuff that  
23 needs to be done and I'm just very gratified to be working  
24 with Chair Weisenmiller, and in California, in this State  
25 right now, and for this Governor because we're trying to do

1 what needs to be done. It's just very clear and for all  
2 the right reasons.

3 And so, I'm hard-pressed to name a lot of places  
4 where that's the situation right now and I'm really  
5 gratified to be in California pushing on the priorities  
6 that really are the best ones for the State, and showing  
7 that leadership as an agency and, really, across the  
8 various agencies in the State and in a coordinated fashion.  
9 It's really quite exciting.

10 And congratulations, Bob, really enjoy working  
11 with you and thank you for all of your leadership.

12 COMMISSIONER SCOTT: And I'll just add, the nice  
13 thing about going last is I can just wholeheartedly agree  
14 with what my fellow Commissioners have said.

15 Bob, I'm absolutely delighted to get to work with  
16 you as the Chair, again, and continue the work that we have  
17 been doing.

18 And I just wanted to say thank you so much for  
19 your leadership and I look forward to your continued  
20 leadership on these issues. And congratulations.

21 CHAIRMAN WEISENMILLER: Yeah, thank you. Thanks  
22 to all of you. And, again, it's exciting times. I mean,  
23 the Governor has laid out sort of -- I want to say sort of  
24 the moon shot goal to deal with climate.

25 And, certainly, the three elements we need to

1 tackle, you know, transportation, decarbonizing the grid,  
2 and existing buildings, well, buildings in general.

3 So, yeah, it's going to be an exciting time, you  
4 know, the bottom line.

5 And certainly appreciate all your support and  
6 also, you know, the staff, along with the executive team.  
7 Certainly, what's always made this agency what it is, is  
8 the staff. So, anyway, certainly looking forward to moving  
9 forward on stuff.

10 I guess the other, really general announcement is  
11 that I think the other thing I'd like to start out with is  
12 pointing out, to everyone's attention, the new Energy  
13 Commission seal, which you can see behind me.

14 And this is our official unveiling and kickoff to  
15 our 40th anniversary celebration.

16 I would note that while the Governor was being  
17 sworn in or after the Governor was being sworn in I talked  
18 to Richard Mullen, who was the first chair, and he said  
19 that actually he and Judy Brewster, who's still here,  
20 were -- started the Energy Commission on that day, 40 years  
21 ago, in a little office in the Senator Hotel, which had  
22 been Ronald Reagan's energy office.

23 And so, again, it's obviously Richard is still  
24 active in energy. He's the Chair of the ISO Governing  
25 Board. And Judy is still active here in sort of one of our



1 long -- well, actually, our longest-term employee. So,  
2 anyway, that was good.

3 I think in terms of, as you know, certainly part  
4 of our tradition legacy is as the State's energy policy and  
5 planning agency. And through that we have been reducing  
6 energy costs, the environmental impacts of energy use,  
7 while making sure we have a safe, reliable, resilient  
8 supply of energy.

9 And many of the elements of the seal are the same  
10 as they were last time it was revised. The electricity  
11 symbol has been updated. And the icons for natural gas and  
12 petroleum have been merged into a single symbol.

13 The green shield represents our long-standing  
14 commitment to clean energy and addressing climate change.  
15 I mean, in many respects this goes back to Charlie Warren's  
16 initial vision to the Act.

17 And, similarly, the golden rays representing the  
18 sun are both a symbol of the source of energy and its role  
19 in leading California into a cleaner energy future, but  
20 also the transparency of this agency.

21 I mean, again, I think one of the things that  
22 Charlie really did was emphasize transparency in this  
23 agency at that sort of post-Watergate era.

24 And I'd certainly like to thank Michael Wilson,  
25 his team of students, and Lori Sinsley for development of

1 this new seal as it will serve as the Energy Commission's  
2 official trademark as we embark on another 40 years of  
3 energy leadership.

4 And I'd like to also remind management and staff  
5 to include the new seal going forward although, obviously,  
6 we're going to use up the existing stock of -- this is the  
7 Brown Administration, right, and we all are frugal. So,  
8 you know, we will need to use up our existing stock of  
9 paper and stuff.

10 But, you know, basically, as you know, most of  
11 the things we do now are electronic, so we should be able  
12 to roll this out pretty quickly.

13 So, I don't know if anyone wants -- does anybody  
14 want to say something about the seal?

15 COMMISSIONER HOCHSCHILD: Well, just I -- we  
16 started this process probably, I don't know, this fall and  
17 it is symbolic, I think, of a new chapter. And I think  
18 it's, you know, we are in a new chapter.

19 I think, you know, I'm personally -- the  
20 Governor's speech on Monday was a bold speech. And I think  
21 if you look at our history, you know, the Energy Commission  
22 was born, also, out of a bold vision.

23 A lot of what we have already done on efficiency,  
24 for example, and renewables, you know, people thought was  
25 impossible when we started.

1           So, I think that's the spirit, to me, that this  
2   symbol, this new logo represents. And I'm glad we're  
3   starting off the year by doing that.

4           COMMISSIONER DOUGLAS: Well, I just want to thank  
5   David for heavy lifting and leadership behind the scenes on  
6   working with the staff team and the Chair on the seal. I  
7   know you've put a lot of time and thought into it and it  
8   shows. It's a very good image for us as we start, again, a  
9   new year and a new set of goals.

10          COMMISSIONER MC ALLISTER: Yeah, thanks David on  
11   that. And many people don't know this about me, but I  
12   actually majored in art history, as well as engineering, in  
13   college.

14          And I thought the design enterprise, I thought  
15   the staff did a great job and it really came out  
16   esthetically very nice.

17          And, you know, I tend to use my engineering  
18   skills more than the earliest background, more than the art  
19   history background, which is kind of why I did it because I  
20   wanted a job.

21          (Laughter)

22          COMMISSIONER MC ALLISTER: But it's really nice  
23   to have -- it's nice to have an opportunity to have -- to  
24   opine about the aesthetics and design process. And also,  
25   just, you know, like with our staff, Michael and his team

1 worked great on this, and really turned stuff around and  
2 got it done, and really did a nice design process on it.  
3 So, very happy and, yeah, just looks really nice and  
4 represents us very well going forward.

5 COMMISSIONER SCOTT: I agree, I really like the  
6 update. And thank you, Chair, for walking us through each  
7 of the pieces and why we made the update.

8 And I'd just echo the thoughts of my fellow  
9 Commissioners and thank David for his leadership on this,  
10 and Michael for the great design, and Lori, and the team  
11 that put this together for us. It looks terrific.

12 CHAIRMAN WEISENMILLER: Well, good.

13 So, let's transition to Item 2, which is El  
14 Segundo Energy Center. And I guess we have Camille Remy-  
15 Obad, please.

16 MS. REMY-OBAD: Good morning Commissioner. Are  
17 we doing okay? All right.

18 As you mentioned, my name is Camille Remy-Obad  
19 and I am the Compliance Project Manager for the El Segundo  
20 Energy Center, or El Segundo. Today I am presenting a  
21 petition to amend El Segundo's existing license to modify  
22 the Air Quality conditions of certification for Units 5 &  
23 7, to define and clarify turbine start up and restart  
24 requirements, and to make additional administrative changes  
25 related to commissioning, initial operation and initial

1 testing.

2           Joining me today is Staff Attorney Elena Miller,  
3 from the Chief Counsel's Office, Air Quality Technical  
4 Staff, Wenjun Qian and Gerry Bemis, and the project's  
5 representatives, Tom Andrews and John McKinsey are also  
6 present to answer questions.

7           The Energy Commission first certified the  
8 original 630-megawatt El Segundo Redevelopment Project  
9 facility on February 2, of 2005. Subsequent June 2010 and  
10 August 2012 amendments began the facility's conversion to  
11 a nominal 560-megawatt combined-cycle natural gas power  
12 plant using dry cooling and zero liquid discharge  
13 technology, and also changed the facility's name to the El  
14 Segundo Energy Center.

15           El Segundo's Units 5 & 7 have been operational  
16 since August 1, 2013, and are located on the coast at 301  
17 Vista Del Mar, in El Segundo, California, approximately two  
18 miles from the Los Angeles International Airport, in Los  
19 Angeles County.

20           El Segundo's Units 5 & 7 are natural gas fired  
21 combustion turbines. Occasionally, aborted startups of  
22 these turbines occur due to system upsets. This results in  
23 the startup, shutdown, and restart of a unit. On October  
24 3, 2014, the project owner requested clarifying language  
25 for Air Quality Conditions of Certification 16, 17, 20 and

1 32.

2           The clarifying language addresses how aborted  
3 startups and associated turbine restarts are counted toward  
4 El Segundo's annual 200 startup limit per unit, for Units 5  
5 & 7. Specifically, if a start, shutdown and restart can be  
6 accomplished within one hour, this event would count as one  
7 start and not two. Staff expects this startup/restart  
8 clarification language to also be included in the South  
9 Coast Air Quality Management District's errata to the Final  
10 Determination of Compliance for Units 9 through 12, which  
11 is currently under review by the Energy Commission.

12           On November 25th, 2014, the Air District provided  
13 the Energy Commission's technical staff with the  
14 startup/restart clarification language in a revised Permit  
15 to Operate. The Air District also made additional  
16 administrative changes to other conditions, most of which  
17 are related to commissioning, initial operation and initial  
18 testing. Staff analyzed these additional changes as well.  
19 Unit 5 & 7 analysis now includes modifications to 11 Air  
20 Quality Conditions of Certification and recommends deletion  
21 of 6 Air Quality Conditions of Certification as they are no  
22 longer needed.

23           The proposed changes to these conditions of  
24 certification and the corresponding Air District permit  
25 conditions will not affect El Segundo's emission limits,

1 nor the 60-minute startup duration specified in their  
2 conditions of certification.

3 The public process calendar is as follows:

4 The Petition to Amend was filed on October 3rd,  
5 2014. The Notice of Receipt was mailed, docketed and  
6 posted on October 15th, 2014. The Staff Analysis was  
7 mailed, docketed and posted on the Energy Commission  
8 website on December 12th, 2014. And the 30-day comment  
9 period ended January 12th.

10 As far as I know, there has been no public  
11 comments received.

12 The proposed modification in the petition are  
13 based on the need to define and clarify turbine startup and  
14 restart events, as well as amending or removing Air Quality  
15 Conditions of Certification pertaining to commissioning,  
16 initial operation and initial testing activities.

17 The proposed modifications include changes to AQ-  
18 5, 7, 11, 14 through 17, 20, 32, 36 and 37.

19 As well, we are requesting elimination of AQ-6,  
20 18, 19, 27, 35 and AQ-40.

21 Staff has determined that the required findings  
22 mandated by Title 20, section 1769(a)(3) of the California  
23 Code of Regulations can be made and recommends approval of  
24 the petition to the Energy Commission.

25 Thank you, and Staff is available to answer any

1 questions you have.

2 CHAIRMAN WEISENMILLER: Thank you. Applicant?

3 MR. MC KINSEY: Thank you. Good morning,  
4 Commissioners, my name is John McKinsey, counsel for the  
5 project owner, El Segundo Energy Center, LLC.

6 I have on the phone with me George Piantka, the  
7 Director of NRG. He couldn't be present here physically  
8 this morning, and I think he wanted to say a couple of  
9 words.

10 So George, if you're here, go ahead.

11 MR. PIANTKA: Yeah, good morning Commissioners,  
12 and Staff, and members of the public. I just want to thank  
13 you for the consideration of this petition. It is  
14 important to our operations and does lend itself to  
15 clarifying and creating consistency across our facility  
16 permit, as well as the license in the pending amendment for  
17 El Segundo. Thank you.

18 MR. MC KINSEY: And then I would just add that  
19 the project owner fully supports the staff's recommended  
20 changes and recommended decision on the Petition to Amend.

21 CHAIRMAN WEISENMILLER: Any other public comment  
22 of anyone in the room or on the line?

23 So, hearing none, let's go back to the discussion  
24 with the Commissioners. Commissioners, do you have any  
25 questions or comments for the Staff, or applicant?



1                   COMMISSIONER DOUGLAS: I have no questions. I'll  
2 just say, as the Lead Commissioner on siting, of course I  
3 reviewed this. This is a pretty straight forward  
4 amendment. It's helpful and it clarifies an important  
5 issue in the license. It's not an environmental impact.  
6 It doesn't increase air pollution or anything like that.  
7 So, it's very straight forward, actually.

8                   Unless there are any questions, I'd be happy to  
9 make a motion for approval.

10                  COMMISSIONER HOCHSCHILD: Second.

11                  CHAIRMAN WEISENMILLER: All those in favor?

12                  (Ayes)

13                  CHAIRMAN WEISENMILLER: This passes five to zero.

14 Thank you.

15                  Let's go on to Item Number 3, which is California  
16 Energy Demand Update Forecast, 2015-2015. Chris.

17                  MR. KAVALEC: Good morning. I am Chris  
18 Kavalec from the Demand Analysis Office and I'm here to  
19 propose adoption of the California Energy Demand Updated  
20 Forecast 2015-2025, or CEDU for short. And I'm sorry I  
21 don't have the new seal in there, yet.

22                  This is the first time that we've done an update  
23 like this. We typically do a forecast every two years for  
24 the IEPR. From this year on, we're also going to be doing  
25 a forecast update in the IEPR off years.

1           And a little bit of background on this. The  
2 three agencies, the Energy Commission, the CPUC, and the  
3 California ISO have been engaged in extensive discussions  
4 to attempt to align all their planning processes so that  
5 input needed from one proceeding for another is provided in  
6 a timely fashion. And the timing of one proceeding doesn't  
7 delay the schedule for another proceeding, and so on.

8           We, the Staffs from the three agencies, have  
9 developed a process alignment calendar specifically for  
10 long-term procurement, transmission planning and the IEPR  
11 forecast. And during these discussions we realized that it  
12 would be nice to have a forecast refresh in even-numbered  
13 years for these processes.

14           And the Energy Commission agreed to a limited  
15 forecast update. And I say limited because in the IEPR off  
16 years there's a lot of other things that we need and want  
17 to do, updating our models, and developing new methodology  
18 and so on.

19           So, this forecast is meant to update and  
20 incorporate the most recent economic demographic projects  
21 available and update the historical data for electricity  
22 sales consumption in peak demand.

23           However, the update does not include updates to  
24 any other demand-related factors. For example, efficiency,  
25 demand response, electric vehicles and so on.

1           And the forecast update is meant for electricity,  
2   only. We typically do, in the IEPR years, a forecast for  
3   both electricity and natural gas.

4           And the purpose, number one, the California ISO's  
5   transmission planning process, which is an annual process,  
6   they would like to have a new forecast every year for this  
7   proceeding.

8           The CPUC's long-term procurement process, that's  
9   a two-year process. However, they would like to have a  
10   refreshed forecast in the second year of the cycle. So,  
11   that's what this update is meant to provide.

12          And the timing has worked out such that this  
13   forecast update will be a reference forecast for the latest  
14   CPUC Efficiency Potential and Goals Study, which is just  
15   now getting started.

16          And to get to this point, we started the forecast  
17   in September, updating our historical data. We developed a  
18   forecast and forecast report in November. We had a  
19   workshop on December 8th. We addressed and incorporated  
20   comments that were received during the workshop and  
21   afterward, in written form. And we posted a final report  
22   on December 29th.

23          And what this product actually is, more  
24   specifically, is it's an updated baseline forecast. And by  
25   baseline, I mean it means the forecast does not include

1 additional achievable energy efficiency.

2           So, this is an updated baseline forecast for  
3 sales, consumption and peak demand for our usual eight  
4 planning areas that we forecast for, in our 16 climate  
5 zones.

6           And as in the full IEPR forecast, we have three  
7 demand scenarios, high, mid and low. As I alluded to  
8 earlier, additional achievable energy efficiency has not  
9 changed from the 2013 IEPR forecast.

10           And our ultimate goal here is to developed new  
11 managed forecasts. And the definition of a managed  
12 forecast is a combination of a baseline forecast and a  
13 given AAEE scenario.

14           What the three agencies agreed to at the -- for  
15 the 2013 forecast was a combination of -- was two planning  
16 scenarios or two planning forecasts. Combinations of the  
17 mid-baseline forecast with a mid-AAEE scenario, and the  
18 mid-baseline with the low mid-AAEE scenario.

19           And the first is meant for system wide planning.  
20 The second, more conservative forecast, is meant for more  
21 localized planning.

22           A brief summaries of results. Moving in global  
23 insight to provide us our economic and demographic  
24 projections are more pessimistic in economic growth than  
25 they were in 2013. And what they're telling is that the

1 great recession has had more of an impact, an adverse  
2 impact, structural impact on the economy than had been  
3 anticipated before. And by structural impact, I mean  
4 affecting things like worker productivity, long-term  
5 investment and business startups, so that affects long-term  
6 growth.

7 As an example, in our mid case, personal income  
8 by 2024 is around five percent lower than it was in the  
9 2013 forecast.

10 So, a result of all this is that we have a  
11 slightly lower forecast. By 2024, in our mid-baseline  
12 case, at the statewide level electricity consumption is  
13 down by around 1.5 percent, which amounts to around 5,000  
14 gigawatt hours. And peak demand down by 1.8 percent, or  
15 around 1,300 megawatts.

16 The largest reductions in terms of economic  
17 growth happened in the L.A. region and, therefore, the  
18 growth reductions in the forecast are highest in our  
19 planning areas that are in the L.A. region, which includes  
20 LADWP and Southern California Edison.

21 A couple of pretty pictures here. The important  
22 forecast to pay attention to here are the red and the dark  
23 blue line, which shows our mid-baseline forecast from 2013  
24 and our new, mid-baseline forecast down by around 1.5  
25 percent for consumption as I said. And on the peak side

1 down by around 1.8 percent. Again, comparing the two mid-  
2 baseline cases, the red and the dark blue.

3 As I said, our ultimate goal is to provide new  
4 managed forecasts for planning purposes. And a managed  
5 forecast applies our AAEE savings to our new mid-baseline  
6 forecast for the IOU service territories. We currently  
7 only estimate additional achievable energy efficiencies for  
8 the IOUs. However, in the next forecast we're going to  
9 attempt to estimate AAEE savings for the publicly-owned  
10 utilities, as well.

11 And our two planning forecasts, which are  
12 composed of the mid and the low mid-AAEE scenarios, apply  
13 to our new mid-baseline forecasts for system wide and  
14 localized planning, respectively.

15 Also, as I said, no change in additional  
16 achievable energy efficiency from the last forecast, except  
17 to rescale. Meaning we had some impacts in 2013 from  
18 additional achievable energy efficiency in the last  
19 forecast. We've updated our historic data so those impacts  
20 will be embedded in the load.

21 So, we needed to rescale so that our additional  
22 achievable energy efficiency is incremental to the last  
23 historic year. But that's the only change that we made to  
24 AAEE.

25 A couple more pictures. We're comparing the red

1 and the blue, dark blue lines here. The top set of red and  
2 blue lines show the mid -- our first planning case, mid-  
3 baseline with the low mid-AAEE developed in 2013, and our  
4 new forecast. This is down by around 1.6 percent by 2024.

5 And the second, the lower set of lines, the red  
6 and blue show the planning forecast using the mid-baseline  
7 and the mid additional achievable energy efficiency.

8 The same thing for peak demand, down by around 1  
9 percent by 2024, for our two planning scenarios.

10 And I'll just finish up with some final thoughts  
11 looking forward. Doing this update appears to be  
12 manageable for us, the staff, when we limit it to changes,  
13 as we did this time, to historical data, and economic and  
14 demographic projects.

15 There is pressure and will continue to be  
16 pressure to increase the scope of the forecast to include  
17 other demand-related factors. However, given the short  
18 time frame that we have to do this, our position now is  
19 that we don't want any scope to -- we're going to continue  
20 to do this update only changing these two critical sets of  
21 data or variables.

22 Lastly, one thing we did notice is that you can  
23 have some big jumps from one year to the next, not  
24 surprisingly, but it turns out that these big jumps, since  
25 they chance the starting point, can actually affect an

1 updated forecast as much or almost as much as a change in  
2 assumptions for economic and demographic growth.

3 So with that, I'll ask the dais for questions or  
4 comments?

5 CHAIRMAN WEISENMILLER: Yeah. Actually, let me  
6 start out with a few comments.

7 First, again, I want to thank you and your staff  
8 for working through these issues in a very professional  
9 fashion. Obviously, trying to track down all of the pieces  
10 and make sure they fit together is sort of complicated, but  
11 it's one of the things we do well.

12 I'd also like to thank Mike Jaske, Sylvia,  
13 Heather Saunders, and the PC staff on trying to basically  
14 coordinate and make sure they're looking forward on really  
15 following up with commitments that might -- that Beberich,  
16 Peevey and I made to the Legislature on trying to align  
17 things.

18 And with that, this has been a good example. As  
19 you indicated, this was pretty clearly, as part of our  
20 process realignment was econ demo. I mean there was a  
21 little bit of suggestions on scope creep, but we basically  
22 didn't do those. You know, it's like can you update this  
23 little piece of energy efficiency and it was like, no, and  
24 we said no, energy efficiency updates this time. Or,  
25 actually, this was demand response. But anyway, we're



1 going to deal with it more comprehensively.

2 A certain amount of narrative on the roles of the  
3 three agencies. I will point out one of the changes here,  
4 which lowered the peak forecast, actually came from the Cal  
5 ISO. The issue is the coincident -- you know, we basically  
6 forecast the peak of the various utilities and then add  
7 those up, and part of the issue is how coincident are they?

8 And it turns out that they're sort of more  
9 coincident than we thought, which reduces the overall  
10 impacts on. So, again, that was a pretty helpful  
11 suggestion from the ISO that sort of got the numbers down  
12 somewhat.

13 I would note that if you think back to the first  
14 couple of charts, there's a lot of uncertainty here. So,  
15 while the numbers are generally lower in ways you can see,  
16 they certainly fall within the band of uncertainty, you  
17 know, between the low and high, and all the cases.

18 But I think going forward, just one of the things  
19 which I've talked to President Picker, Commissioner  
20 Peterman, Commissioner McAllister about was the effort, so  
21 far we've done a pretty good job on the energy efficiency  
22 demand response alignment.

23 The good news is this year, unlike the last time,  
24 we really have the ability to go through the EMB studies,  
25 the PUC's been doing, and use those to better calibrate

1 what our forecasts are on energy efficiency.

2 Last time, as you recall, we only had the  
3 potential studies, as opposed to any evaluation of the  
4 effectiveness of the programs. So, that should help get  
5 good numbers.

6 I think the other thing, again, from general  
7 discussion that came out is President Picker really wants  
8 to use our forecast as part of the distribution planning  
9 OIR. And so, obviously, our forecast are, you know,  
10 climate zone. I mean, we're continually trying to  
11 disaggregate those down, but they're never going to get to  
12 substation by substation, really. You would have to be  
13 forecasting individuals customers' behavior. You know,  
14 like what's going on, say, at Apple, since they have their  
15 own substation.

16 So, but we do have a methodology to disaggregate  
17 that Dr. Jaske's came up with. And part of the process  
18 going forward in this upcoming year, then, is they have  
19 more of an opportunity for utilities, everyone to sort of  
20 look at that methodology and make sure that everyone's  
21 comfortable with it.

22 So, as we translate our forecast down to the  
23 distribution planning, that there's a good opportunity to  
24 sort of enhance that.

25 The other area along -- you know, that is really

1 important to President Picker is that we start looking at  
2 the impacts of some of the rate design changes the PUC's  
3 considering.

4 One aspect of that is time of use. Another  
5 aspect of that is going to more fixed charges or customer  
6 charges. So, we will start investigating that this year.  
7 Obviously, part of it is waiting to see how far they get in  
8 that process.

9 And then, finally, last time we had a pretty good  
10 conversation on energy efficiency and demand response as  
11 part of this conversation among the various agencies. And  
12 as we were adopting it, we realized that, indeed, somewhere  
13 in the bowels of the Energy Commission -- well, it's in our  
14 forecast.

15 But in the PUC or the ISO, there are things like  
16 forecasts of DGE, or CHP, or storage, or ZEV which those  
17 had not been part of the conversation. And so the hope,  
18 this time, is to have a more broad-based conversation so  
19 that we can do a better job of more broadly aligning the  
20 preferred resource assumptions.

21 So, again, it's a pretty tall order this time  
22 that we're trying to do. But I think, again, it's all  
23 building upon work we've done. And, certainly, there's  
24 been a lot of good work on process alignment.

25 And I think as Chris indicated, I think my first

1 year here we were getting ready to start the demand  
2 forecasting process. The PUC was rethinking all the energy  
3 efficiency stuff. So, we looked over for the handoff and  
4 there was really nothing useful at that stage, waiting for  
5 that to be done. So now, we're much better aligned between  
6 what we need to do the forecast and when the other agencies  
7 need things from us so --

8 COMMISSIONER HOCHSCHILD: Thanks for the point,  
9 Mr. Chair, on the rate. I just want to echo a few thoughts  
10 on that and then a question.

11 I do think there's a real risk going forward, of  
12 California from a policy perspective having one for the gas  
13 and one for the break at the same time. Particularly with  
14 energy efficiency, you know, we're spending a billion  
15 dollars a year on rebates, you know, for the (inaudible)  
16 program, and we have our codes and so on.

17 And then, if you have rate design that actually,  
18 you know, reduces customer savings, from investing  
19 efficiency it can slow that.

20 And so, you look at how rate design -- in those  
21 proceedings you have, you know, agencies like for the  
22 ratepayer advocates and so on, 177 people who are focused  
23 on one element of it. Shining the light on the impact of  
24 rate design as it pertains to these other state goals on  
25 efficiency and distributed renewables I think is really

1 important, so we are conscious of that as a state, as we  
2 make those. Those are very, very important decisions and,  
3 you know, we need to make sure they stay in line with the  
4 goals that are outlined.

5 The question I had, actually Chris, for you, and  
6 maybe this is also a question for the Chair and for  
7 Commissioner McAllister, is specifically about the PACE  
8 Program, when you look at the energy savings we're  
9 expecting to get.

10 Did you look at -- I mean, are you making  
11 projections of how much of that is attributable to PACE?  
12 The reason I ask is that, you know, this will be the first  
13 full year that PACE will be operating with that \$10 million  
14 loan loss reserve. From what I can tell is it is going  
15 gangbusters, so PACE is now in development in 75 percent of  
16 the state that either has a PACE Program or is developing  
17 one. There has not been a single default, so far, in the  
18 State of California for a PACE Project.

19 And just talking to the folks who are running  
20 those programs, recently, it just seems like it's really  
21 taking off. So, I'm just curious how much are we  
22 projecting?

23 I don't know if that's something you can kind of  
24 peel out of the projection, just how significant it is?

25 CHAIRMAN WEISENMILLER: I think it's probably

1 fair to say that, again, we -- the energy efficiency part  
2 of this update is this, whatever we did to the last time.

3 Now, in terms of going forward, it's certainly a  
4 very good question.

5 COMMISSIONER HOCHSCHILD: I don't know if you  
6 want to --

7 COMMISSIONER MC ALLISTER: Yeah, so the part of  
8 the effort -- so, I want to thank Bob for his background.  
9 And Chris certainly, obviously, you get to do this every  
10 year now, and then energy efficiency every two years.

11 I want to talk a little bit about sort of going  
12 forward next year, but I'll do that later.

13 So, I think, you know, historically this agency  
14 has thought a lot about rates, and sort of in rate time of  
15 use, and sort of how to get that moving in the demand  
16 response context, largely. And in over the last few years  
17 that's kind of falling off as, really, it's become a  
18 problem of rate design, per se, which we actually don't do,  
19 right.

20 But I agree that that's a really important  
21 behavior modification strategy, if you want to put it that,  
22 you know, to correspond to rates. And so, part of our job  
23 is to make those rates tangible to people so that they can  
24 actually respond to them, and not sort of embed them down  
25 in the weeds.

1           But on PACE, specifically, you know, I think we  
2 need to distinguish between the various things that we do,  
3 either in this agency or the PUC. So, we do codes and  
4 standards, and we do time efficiency, building efficiency,  
5 and those play out in some wedge of savings over time.

6           And then they overlap or don't, you know, we're  
7 trying to sort of figure out how they do or don't overlap  
8 with the programs that are largely voluntary programs, that  
9 the utilities' ratepayers fund through the PUC and the  
10 POU's.

11           And so, PACE has a kind of interesting overlay to  
12 all of that because, you know, many PACE Programs will  
13 participate in -- many PACE projects, rather, will choose  
14 to participate in a utility program, but many of them  
15 won't. And so, we won't necessarily perceive participation  
16 in all PACE Programs through the kind of feedback that we  
17 get from the program environment.

18           And so that is a really -- so, one of the big  
19 efforts that is, I think, being coordinated across the  
20 Commission's, you know, and with CAEATFA is a wide variety  
21 of financing instruments, including PACE. But also  
22 including, you know, all finance and different ways to  
23 bring CAEATFA to other projects. And they should be  
24 captured in some way in those efforts.

25           But again, you know, probably the most successful

1 PACE Program is one that the state and the agencies have  
2 had the least interaction with, or the least role in, which  
3 is down in Riverside. So, you know, what happens when that  
4 one scales up and how do we detach sort of what kinds of  
5 projects, and what the efficiency savings associated with  
6 those projects actually are?

7           So, that's a problem. I mean, that's an  
8 analytical challenge, frankly. And there's not a great way  
9 to roll that up within our existing AMNB (phonetic), so we  
10 need to think about how to do that.

11           But in general, you know, I kind of see it as  
12 part of the new market transformation approach, like it's a  
13 market transformation tool. And I think if we -- our best  
14 strategy is to think broadly about what can enable  
15 contractors, building owners, residents, you know, in this  
16 case building owners, and their service providers to bite  
17 on update projects? You know, energy efficiency, DG,  
18 whatever they may be, that produce benefits for the state.

19           And it's a secondary question about whether  
20 they've actually participated in a program, this or that  
21 program to get the incentive, or whatever.

22           But we -- you know, in a market transformation  
23 kind of an approach we can capture all that and look at,  
24 you know, look at the metrics that matter, which are energy  
25 use intensity, average energy consumption, those sorts of



1 things, which PACE absolutely does influence.

2           Anyway, a long way of saying that it's a bit of  
3 an analytical challenge, but certainly one that we need to  
4 appreciate going forward and incorporate.

5           MR. KAVALEC: I'll just say that attribution  
6 amongst the various types of efficiency measures is one of  
7 the more difficult things that we deal with. And I'll just  
8 add, to be continued, we will -- this conversation will  
9 continue and in depth, in the next few months.

10           COMMISSIONER MC ALLISTER: I was trying to avoid  
11 using the word "attribution" but, you know, you got it  
12 right. It's a good shorthand.

13           MR. KAVALEC: Yeah.

14           CHAIRMAN WEISENMILLER: I was also going to, on  
15 the rate issues, I think -- when we had the hearings last  
16 time, and that was when IEP popped up and said you're going  
17 to have to look at fixed charges, on what that does on the  
18 forecast. And thinking that that's where we're shooting on  
19 the energy efficiency side.

20           And then since then some of my other friends,  
21 more from the environmental community are saying, well,  
22 you're really have to look at time of use.

23           I think both of them were perturbed we only  
24 looked at one side of the coin. We will look at both  
25 although, frankly, I don't know how far the PUC actually

1 gets in actually resolving any of these issues but, yeah.

2 COMMISSIONER MC ALLISTER: You know, I  
3 (inaudible) this cost-effectiveness question. You know,  
4 what -- if you have a high fixed charge, you know, it  
5 affects the economics of a project if you say -- you know,  
6 your kilowatt hour's not worth as much when you avoid it,  
7 then it does affect the cost effectiveness. So, I think  
8 that's kind of what you're suggesting.

9 But those -- that impact is really a behavioral  
10 question that we need to look into.

11 COMMISSIONER SCOTT: Chris, I wanted to say thank  
12 you to you, and to your team, for this analysis and the  
13 great work that you all did.

14 We had a whole day set aside to go through the  
15 demand forecast and really sit down and talk with people  
16 about any issues that they may want to raise. And I think  
17 it's a testament to the great collaboration, and the  
18 outreach, and the really good work that you all did.

19 I mean this meeting we had, it was very quiet,  
20 actually, and didn't take very long because many of the  
21 issues had already been worked and solved in advance. And  
22 so, my compliments to you and everyone for working  
23 collaboratively with our team on that.

24 You know, and then there were a few comments that  
25 were on the table, that remained to be addressed. For

1 example, the CAISO, with the coincident peaks had, you  
2 know, a question and they asked us to follow up on that.  
3 We did a great job, I think, following up on those  
4 comments.

5 And many of the other comments that we received  
6 were addressed, basically, with the clarification of what  
7 was going to be in this update and what wasn't going to be  
8 in this update.

9 And so the Chairman mentioned that in his remarks  
10 about the scope creep and kind of clarifying what was meant  
11 to be done this year and the types of things that we would  
12 be doing in 2015.

13 So, I just wanted to say thank you for that and  
14 for the good work, and to all of the folks who rolled up  
15 their sleeves and worked with us to put this together.

16 And I think maybe Commissioner McAllister wanted  
17 to say something about next year's.

18 COMMISSIONER MC ALLISTER: Yeah, so the Chair  
19 said most of what I would have said. And I just want to --  
20 so, we'll be working on this going forward in the 2015  
21 IEPR, with the full demand forecast.

22 And, you know, I think this deepening of the  
23 analysis and trying to figure out how we can be more  
24 disaggregated, but not -- you know, not get too deep in the  
25 weeds or at least have data to support what we're doing is

1 kind of the challenge of the day. And maintaining that  
2 agency alignment between -- you know, for all the different  
3 planning efforts that the different agencies do.

4           You know, partly I think there's a structural  
5 question about when what data comes in that we then have to  
6 crunch quickly to then get out there to, hopefully, in  
7 locked step in a planned way, get it over to the other  
8 agencies for their use. So, that's going to be an ongoing  
9 challenge and maybe we can -- I think that how that  
10 actually works in practice is -- you know, and will affect  
11 the methodological discussion that we're going to have  
12 about how we deepen and how we get more granular.

13           So, there's going to be some good interaction, I  
14 think that helps us move the ball forward on the forecast  
15 to meet these new challenges. You know, as we have more  
16 and more distributed resources, and more and more local  
17 efforts, we need to be able to capture that somehow. And  
18 we want to do that responsibility and we've got the  
19 methodology that we -- and make sure that it's good to pass  
20 the corporate level of consensus.

21           So, really looking forward to working with you  
22 and the team on that. And thanks for all your work on this  
23 year, as well.

24           COMMISSIONER SCOTT: Any other questions? No. I  
25 will move approval of Item 3, the California Energy Demand

35

1 Updated Forecast 2015-2025.

2 COMMISSIONER MC ALLISTER: I'll second.

3 CHAIRMAN WEISENMILLER: All those in favor?

4 (Ayes)

5 CHAIRMAN WEISENMILLER: This also passed five to  
6 zero. Thanks Chris.

7 Let's go on to Item Number 4, Linde LLC. Sarah  
8 Williams, please.

9 MS. WILLIAMS: Good morning Commissioners,  
10 Chairman. My name is Sarah Williams, with the Emerging  
11 Fuels and Technologies Office of the Fuels and  
12 Transportation Division.

13 I'm bringing the grant, ARV-14-032, to you today.  
14 This is the latest operation and maintenance grant under  
15 the hydrogen refueling infrastructure solicitation, PON-13-  
16 607.

17 When staff held an in-depth survey and multiple  
18 workshops to ascertain what was needed to build the  
19 hydrogen refueling network, one of the major needs we  
20 discovered was funding to allow stations to run while the  
21 vehicles rolled out.

22 This grant supports the operation of the West  
23 Sacramento Hydrogen Station, which had its grand opening on  
24 October 10th.

25 Staff requests that the Commission support

1 approval of the proposed resolution approving agreement  
2 ARV-14-032, with Linde, for a \$300,000 grant, \$100,000 per  
3 year over three years, to cover operation and maintenance  
4 costs for the hydrogen refueling station and gather data  
5 about the use and maintenance of the station.

6 And if you have any questions, I'm happy to  
7 answer.

8 CHAIRMAN WEISENMILLER: Let's see, Commissioners,  
9 any questions or comments?

10 COMMISSIONER SCOTT: I move approval of Item 4.

11 COMMISSIONER DOUGLAS: Second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes)

14 CHAIRMAN WEISENMILLER: This also passes five to  
15 zero, thank you.

16 Let's go on to Item Number 5, which is United  
17 States General Service Administration. And Jennifer Allen,  
18 please.

19 MS. ALLEN: Good morning Chairman and  
20 Commissioners. My name is Jennifer Allen, of the Fuels and  
21 Transportation Division, Emerging Fuels and Technologies  
22 Office.

23 I'm presenting for your consideration Agreement  
24 Number 600-14-004, for \$600,000 with the Federal General  
25 Services Administration or GSA. GSA will install 50

1 chargers for fleet vehicle use in at least ten Federal  
2 facilities throughout California.

3 Potential sites include Federal facilities in  
4 Sacramento, and the Fresno/Bakersfield areas, the Bay Area,  
5 the Los Angeles area and San Diego.

6 In accordance with Federal promotion of the use  
7 of alternative fuel vehicles in Federal fleets, GSA plans  
8 to expand the use of electric vehicles in their fleets.

9 They did not have adequate budget support to put  
10 in an extended number of chargers and they requested help  
11 from the Energy Commission.

12 In addition to promoting electric vehicles in  
13 Federal fleets, the vehicles and the chargers were  
14 familiarize Federal employees with electric vehicle use.

15 Staff is seeking your approval for Agreement 600-  
16 14-004 for \$600,000, from the Alternative and Renewable  
17 Fuel and Vehicle Technology Program.

18 Thank you for your consideration of this item.  
19 I'm available to answer any questions.

20 And I believe Mark Levi (phonetic) and Amy Tesner  
21 (phonetic), of GSA are on the phone to also answer  
22 questions.

23 CHAIRMAN WEISENMILLER: Great. I think we have  
24 someone from GSA on the phone. Would you introduce  
25 yourselves?

1           MR. MORRIS: Good morning, my name's Daniel  
2 Morris and I'm the acting Regional Administrator for the  
3 General Service Administration's Pacific Rim Region, which  
4 includes the State of California.

5           I'd just like to express my appreciation to the  
6 Commission for considering GSA's request. If approved,  
7 this grant will greatly assist in our efforts to green the  
8 Federal fleet in California through the conversion of  
9 conventional vehicles to rechargeable vehicles.

10           GSA manages an approximately 20,000 vehicle fleet  
11 in California. And while we've made progress moving to  
12 hybrids, we've faced challenges migrating to rechargeable  
13 vehicles. Lack of charging stations is certainly an  
14 impediment to adoption.

15           I believe GSA's objections and yours are much the  
16 same. And this partnership will advance both California's  
17 and the Federal Government's greenhouse gas emissions  
18 objectives.

19           Mark Levi, our subject matter energy expert, is  
20 available to answer any questions that you might have of  
21 GSA. So, thank you for your time.

22           CHAIRMAN WEISENMILLER: Well, thanks for your  
23 participation in our case -- our proceeding today. And  
24 it's very good for us to understand GSA's objectives.

25           Any of the Commissioners have any questions or



1 comments on this, either for staff or for this gentleman?

2 COMMISSIONER SCOTT: No, I'll just thank you, Mr.  
3 Morris, for joining us and for your GSA partnership with  
4 the State of California to help transform our fleet towards  
5 more zero emission vehicles.

6 MR. MORRIS: You're welcome.

7 COMMISSIONER SCOTT: I move approval of Item 5.

8 COMMISSIONER DOUGLAS: Second.

9 CHAIRMAN WEISENMILLER: All those in favor?

10 (Ayes)

11 CHAIRMAN WEISENMILLER: This item passes five to  
12 zero, again. Thank you.

13 MS. WILLIAMS: Thank you.

14 CHAIRMAN WEISENMILLER: Let's go on to -- thank  
15 you. Let's go on to Item 6, which is the Regents of the  
16 University of California, Irvine. Andre Freeman, and I  
17 believe you want to -- Karen, why don't you go first on  
18 this.

19 COMMISSIONER DOUGLAS: So, for this item, which  
20 is Item 6, I've got a disclosure to make, which is that I  
21 teach as an adjunct professor at UC Davis King Hall, a  
22 renewable energy law class. We actually had the first  
23 class last night, and it's a lot of fun. We were over-  
24 subscribed and I just let everyone in so --

25 (Laughter)

1           COMMISSIONER DOUGLAS: So, it's a very big class.  
2           But in any case, I wanted to say that because,  
3 obviously, it required disclosure. This particular  
4 contract is not with King Hall, but it is with the  
5 University of California, so that's all.

6           Oh, and just for the sake of efficiency, I'll  
7 take this moment to make the same disclosure for Item 8,  
8 which is a contract with County of Modoc, and UC Davis is a  
9 subcontractor to that agreement. King Hall is not a  
10 recipient, however.

11           COMMISSIONER MC ALLISTER: So, I'll build on what  
12 Commissioner Douglas said. My wife's a professor at King  
13 Hall, at UC Davis, and has no relationship with either of  
14 these projects. So, just wanted to disclose that, as well.

15           CHAIRMAN WEISENMILLER: Okay, staff.

16           MR. FREEMAN: Good morning, Commissioners. My  
17 name's Andre Freeman. I'm here in the Energy Commission's  
18 Fuels and Transportation Division.

19           Today I'm seeking approval of this contract that  
20 will provide funding to the University of California,  
21 Irvine, from the Energy Commission's Alternative and  
22 Renewable Fuel and Vehicle Technology Program.

23           This funding will be utilized to develop and  
24 implement a natural gas vehicle incentive project that will  
25 distribute over \$10 million worth of incentives, and also

41

1 fund research that will analyze the environmental impacts  
2 that these vehicles have on California.

3 Previously, the Energy Commission has run  
4 solicitations that provided natural gas vehicle purchase  
5 incentives through auto manufacturers and vehicle  
6 dealerships.

7 Based on lessons learned from these solicitations  
8 and information gathered from other successful vehicle  
9 incentive projects, the incentives funded by this contract  
10 will be provided directly to vehicle purchasers.

11 This new method will help streamline the  
12 processing of requests and also reduce the amount of time  
13 for purchasers to receive reimbursement.

14 These natural gas vehicles can help replace the  
15 aging gasoline and diesel, from California fleets, with  
16 cleaner alternatives.

17 Additional benefits from the promotion of the  
18 natural gas vehicle sector can be achieved with the further  
19 development of low NOx engines, natural gas/electric  
20 hybrids, and biomethane production facilities that are also  
21 being funded by the Energy Commission.

22 In addition to implementing this incentive  
23 project, the University will collect and analyze  
24 information on the usage of the vehicles and the resulting  
25 environmental impacts.

1           The University will collect information directly  
2 from all vehicle purchasers through surveys and will also  
3 get data from electronic modern systems that will be  
4 attached to a portion of the deployed vehicles.

5           The resulting data analysis will help fill a  
6 major information gap regarding the real world duty cycles  
7 and emissions of these vehicles. The analysis summarizing  
8 this information will be available to inform future Energy  
9 Commission investments, technical reports, and advise  
10 policy decisions on how to meet California's climate change  
11 and petroleum reduction goals.

12           With that, I'd like to thank you for your  
13 consideration of this item. And I believe Craig Rindt,  
14 from UC Irvine, is on the phone.

15           MR. RINDT: Yes, thanks Andre. Good morning,  
16 Commissioners. As Andre said, my name is Craig Rindt. I'm  
17 the Assistant Director for Research Coordination at the  
18 Institute of Transportation Studies at UC Irvine. I'm  
19 speaking today on behalf of the principle investigator of  
20 this proposed agreement, Professor Stephen Ritchie. He is  
21 actually engaged at the annual meeting of the  
22 Transportation Research Board, in Washington, D.C., this  
23 morning, and so was unable to call in.

24           I just wanted to express our excitement at this  
25 opportunity to work with the CEC to administer the NGBIP,

1 and I'd like to thank the Commissioners for considering our  
2 proposed collaboration.

3 Just to build a little bit on what Andre said  
4 about the research that we'd like to pursue under this  
5 agreement, we've designed it to target gaps in the  
6 literature regarding the market for natural gas as a  
7 transportation fuel. And we built it on recommendations of  
8 last summer's report. Commissioned by the CEC, it  
9 performed at the National Renewable Energy Laboratory,  
10 which analyzed the benefits associated with projects and  
11 technology supported by the Alternative and Renewable Fuel  
12 and Vehicle Technology Program.

13 Specifically, our goals are to collect additional  
14 data regarding how the incentives are used, and those  
15 factors influencing the choice of natural gas as a  
16 transportation fuel, as well as to integrate those data  
17 with enhanced and integrated market assessment methods.

18 We believe our research will help the State of  
19 California better understand the impact to the NGBIP and  
20 develop new methods for assessing this and similar  
21 incentive programs.

22 So, thank you once again for considering our  
23 proposed collaboration.

24 CHAIRMAN WEISENMILLER: Okay, Commissioners, any  
25 questions or comments?

1           COMMISSIONER SCOTT: I'd like to say thank you  
2 for joining us, Mr. Rindt, on the phone today.

3           I want to thank Andre for his perseverance and  
4 diligence in putting this together. And to UC Irvine for  
5 their collaboration here.

6           I think the data that we're going to get from  
7 this is going to be really interesting and very important  
8 for us to have, and it's not something we were getting  
9 before this proposed program change.

10          Did you guys have questions?

11          COMMISSIONER MC ALLISTER: I just think that --  
12 just add -- wanted to highlight just the management aspect  
13 of this. I mean doing -- you know, I appreciate staff's  
14 diligence working on this program and just recognizing the  
15 fact that maybe, you know, asking a third party to come  
16 help us with it was a good idea, and sort of making that  
17 happen, and scoping it out.

18          In this case it seemed like it made sense. You  
19 know, obviously, not in all cases. And so we just want to  
20 be sort of cognizant or prudent in how we go about doing  
21 that, and who has which responsibility. And I think we're  
22 in a good place in this one, so appreciate sort of that  
23 recognition and staff's awareness of the marketplace.

24          COMMISSIONER SCOTT: I'll move approval of Item  
25 6.

1 COMMISSIONER MC ALLISTER: I'll second.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes)

4 CHAIRMAN WEISENMILLER: Item 6 passes five to  
5 zero. Thank you.

6 MR. FREEMAN: Thank you.

7 CHAIRMAN WEISENMILLER: Let's go on to Item  
8 Number 7, which is Modoc Joint Unified School District.  
9 Cheryl Closson, please.

10 MS. CLOSSON: Good morning, Chairman and  
11 Commissioners. I'm Cheryl Closson with the Renewable  
12 Energy Division.

13 This item is for approval of a \$3,155,759 grant  
14 to the Modoc Joint Unified School District from the Energy  
15 Commission's Geothermal Grant and Loan Program. The  
16 Program is also known as the GRDA Program after its  
17 Geothermal Resources Development Account funding source.

18 Under this agreement, the District will provide  
19 geothermal heating to the Modoc Middle School and Alturas  
20 Elementary School, expand the geothermal heating currently  
21 in use at the Modoc High School, and provide geothermal  
22 heating for the Alturas City swimming pool.

23 The project includes design of the geothermal  
24 heating system, heating system retrofits at the schools and  
25 pool, construction of a fluid delivery pipeline system, and

46

1 drilling of an injection well. Two existing geothermal  
2 production wells that were drilled under prior GRDA grants  
3 will be used to provide the geothermal fluids for the  
4 heating system. the new injection well will be used to  
5 manage the spent fluids because surface discharge is no  
6 longer allowed.

7 the project is being conducted in partnership  
8 with the City of Alturas and in cooperation with Modoc  
9 County, and the Last Frontier Healthcare District to  
10 support use of the known geothermal resources in the area.  
11 Where possible, the system will be designed to allow for  
12 potential future expansion to Modoc County facilities and a  
13 proposed new hospital facility.

14 Benefits of the project include \$4.2 million in  
15 fuel cost savings for the District over 25 years, increased  
16 recreational opportunities in Alturas from an extended pool  
17 operation season, and increased of the geothermal resource  
18 in the Alturas area.

19 On a program note, the GRDA Program's authorizing  
20 statute requires that GRDA projects approved by the Energy  
21 Commission be submitted for a 30-day comment period to the  
22 Department of Finance, the Legislative Analyst, and the  
23 Joint Legislative Budget Committee when the Legislature is  
24 in session.

25 If this agreement is approved today, staff will



1 send notice of the approval to the Department of Finance,  
2 Legislative Analyst, and Joint Legislative Budget Committee  
3 as directed by the statute, and execute the agreement after  
4 the required 30-day comment period.

5 I ask for your approval of this agreement and  
6 would be happy to answer any questions.

7 CHAIRMAN WEISENMILLER: Great, thank you.  
8 Commissioners, any questions or comments?

9 COMMISSIONER HOCHSCHILD: Yeah, let me just thank  
10 Cheryl for her good work on this. And part of the reason  
11 why I am excited about it is it is a model that could be  
12 replicated in some particular locations.

13 I just want to say, the GRDA Program in general  
14 has been kind of very quietly below the radar been doing a  
15 lot of good work for a long time.

16 And one of our objectives this coming year is to  
17 kind of raise the profile of the program. We're going to  
18 be (inaudible) -- Chair of the Energy Committee, was  
19 interested to learn more about it. We'll be doing, Cheryl  
20 and I, together, a briefing with him on that.

21 And this is an example, I think, of some work  
22 that a lot of folks don't realize is actually happening.  
23 But, Cheryl, again really appreciated your diligence in  
24 getting the program. Again, this is part of sort of the  
25 accelerated and improved process that Cheryl -- what we --

1 the guidelines we updated, what is that, maybe eight months  
2 ago, yeah, to streamline the program.

3 So, we're implementing that new streamlined --  
4 so, thank you, Cheryl.

5 MS. CLOSSON: Thank you.

6 COMMISSIONER HOCHSCHILD: And with that, I'd move  
7 the item.

8 COMMISSIONER DOUGLAS: Well, I'll second the  
9 item. And I just want to say this looks like a really  
10 great project, so I'm very happy to see it here.

11 CHAIRMAN WEISENMILLER: Okay, so we have a  
12 motion.

13 COMMISSIONER DOUGLAS: I second.

14 CHAIRMAN WEISENMILLER: And seconded.

15 Roll, we'll take roll.

16 (Ayes)

17 CHAIRMAN WEISENMILLER: So, this is approved five  
18 to zero again. Thank you.

19 MS. CLOSSON: Excellent, thank you.

20 CHAIRMAN WEISENMILLER: Let's go on to Number 8  
21 which, again, is Cheryl. This is the County of Modoc.

22 MS. CLOSSON: Again, I'm Cheryl Closson with the  
23 Renewable Energy Division.

24 This item is for approval of a \$1,129,619 grant  
25 to Modoc County, also from the Energy Commission's

1 Geothermal Grant and Loan Program.

2 Under this agreement, Modoc County will conduct  
3 geothermal exploration activities in Surprise Valley. This  
4 is an area located in the far northeast corner of  
5 California, with known geothermal features, such as hot  
6 springs.

7 The goal of the exploration is to identify  
8 deeper, hotter geothermal resources in the valley that  
9 could support large scale geothermal development and  
10 electrical production.

11 Exploration activities will include geophysical  
12 surveys, geochemical studies of hot springs and well  
13 waters, soil temperature probes, and temperature gradient  
14 while drilling and testing.

15 Concurrent with the exploration activities, the  
16 project will install a small geothermal binary power unit  
17 at the Surprise Valley Hot Springs Resort to demonstrate  
18 the viability of distributed energy generation using lower  
19 temperature geothermal resources.

20 The power unit is expected to generate 20  
21 kilowatts, which will offset the resort's electricity usage  
22 and save the resort of \$10,000 per year in electricity  
23 costs.

24 The successful operation of the power unit will  
25 showcase the potential for geothermal distributed

1 generation and will help build support for use of small  
2 scale geothermal units by others.

3           The project will also conduct an economic  
4 feasibility study and market analysis to identify possible  
5 uses and markets for geothermal energy in the region, and  
6 lay the foundation for future geothermal development  
7 planning and financing.

8           Lastly, numerous opportunities and mechanisms for  
9 public involvement and education have been built into the  
10 project to ensure that the community is involved, and aware  
11 of project activities. And also to highlight the potential  
12 for and benefits of geothermal energy.

13           As noted in Agenda Item 7, the GRDA Program's  
14 authorizing statute requires that projects approved by the  
15 Energy Commission be submitted for a 30-day comment period  
16 to the Department of Finance, the Legislative Analysis, and  
17 the Joint Legislative Budget Committee.

18           If this agreement is approved today, staff will  
19 send notice of the approval as directed by the statute, and  
20 execute the agreement after the required 30-day public --  
21 or excuse me, 30-day comment period.

22           Again, I ask for your approval and I'm happy to  
23 answer any questions that you might have.

24           CHAIRMAN WEISENMILLER: Great. Commissioners,  
25 any questions or comments?

1 COMMISSIONER HOCHSCHILD: I'd move the item.

2 COMMISSIONER MC ALLISTER: Second.

3 CHAIRMAN WEISENMILLER: Yeah, second, and we'll

4 roll the item.

5 COMMISSIONER HOCHSCHILD: Okay.

6 CHAIRMAN WEISENMILLER: So, motion and seconded.

7 Commissioners, let's go forward.

8 COMMISSIONER MC ALLISTER: Okay, I just want to,

9 you know, again thank you for the -- it's great that we're

10 getting some stuff on the agenda and getting some projects

11 out there. And I agree with David, it's been under the

12 radar but doing good work for a long, long time and I

13 appreciate all your effort.

14 MS. CLOSSON: Thank you.

15 COMMISSIONER SCOTT: And I'll add to that. I

16 think you came and gave me a terrific briefing, which was

17 very much appreciated. And it is, it's a great program.

18 And so, I think both of these projects are very interesting

19 projects. I like the educational component that you

20 mentioned in Number 8, so that folks will be able to see

21 and learn about geothermal. So, I look forward to seeing

22 what the results are.

23 MS. CLOSSON: Thank you.

24 CHAIRMAN WEISENMILLER: So, okay -- so, okay,

25 let's go.

1                   COMMISSIONER HOCHSCHILD: So, I guess I'll weigh  
2 in. I guess I was waiting for Commissioner Douglas.

3                   CHAIRMAN WEISENMILLER: Okay.

4                   COMMISSIONER HOCHSCHILD: Some of these sites are  
5 way, way out there and so we've been doing some  
6 geothermal -- Cheryl, Suzanne and I did a visit to Honey  
7 Lake, which is -- I think, actually, it was sort of six,  
8 five hours. It was a long day. It's so far that the road  
9 you have to get -- you actually have to go into Nevada to  
10 get to this part of California.

11                  But it's important that we represent the whole  
12 state and so we're going to continue to do that. And, you  
13 know, that's a resource for California.

14                  So, did you want to hold this or --

15                  CHAIRMAN WEISENMILLER: Actually, why don't  
16 we -- okay.

17                  Okay, this is open. Open for votes, so let's  
18 vote right now.

19                  (Aye)

20                  CHAIRMAN WEISENMILLER: So, this also passes five  
21 to zero. Thank you, Cheryl.

22                  MS. CLOSSON: Thank you.

23                  CHAIRMAN WEISENMILLER: So, let's go to Item  
24 Number 9, the City of San Mateo. And it's an ECAA. And  
25 Amir, please.

1                   MR. EHYAI: Thank you, Chairman. Good morning,  
2 Commissioners. My name is Amir Ehyai, with the Efficiency  
3 Division.

4                   The City of San Mateo is requesting a \$2 million  
5 Energy Commission loan to complete their streetlight  
6 improvement project.

7                   In 2008, the city adopted a Sustainability  
8 Initiatives Plan that identified recommendations to reduce  
9 greenhouse gas emissions and promote sustainability. Among  
10 the identified energy efficiency opportunities is the  
11 retrofit of streetlights with LED technology.

12                  In preparation for this project, the city  
13 previously replaced 200 of their approximately 5,300 high  
14 intensity discharge streetlights with LED fixtures as a  
15 test case. With public support for the LED fixtures and  
16 approval by the city's Public Works Commission, the city is  
17 now ready to expand the streetlight retrofit project city-  
18 wide.

19                  The Energy Commission loan will be used to  
20 replace the remaining 5,047 city-owned streetlights with  
21 LED fixtures and replace 14 outdated series circuits with  
22 new parallel circuits. When complete, the project will  
23 reduce annual energy use by an estimated 2,112,291 kilowatt  
24 hours of electricity and save the city approximately  
25 \$268,790 yearly in utility expense.

1           The total project cost estimate is \$3,322,213 of  
2   which \$3 million will be funded by the Energy Commission  
3   loan at 1% interest rate. Qualifying utility rebates will  
4   be used to fund the balance.

5           I am happy to answer any questions you may have.

6           (Audio interruption)

7           COMMISSIONER SCOTT: I'll move the item.

8           COMMISSIONER MC ALLISTER: Second.

9           (Audio interruption)

10          CHAIRMAN WEISENMILLER: This item passed five to  
11   zero. Thank you.

12          MR. EHYAI: Thank you.

13          CHAIRMAN WEISENMILLER: So, let's go on to Item  
14   10, the City of Morro Bay. And again, Amir.

15          MR. EHYAI: Sure. Again, my name's Amir Ehyai  
16   with the Efficiency Division.

17          The City of Morro Bay is requesting a \$562,000  
18   ECAA loan to fund the replacement of inefficient heating,  
19   ventilating and air conditioning units, and install solar  
20   photovoltaic panels at city-owned facilities.

21          If approved for funding, the city will replace 14  
22   aging, rooftop package HVAC units with new, high efficiency  
23   SEER 15 units, ranging in size from two to five tons. The  
24   project includes the installation of new, programmable  
25   thermostats.



1           Additionally, the city will install four single-  
2   axis tracking solar PV systems with a combined capacity of  
3   71.2 kW. The PV systems will offset a portion of the  
4   energy use at the Community Center, Police Department, and  
5   Veteran's Hall.

6           In total, these projects are estimated to reduce  
7   annual energy consumption by 320,690 kilowatt hours of  
8   electricity and save the city approximately \$35,672 per  
9   year in utility cost. The interest rate on the Energy  
10   Commission loan is one percent. The loan will fund 100  
11   percent of the project cost.

12           CHAIRMAN WEISENMILLER: Great, thank you.

13           I believe we have one public comment on this?  
14   Hopefully, it's on -- tailored to this.

15           MR. SPLITT: Yeah, it's Pat Splitt, from APP-  
16   TECH. I read over this item, and being an energy  
17   consultant, I just wanted to be assured that besides just  
18   putting the thermostats in that these systems will meet all  
19   the other installation requirements for replacement  
20   systems, like sealing and testing the duct work, doing the  
21   load calcs, and verifying ventilation rates. Because it  
22   wasn't clear that that's included.

23           And I'm sure, now that I've mentioned this, it  
24   probably will be.

25           CHAIRMAN WEISENMILLER: Uh-hum.

1                   MR. SPLITT:   However, what I'm not sure about is  
2   whether there actually is funded included to actually pay  
3   for the cost of this additional stuff.   So, I just want to  
4   be sure that they don't get halfway through the project and  
5   run out of money, and have to go around looking for more  
6   funding.

7                   So, I wanted to be sure that someone had looked  
8   into this and actually had verified that the funding  
9   they're asking for is sufficient to correctly install this  
10   equipment.

11                  CHAIRMAN WEISENMILLER:   Staff, do you want to  
12   respond?

13                  MR. EHYAI:   Thank you.   That is a question that  
14   I did not ask of the applicant, but I am certain that under  
15   the permitting of the permits required to install this  
16   equipment that that would be included.   But that is  
17   something that I can follow up to ensure that will be  
18   conducted.

19                  COMMISSIONER MC ALLISTER:   Yeah, so I think it's  
20   a good question.   You know, obviously, we're not the  
21   general contractor on the project so, you know, it's their  
22   responsibility to comply with the law and make sure they do  
23   the acceptance testing and whatever else is required in  
24   terms of getting that installation done.

25                  But certainly, you know, it's in our interest to

1 understand how things are going on the ground and  
2 understand, you know, each project's context to the extent  
3 we can.

4 I want to just -- this and the previous, just  
5 comment that the ECAA Program really forges ahead and gets  
6 funding to good projects. And clearly, you know, street  
7 lighting in the previous one, and this one is particularly  
8 nice because it is an integrated that has some self-  
9 generation, and has a bunch of energy efficiency. And, you  
10 know, clearly this school district is looking at both sides  
11 of that and integrating that in a way that makes sense for  
12 them.

13 So, I think that's a good practice and something  
14 we want to encourage and educate all the -- you know, not  
15 only schools, but other customers on that. So, it's  
16 something we're seeing more and more in the marketplace and  
17 it's really good. So, thanks for both of your  
18 presentations.

19 MR. EHYAI: So, this is the City of Morro Bay  
20 but, yes, it is good practice that they bundle in  
21 efficiency.

22 COMMISSIONER MC ALLISTER: Oh, sorry. Yeah, I've  
23 got ECAA school on the brain. Sorry, Marcia's over there  
24 nodding her head. Yeah, sorry, the city's -- this is a one  
25 percent, right, not a zero interest.

1           But I think the ECAA Program, as a vessel  
2   generally, is just something that is very useful in the  
3   marketplace and we're seeing a lot of good uptick, so both  
4   in cities and other public jurisdictions. So, appreciate  
5   all your efforts on that.

6           So, I'll move Item 10.

7           COMMISSIONER DOUGLAS: Second.

8           CHAIRMAN WEISENMILLER: Okay, all those in favor?

9           (Ayes)

10          CHAIRMAN WEISENMILLER: This also passes five to  
11   zero. Thank you.

12          MR. EHYAI: Thank you, as well.

13          CHAIRMAN WEISENMILLER: So, let's go on to Item  
14   11, which is Aspen Environmental Group. And Joe Merrill,  
15   please.

16          MR. MERRILL: Good morning Chairman and  
17   Commissioners. My name is Joseph Merrill. I'm here today  
18   as a contract manager for the Siting, Transmission and  
19   Environmental Protection Division.

20          And today's item pertains to the STEP Division's  
21   Contract 700-08-001, with Aspen Environmental Group, for  
22   renewable energy planning-related work, such as preparing  
23   the Desert Renewable Energy Conservation Plan, which we're  
24   going to refer to as the DRECP.

25          The action we are asking you to take is to extend

59

1 the contract for one year, to May 31st, 2016 and add \$6.9  
2 million in spending authority to allow us to complete the  
3 final DRECP EIR/EIS.

4 The purpose of the DRECP is to protect areas in  
5 the California desert that are important for wildlife,  
6 recreation, and cultural and other uses, while also  
7 facilitating the timely permitting of renewable energy in  
8 the form of solar, wind, and geothermal energy projects and  
9 the associated transmission in appropriate areas.

10 The draft plan presents six alternative  
11 approaches for meeting renewable energy and conservation  
12 goals through 2040. And each alternative proposes a  
13 different conservation design and configuration of lands  
14 available for more efficient and predictable renewable  
15 energy project review in the future. The draft plan also  
16 includes an analysis of the potential environmental impacts  
17 of each of these alternatives.

18 The four state and federal Renewable Energy  
19 Action Team agencies, which are the U.S. BLM, the U.S. Fish  
20 and Wildlife Service, the California Energy Commission, and  
21 the California Department of Fish and Wildlife, as well as  
22 other stakeholders involved in the plan.

23 The agencies, themselves, released the draft  
24 DRECP EIR/EIS on September 2014.

25 The draft DRECP is an innovative renewable energy

1 and conservation plan covering more than 22 million acres  
2 of land in Imperial, Inyo, Kern, Los Angeles, Riverside,  
3 San Bernardino and San Diego counties. The draft is the  
4 result of collaboration among the agencies and  
5 stakeholders.

6 And because of the scope of the DRECP, the  
7 complexity of the issues, and the size of the document,  
8 which is more than 10,000 pages in four volumes, the public  
9 is being given five months to review and comment. And  
10 written public comments are due February 23rd, 2015.

11 Eleven public meetings on the EIR/EIS were held  
12 in October and November, as well as numerous WebEx meetings  
13 frequently held to provide background and tutorials on the  
14 EIR/EIS.

15 In addition, meetings with the DRECP counties are  
16 ongoing to secure their buy in and encourage comment and  
17 dialogue.

18 We are expecting hundreds, at least, of comments  
19 from stakeholders and the public that we will need to  
20 respond to in the final DRECP EIR/EIS.

21 And the proposed contract extension and funding  
22 will allow the agencies and consultants to maintain the  
23 aggressive schedule of completing the DRECP late this year.

24 We are also working with our federal agency  
25 partners, specifically U.S. BLM, to offset some of these

1 costs with federal funds. In 2014, we received \$1.9  
2 million for BLM in grant funds for the DRECP EIR/EIS, as  
3 well as to conduct vegetation mapping that's supporting the  
4 preparation.

5 In 2015, we are anticipating to receive a similar  
6 amount of federal funding, or more, but federal funding is  
7 unpredictable and usually not forthcoming until later in  
8 the federal fiscal year, about Q-3 of the calendar year.  
9 And any federal funds received would directly offset state  
10 funds.

11 And staff is here today to answer questions.

12 CHAIRMAN WEISENMILLER: Thank you.

13 Are there any public comment? We have a  
14 gentleman.

15 MR. GARABEDIAN: Mr. Chairman, I'm Michael  
16 Garabedian. I submitted a comment on DRECP until public.

17 CHAIRMAN WEISENMILLER: Right.

18 MR. GARABEDIAN: Maybe this is the right time  
19 to --

20 CHAIRMAN WEISENMILLER: Yeah, it's sort of up to  
21 you. I figured this would be an opportunity for you to  
22 talk about it now, and let you not have to sit through the  
23 rest of our conversation. You're welcome to stay, but  
24 anyway --

25 MR. GARABEDIAN: I think that would be actually a

1 good thing.

2 CHAIRMAN WEISENMILLER: Okay.

3 MR. GARABEDIAN: I'm not familiar with the  
4 specific proposal and certainly think it's a good idea.  
5 The concerns I have are about public involvement in the  
6 process, as it is at the moment.

7 And I'm here to request a hardcopy of the current  
8 draft DRECP and appendices. I'm an old-fashioned kind of  
9 guy. I need to read documents and underline, emphasize  
10 what sentences mean, and make notes and put sticky's, and  
11 so forth. So, it's really hard for me to not have a copy,  
12 and so I thought I'd formally request it.

13 Now, it is available here. I've looked at the --  
14 you have the first four volumes here for the public to look  
15 at. But as far as I know, nobody has actually -- the  
16 public doesn't have anywhere available to get hardcopies of  
17 the appendices. I do have the DVD, but it doesn't work on  
18 my MAC.

19 Now, my MAC was working for the Hidden Hills  
20 hearing. I was able to participate on that. But,  
21 apparently, there's been a change because the recent two  
22 meetings he talked about does not serve my older MAC  
23 operating system. So, apparently, I was able to use -- you  
24 know, I listened on the phone. But, you know, to go on  
25 line to the WebEx, the phone says we do not serve your



1 anything, you have to have a newer MAC system than I have.

2           You know, the federal, the Department of Energy  
3 and BLM SPIS, you could get copies of that if you  
4 requested, at the right time, hard copies.

5           I did go to the Sacramento workshop here in this  
6 room. I took full advantage of the time to ask people  
7 questions, but I ran out of time. And I still have dozens  
8 of questions. And what we're told now is to submit all our  
9 questions. Well, I need answers to my questions before --  
10 before, so I can comment.

11           And there's two months, now. Now, maybe I'm  
12 wrong, but as far as I know, there aren't any public  
13 meetings planned like that, where we can come and ask  
14 questions, and get answers.

15           And if I'm wrong, I'm looking forward to being  
16 corrected on that.

17           It's really shocking to me that when you go to  
18 these meetings there is not a hardcopy of these executive  
19 summary, this 50 some-odd-page thing. And I was involved  
20 in planning, working with the plan on the Coastal  
21 Commissions and I don't understand how the public has to  
22 be -- go make their own copy of even an executive summary  
23 of this plan.

24           The BLM, one of the BLM key people complained  
25 about the lack of public involvement. And I'm sure, as you

1 know, public involvement is a function of the -- it if it's  
2 not happening, it's whoever's putting on the meetings.  
3 It's their fault.

4 As Commissioner Douglas knows, when the public  
5 organizes meetings on this, they turn out by the hundreds,  
6 so I don't know why -- so, there's a problem in terms of  
7 the way this -- this is happening.

8 A couple of final points. The -- well, I'll just  
9 stay this, in closing. The document, you know, there's  
10 thousands of pages, the document doesn't search. I can't  
11 use it on my MAC, but I've gone to your own computer here  
12 and tried to search on it.

13 You know, I wonder Charles Lund would say about,  
14 you know, transparency. I'd like to know. He's been here  
15 in Sacramento, recently. You know, to not be able to get  
16 documents, you know, to not be able to search this standard  
17 document which is the -- you know, the standard we hope for  
18 any EIRS and plans is a -- just without going into other  
19 issues, I mean that's really indicative, I think, of a  
20 serious problem you have with public involvement.

21 CHAIRMAN WEISENMILLER: Okay. Well, thank you.  
22 First, before I'm sure Commissioner Douglas wants to  
23 discuss some of these things, I wanted to make sure we  
24 introduce you to our Public Adviser in the back of the room  
25 there, Alana.

1           Yeah, and so certainly, one of the hallmarks of  
2   our institution is I think we were one of the first state  
3   bodies to have a Public Adviser to facilitate public  
4   participation. Again, I would certainly credit that to  
5   Charlie Warren as part of it.

6           So, certainly, part of her job is to help people,  
7   like you, in intervention.

8           MR. GARABEDIAN: So, my first involvement here  
9   with the Commission, I went to the Public Adviser's Office,  
10   this was quite a while ago, and noted there were several  
11   documents I hope I could get copies of. It was with a  
12   different person and this person helped me get involved in  
13   the Hidden Hills project, very helpful.

14          And so, you know, I said is it possible to get  
15   copies of these, hardcopies of these documents? I didn't  
16   get any answer. I never really got any answer, except it  
17   didn't come.

18          You know, so I haven't had -- and I talked at one  
19   committee meeting at a project and I had handouts, and they  
20   were -- I was told to give it to the public involvement  
21   person, and then I noticed they hadn't been handed out to  
22   the committee. And I asked about that. I couldn't get an  
23   answer. I don't know if they ever were.

24          But, so I haven't had great experiences with that  
25   office, but I look forward to that changing.

1 CHAIRMAN WEISENMILLER: No, she's very good.  
2 She's very good, very dedicated in this area.

3 MR. GARABEDIAN: I'm sure of it.

4 COMMISSIONER DOUGLAS: So, Alana is very good and  
5 we hope you'll work with her and take advantage of the help  
6 she can provide. I'd also just recommend that you talk to  
7 our staff, and maybe Alana can help facilitate that.  
8 Because I think there is some help that can be provided.  
9 The documents are PDF searchable, are searchable so maybe  
10 they can help you do that.

11 I do have sympathy with your older MAC problem.  
12 I have an older MAC and I don't do WebEx's from my older  
13 MAC, either. I bring my work computer, which is not a MAC,  
14 home when I need to do WebEx's, or I use a newer one when  
15 it's available.

16 So, you know, I do have sympathy with the older  
17 operating system issue because that can cause challenges.

18 So, we'll see what help we can provide and, you  
19 know, I appreciate your comments.

20 MR. GARABEDIAN: Thank you.

21 MS. MATHEWS: I just want to respond, briefly,  
22 because we've had the older MAC issue. I have a MAC, as  
23 well. So, if you have an opportunity, I'd like to go  
24 through that with you because we have not experienced that  
25 problem, have not been able to duplicate that with WebEx.

1 There has always been the opportunity to either call in or  
2 update the software, and that's usually corrected it.

3 So, I just wanted to say that the Public  
4 Adviser's Office is aware of that and we have troubleshot  
5 that for other MAC users, older MAC users. And so, if  
6 you'll be willing to just -- you know, we'll walk you  
7 through it, if you call the office, and we should be able  
8 to resolve that issue.

9 CHAIRMAN WEISENMILLER: Users of older MACs.

10 MS. MATHEWS: Yes, not older users.

11 (Laughter)

12 MR. GARABEDIAN: Well, that, too, in my case.

13 Anyway, I do call in, by the way, thank you.

14 COMMISSIONER DOUGLAS: Thank you.

15 On this item, Commissioners, I just had a couple  
16 comments. As you know, we are in a really critical  
17 juncture on the Desert Renewable Energy Conservation Plan.  
18 The document has been out on the street for some time, now.

19 I personally know that there are very, very many  
20 people throughout the state very busy preparing their  
21 comments. It's big document. It's a big job. I suspect  
22 that we will have a big job when all of the comments are  
23 in. I expect to get a large number of comments. I expect  
24 to get a lot of detailed in the comments and lot of  
25 detailed questions. I expect people to point out areas

1 where they want more explanation or where additional  
2 clarification would be helpful.

3           This contract also covers some science support  
4 work and some important and time-sensitive, early  
5 implementation work that will help just ensure that we have  
6 the science and the systems in place for implementation, so  
7 that we can go seamlessly through plan adoption, and not  
8 have this moment of time where we don't have certain  
9 systems and so on in place.

10           So, this is a -- this is what I hope to be,  
11 strongly hope to be and expect to be, you know, at this  
12 point very close to the culmination of a very long road.  
13 And the critical opportunity and challenge before us now is  
14 to get comments in. They'll come in from all over the  
15 state. They'll come in from all sorts of people with  
16 different backgrounds, and different interests, and  
17 different perspectives. And I expect we'll get comments  
18 from people out of state, as well.

19           I think, to a large degree, there's been a fair  
20 amount of national interest on this plan and this effort.

21           And so, having the resources, and ability, and  
22 support to do justice to these comments and ensure that the  
23 final that we issue is as good as we can be, is essential.  
24 This contract will help make it possible and I certainly  
25 strongly support it.

1           I also am happy to, you know, certainly hear  
2 other comments, other questions from the dais and any  
3 dialogue or questions from staff that people, that  
4 Commissioners may have.

5           CHAIRMAN WEISENMILLER: Thank you. Well,  
6 certainly I wanted to thank you for your leadership and  
7 staff for their hard work in this area. It's really a  
8 heavy lift.

9           And it's particularly important as we move  
10 forward, and as we look at the Governor's goal to increase  
11 our renewable power from 33 to 50 percent that we do that  
12 with advanced planning, so it is smart from the start.

13           And so, basically, again it's really a very heavy  
14 lift. Certainly appreciate the staff's long hours on this.

15           And also, obviously, you know, we need to be  
16 doing it in a way that really brings all of our -- it's a  
17 huge part of California, it's like 20 percent of  
18 California's land area. Certainly, some of the most  
19 sensitive land in the State.

20           And, certainly, part of our mission is to really  
21 do this in a way that sort of facilitates public  
22 involvement in what's a very complicated, if not arcane  
23 process. So, that's all.

24           And also to those who read all of the document  
25 and think about it.

1                   COMMISSIONER MC ALLISTER: Yeah, I want to  
2   reiterate the thank you to Commissioner Douglas for all  
3   your leadership on this. This has been -- I think this --  
4   you had been working on this way before, actually, and  
5   Commissioner Scott as well in a different life, the  
6   previous life before I ever showed up on the scene.

7                   And just watching it go forward, just the  
8   tremendous stakeholder process and with all of the elements  
9   of important policy that is, you know, part scientific,  
10  part political and, you know, brings in all different kinds  
11  of expertise, land use, and planning, and energy. And, you  
12  know, all of the silos and trying to unify those across a  
13  big process to get to a result that makes sense and that  
14  can be explained to lay people.

15                  I mean, that's just a big -- you know, this is a  
16  big policy question, just a galactic one, in the classic  
17  sense. And just involving the federal -- you know, just  
18  many, many jurisdictions.

19                  So, I think appreciating it as such, we really  
20  let the -- tells us how important and ground breaking this  
21  is, and potentially as a model for other, similarly complex  
22  environmental and energy issues.

23                  And as the Chair says, we're facing a bunch of  
24  them. This integration is sort of the challenge of our  
25  time. And doing that, while remaining accountable is a



1 vast undertaking, really.

2 And so, we could look at the different areas  
3 that, you know, all of the Commissioners work on and I  
4 think find some inspiration in what you have done with  
5 this.

6 And so, I want to just say hats off and, you  
7 know, let's get this thing to the finish line and let it  
8 have an impact.

9 I also just wanted to say, you know, this is  
10 not -- you know, there still will be lots opinions and  
11 that's good. We live in a solidly, well-founded, robust  
12 democracy and that's as it should be. But I think it's  
13 important to recognize that this plan is not presuming that  
14 any particular future will happen. It's planning for the  
15 variety of futures that may happen. And those decisions  
16 are part and parcel of a whole bunch of different  
17 discussions that are going on parallel.

18 And so, I think that foundation is really  
19 important to have. So, thank you again.

20 COMMISSIONER HOCHSCHILD: Yeah, I'd just add that  
21 we're talking about integrating renewables into the grid,  
22 but we're also integrating all of these agencies together.  
23 And that's the main thing I've seen you do in my two years  
24 of working with you, now, is just in constant dialogue with  
25 all of our sister agencies and how important that is.

1           And really, the value, the principle value of  
2   that I think is, you know, from now getting to 50 percent  
3   rather than -- I think when you started this effort, how  
4   long ago now --

5           COMMISSIONER DOUGLAS:   Oh.

6           COMMISSIONER HOCHSCHILD:   Yeah.   Yeah, yeah, so  
7   it's a long time.   But it's a good thing that you did it at  
8   that point because it takes a long time to get to where we  
9   are.

10          And I would just say, you know, this stuff is  
11   still -- I mean, just last week they completed construction  
12   on the largest PV project in the world, Desert Sunlight,  
13   550 megawatts.   And Commissioner Scott also worked on that,  
14   and the federal government, and some of us will be going to  
15   the dedication.   You know, what is happening here is really  
16   historic.

17          And so, I think this will also be part of the  
18   historic legacy is the planning piece.   And so, I really  
19   want to congratulate you.

20          COMMISSIONER DOUGLAS:   So, I will move approval  
21   of this item.

22          COMMISSIONER HOCHSCHILD:   Second.

23          CHAIRMAN WEISENMILLER:   All those in favor?

24          (Ayes)

25          CHAIRMAN WEISENMILLER:   This also passes five to

1 zero. Thank you.

2 MR. MERRILL: Thank you.

3 CHAIRMAN WEISENMILLER: Okay, so let's go on to

4 Item 12, which are the minutes.

5 I'm going to abstain on this item since I wasn't

6 here.

7 COMMISSIONER DOUGLAS: All right, I'll move

8 approval of the minutes.

9 COMMISSIONER SCOTT: Second.

10 COMMISSIONER MC ALLISTER: I'll second. Oh, go

11 ahead.

12 COMMISSIONER SCOTT: Second.

13 CHAIRMAN WEISENMILLER: Okay, all in favor?

14 (Ayes)

15 CHAIRMAN WEISENMILLER: So, that's four in favor

16 and one abstention.

17 Okay, so let's go on to Item 13, Lead

18 Commissioner or Presiding Member reports.

19 Commissioner Scott.

20 COMMISSIONER SCOTT: Sure. Just two things to

21 highlight. I just wanted to say thank you to our IEPR team

22 for the really hard work that they have put in, into

23 getting -- incorporating the comments in the IEPR and

24 getting the IEPR very close to being across the finish

25 line. They worked very hard over the holidays and then

1 passed off some documents for me to review over the  
2 holidays, as well. But it's coming together very nicely.

3 I also wanted to mention to you all that I had a  
4 chance to tour Lawrence Berkeley National Lab last week.  
5 And they are doing some really interesting work that kind  
6 of touches many of the things that the Energy Commission  
7 does. And probably all of you have had a chance to visit,  
8 as well.

9 But, you know, they've got some great battery  
10 research going on, the biofuels and bioenergy research that  
11 they are doing there. They've got a Joint Center for  
12 Artificial Photosynthesis, which you really need to see.  
13 You know, they're just kind of taking sunlight and turning  
14 it directly into useable fuels.

15 And, you know, they're developing the membranes  
16 and all of the types of things that go along with making  
17 something like that successful.

18 They have what they called their advanced light  
19 source, which is probably the scientists would cry, but  
20 it's kind of like a super x-ray.

21 (Laughter)

22 COMMISSIONER SCOTT: Basically, you know, it's  
23 light, really, really, really bright, but you're able to  
24 look at things on a molecular level. And in terms of  
25 engine combustion and things like that, they're able to

1 tell what's working and what isn't working really down at  
2 the molecular level. And to be able to take some of that  
3 information and then transform it back into changes in  
4 technologies and things is really neat.

5 And so, I just wanted to highlight a couple of  
6 the cool things that I saw when I went on that tour.

7 COMMISSIONER MC ALLISTER: Well, actually it's a  
8 new year. And I know I had at least a little bit of break  
9 and I'm thankful for it. And spent some time in our  
10 nation's capital, first with the NASCIO meeting around --  
11 well, a board meeting, the Association of State Energy  
12 Officials, and then they have been sponsoring some really  
13 robust, I think, substantive discussion on the LMND  
14 (phonetic) implementation. So, that is ongoing in every  
15 quarter. So, a bunch of the states get together and sort  
16 of hash over where they're at.

17 And I feel like in a way I'm kind of a fly on the  
18 wall in that room because a lot of the discussion is kind  
19 of about stuff that doesn't apply so much to California.  
20 You know, sort of getting the will to move down the road  
21 towards decreasing the carbon intensity.

22 And, you know, again I'm gratified to not be  
23 exactly in that situation, but more being, okay, we know  
24 we're doing it. How are we doing it? And how are we going  
25 to do it in a way that benefits our state.

1           You know, many states are in a similar situation  
2 to us, but many are not. So, quite an interesting  
3 discussion and you can kind of see how the federal system  
4 is a little bit like herding cats in that way.

5           And then I was able to kind of stick around and  
6 my family came up, and we had a nice tour of our nation's  
7 capital.

8           So that's -- I'm going to end my report there.

9           CHAIRMAN WEISENMILLER: Yeah, so I'm just going  
10 to cover a couple of things. The reason why I missed the  
11 last business meeting was I was in China, on a trip  
12 organized by the Alliance for Energy Efficiency, which is  
13 an affiliate of the NRDC and China SF.

14           And actually, the U.S. Department of Commerce was  
15 sort of -- it was a trade mission. We covered five cities,  
16 in five days. We used buses, you name it, planes, high  
17 speed rail. And it is always one of the things for a  
18 prospective on China, is we start in Beijing and we end in  
19 Shanghai, which are 20 million people plus.

20           And then we went to three second tier cities.  
21 And by second tier, I mean 10 million people. Now, if you  
22 think about it, the whole Bay Area is like 6 million  
23 people. So, we were going to cities which, basically, I  
24 don't know if anyone around here has ever heard of their  
25 names. But they're fairly big, fairly vibrant.

1           And certainly, this was a trade mission and I  
2   went with some of the assemblymen from the Bay Area, and we  
3   were looking at opportunities for our energy efficiency  
4   companies in California, energy efficiency and demand  
5   response, and actually a technology company to basically  
6   market their services in China.

7           And, you know, I think lots of very interesting  
8   conversations. Lots of opportunities came out of, you  
9   know, a combination of high level meetings.

10          And, basically, we had partnering meetings where,  
11   you know, we would set up meetings between the firms that  
12   were with us and the Chinese firms. They would have,  
13   whatever, three minutes or something to see if there's a  
14   connection there.

15          Lots of interest. You know, there were times I  
16   think I was almost mobbed, frankly. But having said that,  
17   a pretty productive meeting.

18          I would say probably the wow moment was the fun  
19   we had going back to Shanghai on high speed rail. We went  
20   up to the train station and we were standing on one side  
21   waiting, and on the other side one of the high speed rail  
22   trains went through without slowing down. And so it was  
23   like you could just hear this pop and just whoosh. You  
24   know, and it was really awesome was the bottom line.

25          (Laughter)

1           CHAIRMAN WEISENMILLER:   So, certainly, that's on  
2   the -- indeed the high speed rail can work really  
3   phenomenally is the bottom line.   So, that was quite a trip  
4   is the bottom line.

5           And there is a blog posted on the trip by the  
6   Alliance, that if you go to their website you can see the  
7   miles, or whatever we did on the locations, and some  
8   photographs from it.

9           But I think the business members were all very  
10   happy.   I think, I suspect there's going to be another one  
11   of these in my future but, hopefully, a little bit less  
12   frantic.

13           The other thing I was going to talk about was the  
14   energy imbalance market.   I'm on the transition committee  
15   there.   I went to Phoenix on Monday for that.

16           And we put out a proposal for stakeholder comment  
17   and this was -- there's a variety of people on the  
18   transition committee, and Carl's one of the members, and  
19   Carl's actually running the stakeholder process.   So,  
20   again, it's really top notch, you know.

21           And we basically laid out three options on  
22   governance questions.   One of them is that there could be  
23   an advisory committee to the Cal ISO, that's similar to the  
24   Market Imbalance Committee, and some of the existing  
25   committees that advises the Cal ISO Board of Governors on



1 the EIN transmission meetings, or issues.

2           The other bookend to that would be something  
3 which basically you would spin off, have a whole new  
4 entity, with a whole new board of governors, everything,  
5 that basically runs the energy imbalance market.

6           And the third approach, the middle approach would  
7 be something where it's sort of a nested approach where  
8 the -- obviously, the Cal ISO has an integrate3d series of  
9 markets. The energy imbalance market is the five- or ten-  
10 minute market, so it's nested into the other markets.

11           And so, then basically there would be a similar  
12 nesting on the board of governors, the overall board of  
13 governors responsible for all the markets.

14           And then a board of governors that really deals  
15 with the specific energy imbalance market issues and has  
16 some degree of regulatory authority over those.

17           I think the issue, at least from my perspective,  
18 the three drivers I have is one, we really need to broaden  
19 participation in the energy imbalance market. As the  
20 Governor noted in the State of the State, that is one of  
21 our tools to deal with renewable integration issues,  
22 particularly excess generation issues. And even, I would  
23 footnote, even now with the first couple of months, you can  
24 see significant flows of power from California to  
25 PacifiCorp, when we have those moments.

1           So, again, it's already working. You know, in  
2 November, December are not the times when you would  
3 anticipate obvious problems there. So that's -- it's a  
4 good sign that it's working.

5           Obviously, PacifiCorp now, Nevada next year, and  
6 broader conversations throughout the West.

7           But so one is that tool. And at the same time,  
8 we have to make sure that nothing that occurs here sort of  
9 degrades the operation of those markets. You know, we  
10 can't have seams introduced within the ISO markets and then  
11 it become not as effective as it now is for California, you  
12 know.

13           And then the third is to make sure that the  
14 current situation is a very nice proposal for people, it's  
15 an easy access, easy exit, low cost. It's all variable.

16           On the other hand, if somehow this were spun out,  
17 then California would have to be compensated for the  
18 investment we have made in that, you know, in the  
19 infrastructure and not simply a here it is gift of, say,  
20 public funds in terms of these facilities.

21           So, it's controversial. I mean, certainly,  
22 members at one workshop, where someone from Bonneville  
23 explained their very interested in energy imbalance  
24 markets, as long as it doesn't touch California or  
25 regulated by FERC.

1           And it's like, okay, you know, so that's not a  
2 deal, but anyway --

3           COMMISSIONER MC ALLISTER: Yeah, so one question  
4 is so how do the kind of transaction costs of running, just  
5 the costs and that sort of hassle back there, you know, and  
6 up and down the chain infrastructure, et cetera, that  
7 you're talking about, sort of what's the balance between  
8 that and just at small levels just curtailing and kind of  
9 not dealing with it, right.

10           And so, it's sort of what's the cost benefit.

11           CHAIRMAN WEISENMILLER: Oh, yeah, no, at this  
12 point again it's a pretty -- you know, I would say the Cal  
13 ISO's the only thing in the West that's really doing five-  
14 minute dispatch. You know, at the same time it's all  
15 integrated markets, so you actually would not get all  
16 the -- in fact, some of the issues with PacifiCorp,  
17 frankly, is actually between day ahead and real time  
18 markets.

19           And, certainly, there's a lot of -- you know,  
20 we've gotten pretty good briefings on what's going on  
21 there.

22           The bottom line is we don't -- you know, I just  
23 think the last thing I want, I sort of shudder at the  
24 notion that we're getting relatively high prices for  
25 renewables so those are coming down, and then we sort of

1 say, yeah, either give it away for free or conversely just  
2 say curtailment.

3 And most of the contracts have 180, 200 hours of  
4 curtailment.

5 But again, it's our goal is really to get reduced  
6 greenhouse gas emissions, so the more we can have that  
7 liquidity around the West, the more -- you know, obviously,  
8 there's a lot more opportunities for decarbonizing the  
9 western grid than just the California portion.

10 So, that's at least -- having said that, you  
11 know, as I sit in meetings with a lot of the other western  
12 regulators or participants, obviously, they're not as  
13 concerned, say, on climate issues as I am. Although,  
14 they're certainly all generally concerned about, you know,  
15 taking advantage of renewables and renewable integration.  
16 So, they're trying to figure out how to basically go  
17 forward in this type of direction.

18 COMMISSIONER MC ALLISTER: Any discussion in non-  
19 California contexts about what to do with some of that  
20 over-gen, if they don't have an immediate dispatchable load  
21 for it, or would they have, you know, like in the  
22 transportation sector, and shunting it into storage, and  
23 things like that?

24 CHAIRMAN WEISENMILLER: No, it would be -- the  
25 issue, in part, is the distinction between dispatch and

1 commitment. And so, the current system really does  
2 dispatch variation, right, so you can wind up with more or  
3 less, when it's already committed and operating in response  
4 to these opportunities throughout the west.

5           Conversely, if we can get more of a day ahead,  
6 and you make decisions on whether or not to commit units,  
7 then that's really where the big benefits will occur. And,  
8 obviously, this is sort of a step in that direction.

9           But I remember when Jonathan Weiscoll (phonetic),  
10 came through initially telling me about the proposal, the  
11 energy imbalance market, what he emphasized for them,  
12 PacifiCorp was that -- and, obviously, it's a very coal-  
13 based system.

14           But that they know from their participation in  
15 MISO that if they're in an RTO, I mean I think their  
16 facilities there are like 50 percent wind, you know. That  
17 again, with that type of RTO type of structure, you know,  
18 that allowed them to go very, very high levels of wind.  
19 And without it, there are really reliability and other  
20 issues they could not possibly do.

21           So, the combination of they felt they really,  
22 PacifiCorp as a whole was moving toward the renewables,  
23 they really needed this took in place to do that reliably  
24 and effectively.

25           And at least at that point they're concerned with

1 the long-term northwest discussions that continue on this  
2 area. But the concern was -- well, anyway, that there  
3 might be someone's grandchildren that might actually see  
4 that come to fruition up there, as opposed to going forward  
5 right now with stuff.

6           So, again it's huge. And again, ultimately, if  
7 you look at some of the -- you know, this becomes very  
8 nuance, but if you look at the Obama Clean Energy Plan,  
9 certainly that looks at transformation and this fits  
10 very -- and that will force renewables and force this sort  
11 of mechanism to go forward in the west. And, certainly,  
12 lots of benefits from that.

13           Although again, you know, I've seen it with other  
14 state regulators who certainly are very strong disbelievers  
15 in climate change. And so, they don't see -- you know,  
16 they're not embracing EIN as a tool to deal with climate  
17 change, per se, but to deal with renewable integration, per  
18 se.

19           COMMISSIONER MC ALLISTER: Yeah, they're in -- in  
20 the panoply of experiences out there, it seems like to me  
21 there are -- you know, the discussion in D.C. and the three  
22 things was, you know, CHP, and energy efficiency, and  
23 things that are sort of more traditional approaches to sort  
24 of, okay, how do we check the box that we're complying with  
25 111(d), versus more creative approaches and more

1 collaborative and market-based approaches like this one.

2           You know, I think we can be relatively, you know,  
3 cautiously optimistic that this will kind of eventually  
4 emerge as another tool in the toolbox for those -- for all  
5 states that need to, that want to comply, right.

6           COMMISSIONER HOCHSCHILD: Oh, yeah.

7           CHAIRMAN WEISENMILLER: Although, I would say the  
8 ISO folks have been really impressive in what --  
9 particularly Pepper, in what they've had to do in terms of  
10 making this work.

11           I know there was certainly some early operational  
12 issues. You know, I remember one of the holidays going out  
13 to basically get debriefed on some of the issues that were  
14 coming up. And, you know, you could see some pretty burned  
15 out folks rolling into the meeting. You know, and I was  
16 assured if I had gone back to the operations center it  
17 would smell much more like a gym, you know.

18           (Laughter)

19           CHAIRMAN WEISENMILLER: But, you know, of just  
20 saying, okay, here's software. We're dealing with real  
21 time trying to work through what's a very complicated  
22 operational issue, you know.

23           And again, I talked the last time about how  
24 because of some issues on data synchronization, where the  
25 energy imbalance market was looking at dispatch, it was not

1 looking at some of the PacifiCorp backup for forced  
2 outages. So, you know, they would lose a 300 megawatt  
3 plant. They had something prepared to respond to that,  
4 that was not in the EIM system, so you'd have this price  
5 spike because, you know, suddenly you lose 300 megawatts.  
6 And from what the ISO was seeing, nothing was happening,  
7 even though it was. It was just a different computer  
8 system.

9           And then they had to go -- A, they had to figure  
10 out that was the issue, then they had to go through a lot  
11 of work arounds to get better synchronization on the data.  
12 And at this point it was all -- the data stuff is a lot  
13 smoothed out on price.

14           But the other part of it was that if you go back  
15 to when MRTU went live, it was like a year or two  
16 process. A, it was building off an older system and B,  
17 there was a year or two transition period to do that.

18           And this we were trying to look at a three-month  
19 transition period. And again, they've had to stretch that  
20 out to more like a year with some stuff on price caps for  
21 that part of the system.

22           And they're also finding there's a lot more  
23 transactions, now, than they were anticipating. So,  
24 they've had to adjust the rate they're charging. So,  
25 there's been a lot of, as I've said, here it is, look at



1 the data.

2           There's going to be a report on benefits next  
3 month, but there's been a lot of looking at stuff, saying  
4 oh, my God, what's going on, and then really diving in on  
5 the computer and the operational side.

6           Actually, both counts concerned the PacifiCorp  
7 people. They're obviously on this group with me, but very  
8 active in terms of going through this. And the Nevada  
9 people, who this will kick in next November for them, you  
10 know, were sitting there. And, obviously, we picked  
11 Phoenix because it is in Arizona.

12           And again, if you look at the energy imbalance  
13 market part, it will have the most benefits for people who  
14 are close to California and are transmission -- yeah,  
15 transmission systems are connected. As opposed to, say,  
16 Colorado, where unless you can somehow figure out how to  
17 get through WAPA, you know, will that really work.

18           So, but anyway, it's good to see us moving  
19 forward. You know, I think, actually, they're saying --  
20 sort of every time I talk to the Governor, generally on  
21 stuff he always amazes me. He goes, oh, yeah, you mean  
22 energy imbalance market. And I go, yeah, that's what I  
23 mean.

24           So, you know, there's certainly a pretty good  
25 understanding from the top down on the importance of it and

1 a strong commitment for the state to make this work.

2 COMMISSIONER DOUGLAS: So, just very briefly. I  
3 actually don't have a whole lot to report. I had a very  
4 nice vacation and actually got to take some time off for  
5 the first time in a while. It was wonderful.

6 And then came back and now I barely remember what  
7 I did. So, it's been very busy, it's been a fast start to  
8 the year. And, of course, with the Governor's address it  
9 was a very exciting start to the year.

10 So, I think that, you know, I'm starting out with  
11 a lot of energy and ready to just -- ready to move on  
12 things.

13 Okay, just one early initiative for this year  
14 that I will mention and this is something that was done  
15 under, actually, the Chair's authority, but it's something  
16 I worked with the Chair on.

17 Is that we have just basically, administratively,  
18 internally consolidated the hearing office into the legal  
19 office. So, it is a good idea to mention that.

20 We have a number of attorneys in the hearing  
21 office. They have been, in the past, basically organized  
22 as a separate unit that can work well when we've got a  
23 heavy siting caseload and everybody's busy, and so on. But  
24 our siting caseload is subject to ebbs and flows of  
25 activity. And there are real benefits, and I would say

1 both practical, in terms of our own efficiency, and ability  
2 to get legal support across the board on issues that we  
3 work on. And also, just the psychic benefits, if I can put  
4 it that way, for people who tend to work as hearing  
5 advisors as their first job, but having just the  
6 opportunity to get engaged in different parts of the  
7 organization, and utilize their legal skills and  
8 backgrounds in a way that just across the board supports  
9 our work, and supports different initiatives that we do.

10 So, I think it's a good move for us. Of course,  
11 we have a firewall, essentially, within our legal office,  
12 already, between attorneys who work on the staff counsel  
13 side of siting cases, because staff functions as an  
14 independent party in siting cases, and our house counsel  
15 who work on the, essentially, Commissioner side of that  
16 wall on siting cases because we have an adjudicative  
17 process with ex parte rules involving the Commissioners.

18 So, hearing officers are hearing advisors, just  
19 like the staff counsel would be on the Commissioner side of  
20 the communications on siting cases, just as they are or  
21 just as they have been.

22 I don't know, the Chief Counsel may wish to add  
23 or supplement to that when we get to the Chief Counsel's  
24 Report.

25 COMMISSIONER HOCHSCHILD: Okay. Well, I got

1 through the New Year starting off really well. I mean,  
2 most of the days my wife gave me a lot of chores to do over  
3 the vacation so it's good to be back at work.

4 (Laughter)

5 COMMISSIONER HOCHSCHILD: So, you know, a lot of  
6 big pieces have fallen in place. Obviously, a new  
7 President of the PUC. The Governor has laid out these 2030  
8 goals. Chair Weisenmiller getting reappointed. And then  
9 new chairs of the Senate Energy and Assembly Utilities  
10 Committee, who I've gotten to know over the last few months  
11 and I think they're going to be terrific.

12 And I think it's worth noting 36 percent of the  
13 Assembly is new and 25 percent of the Senate. And so,  
14 there are a lot of folks who are not familiar with all the  
15 resources we have and we're making efforts to make them  
16 aware of all that we do, and what's happening in  
17 renewables.

18 Even this flat trend, I mean you look at the --  
19 you know, keeping track of the progress report, we have  
20 literally in the last six years gone from 10 percent  
21 renewables to 25 percent. You know, it's just an  
22 extraordinary change.

23 And even just very basic information like that,  
24 and resources like that report I think it's really  
25 important to make the Legislature aware as they grapple

1 with all of the policy making they're going to have to do.

2 I guess the main thing I would share, tomorrow  
3 I'm going to keynote at the Storage Conference, and with  
4 the Chair's help I've been getting up to speed on our  
5 storage activities. We've now funded 60 storage projects,  
6 30 from Energy Commission money, which has leveraged \$110  
7 million of private investment. So, even in that early  
8 stage we've already done quite a lot.

9 On new solar homes, we're going to be issuing  
10 this market report, a draft of that is out and it's going  
11 to be processed now, and will be released publicly,  
12 shortly.

13 But, you know, the key point is in Southern  
14 California, now, 27 percent of all new homes being built  
15 are doing it with solar. And we're seeing, you know,  
16 companies like KB Homes, which is the number three  
17 homebuilder in the United States, 90 percent of all the  
18 homes they build are done with solar. And that has been --  
19 they're actually marketing the community as green living.  
20 They're doing all LED lights, high-efficiency windows. All  
21 sort of features that I had never even imagined. You know,  
22 used shower water. You know, they capture the heat from  
23 that and use it for the heating center to heat new -- I  
24 mean, it's just stuff like this that, you know, I didn't  
25 even see.

1           So, Chair's also mentioning there is a storage  
2   roadmap that is a collaborative process of the ISO, the  
3   CEC, the PUC. And the ARB, are they involved? No, it's  
4   just those three, that's right. Which kind of lays out a  
5   vision of how and joint responsibility of who's going to do  
6   what, which I think is terrific to have in the industry.

7           I think the storage industry, in many ways, is  
8   kind of where the solar industry was ten years ago, and  
9   there's a huge opportunity for growth. But having that  
10  plan, I think will lead to a much more orderly and, you  
11  know, steadily progressive growth. So, I think that's a  
12  really valuable piece to the toolkit. So, that's it.

13          For the other point I'd note is that the High  
14  Speed Rail Authority, you know, has now -- the first work  
15  has actually be done on that. And that's supposed to be  
16  powered 100 percent by renewables, under the leadership of  
17  Dan Richards, and that's a really exciting milestone, as  
18  well.

19          CHAIRMAN WEISENMILLER: Chief Counsel's Report.

20          MR. OGATA: Thank you, Chair Weisenmiller and  
21  Commissioners. Good afternoon and Happy New Year.

22          Yes, we have a new project that we're on, which  
23  is to accomplish the merger of the Hearing Office and the  
24  Chief Counsel's Office.

25          I have spoken to the Hearing Office, yesterday,

1 and every one of them is very excited about the possibility  
2 of becoming more engaged in the various other aspects of  
3 work of the Commission.

4 Obviously, we're very excited about the  
5 opportunity to have more legal resources available to work  
6 with the Commission.

7 Many years past, my first term of duty here, we  
8 actually -- the Legal Office actually provided a lot more  
9 legal support to different parts of the agency. We were  
10 over at the PUC, representing the Commission. You know,  
11 there are number of things we used to do that we have not  
12 done because of sort of diminishing resources. And, of  
13 course, the number of activities that the Commission has  
14 undertaken recently has also expanded exponentially, as  
15 well.

16 So, we're very excited about this opportunity to  
17 kind of be able to talk to the rest of the agency and find  
18 out where they believe they need additional legal resources  
19 and we'll be able to work on that. So that, I think, will  
20 be going very well and that's obviously a priority for our  
21 office at this point in time.

22 I wanted to take the opportunity to introduce two  
23 volunteers that start today. They were here earlier. I  
24 think we've put them to work already, so they're gone.

25 Susan Ma is a 2013 graduate of Lewis and Clark

1 Law School, in Oregon, and she's a member of the California  
2 Bar. And she'll be volunteering in our office for a couple  
3 days a week. I believe she's also volunteering at the  
4 California Department of Fish and Wildlife, as well, so  
5 she's got a lot of different experience that she'll bring  
6 to our office.

7 And as we typically have, we have a law student  
8 who is doing an internship. His name is Jae Won Lee and  
9 he's a second year student from UC Davis King Hall, and so  
10 he'll be working with us for several months, as well.

11 We also just lost an attorney, Melanie Moultrie,  
12 who was doing a lot of work for the EPIC Program, just  
13 resigned. And I believe she's moving back to Southern  
14 California. So, we'll be probably be looking to replace  
15 her and we'll probably put out a job op on that fairly  
16 soon.

17 There is an item of business, Item 14.f, the  
18 Laborers International Union of North American versus the  
19 Energy Commission. That was a challenge to the Blythe  
20 Solar Project Case.

21 The California Supreme Court recently, on  
22 December 17th, granted the plaintiff's petition to dismiss  
23 the lawsuit. We had opposed that petition because we were  
24 interested in having this issue resolved about our  
25 jurisdiction. Having our licensee proceedings in the



1 Supreme Court is the first -- is original jurisdiction.  
2 The Supreme Court dismissed it, so that matter will come  
3 off our litigation report. And that's all I have today.

4 CHAIRMAN WEISENMILLER: Great, thank you.

5 Executive Director Report?

6 MR. OGLESBY: I'll just add that yesterday I  
7 represented Chair Weisenmiller at a meeting that was a  
8 follow up to the Governor's MOU with Mexico, that was  
9 signed this past July, July 14th.

10 And a very impressive meeting, included many  
11 participants from the public sector, and the government  
12 sector of Mexico, including their equivalent of the  
13 Director of Energy for Baja, Francisco Javier Orduno. And  
14 there's a lot of enthusiasm for making continuing process  
15 and the fulfillment of the MOU.

16 And it involved an overview of the energy  
17 resources and progress on both sides of the border, and  
18 progress made to date, and the next steps, what we hope for  
19 to keep the momentum for the MOU moving.

20 CHAIRMAN WEISENMILLER: That's great, appreciate  
21 that.

22 Public Adviser?

23 MS. MATHEWS: Good afternoon. I was in Southern  
24 California earlier this week for a Carlsbad staff workshop.  
25 And also, yesterday, I had an opportunity to participate in

1 the Women's Policy Conference, they have a Pathways to  
2 Policy Program, and speak with a lot of young ladies are  
3 interested in energy policy and other policy areas. And  
4 that's it.

5 CHAIRMAN WEISENMILLER: Great, thank you.

6 So, let's go to public comment.

7 Mr. Splitt, it looks like you have three topics  
8 you want to talk about. So, the ones that are comments,  
9 I'm not going to hold you strictly to the three minutes,  
10 but let's sort of walk through your concerns in terms of  
11 the Building Standard Code and the HERS registry and the  
12 compliance forms.

13 MR. SPLITT: Okay, well, I want to take -- I sent  
14 an e-mail to the Executive Director with regards to the  
15 HERS registries.

16 And back in May the Commission approved CalCERTS  
17 as an official registry, even though they clearly didn't  
18 meet all of your requirements. But they included in the  
19 packet statement that they would comply with everything by  
20 December 31st. Well, that's come and gone, so I just  
21 wanted to verify whether in fact they actually have  
22 complied with all the requirements, now. And in fact that  
23 they've complied with all the requirements and hoops that  
24 they're making CHEERS jump through, because I've been  
25 waiting for them to be approved and they're still not

1 approved, and I don't know why.

2 CHAIRMAN WEISENMILLER: So, I don't know if the  
3 Executive Director or staff want to respond, first, on this  
4 issue?

5 MR. OGLESBY: When was -- oh, you want to hit all  
6 three. Clarification, when was the e-mail sent to me?

7 MR. SPLITT: Let's see here, I guess it was  
8 Monday.

9 MR. OGLESBY: Well, please check your address. I  
10 do not have an e-mail received from you.

11 MR. SPLITT: Okay, it didn't bounce back, so I  
12 don't know where it went. All right, you can't comment if  
13 you haven't seen it. So, I'll give you a sliver.

14 But it is a problem that as far as I can tell the  
15 registry doesn't work, the CalCERTS registry, and it's been  
16 a problem for six months. And I really would like to find  
17 out whether or not they have met their commitment to have  
18 it completely working by December 31st, which they promised  
19 you.

20 CHAIRMAN WEISENMILLER: Well, again, staff, each  
21 of these points they'll respond at the end.

22 So, why don't you go to the next topic?

23 MR. SPLIT: All right, so I'll go to mine  
24 directly. So, the next one had to do with forms and  
25 software versions, just the general complaint that

1 everybody's having problems with these hundreds of forms  
2 that you have, and they're incomprehensible, and they have  
3 wrong information. And I hear rumors that there's groups  
4 working on improving them, but I haven't seen the fruits of  
5 these labors.

6 And it's very confusing to have to explain these  
7 things to building owners, and developers, and contractors.  
8 They just throw up their hands and give up.

9 And the only saving grace to all these forms is  
10 that most of the Building Departments are ignoring them.  
11 So, it doesn't matter what's there because they've already  
12 thrown the towel in.

13 And for the software versions, both the private  
14 vendors and the state come up with new versions of the  
15 software all the time and very often the results of the  
16 calculation change because of those.

17 And I don't know of any specific instructions and  
18 rules as to how much of a change requires recertification  
19 of the program.

20 I'm using EnergyPro Version 6.4.0.2 for  
21 nonresidential compliance because that's the latest  
22 version. But the latest version that's approved by the  
23 Commission is version 6.2. So, technically, the software's  
24 illegal. And I don't know if anybody around here pays any  
25 attention to that, but it's sort of significant.

1           COMMISSIONER MC ALLISTER: Well, we certainly do  
2 pay attention to it. These seem like kind of  
3 implementation details that staff is well-prepared to deal  
4 with or to explain and, you know, orient you better.

5           I'm not minimizing your frustration, certainly,  
6 because we are in a heavy transition phase, still.

7           But I think I just want to make sure staff is  
8 sort of on deck to respond to some of these and we can  
9 probably --

10          MR. SPLITT: Well, the problem is the Building  
11 Departments don't know what's going to --

12          COMMISSIONER MC ALLISTER: Yeah, and we need to  
13 really distinguish between, you know, what we at the  
14 Commission do and then how that pushes down into the local  
15 jurisdictions and what they are supposed to do. Not maybe  
16 what they may or may not do, but what they are supposed to  
17 do. Because things have to -- you know, it takes a little  
18 bit of time for things to filter down, as well.

19          So, many you should finish and then staff will  
20 tee up, as appropriate.

21          MR. SPLITT: Okay, that's it. Then just to  
22 culminate my frustration with everything that's been going  
23 on with the 2013 Code, and repeatedly calling up the  
24 hotline, or whoever, and complaining about things and then  
25 being told, well, it's too late, we have to wait until

1 2016.

2 I don't think that's the case. So, I'm  
3 submitting a petition for emergency rulemaking to correct  
4 the 2013 Code.

5 And I have copies here. And I don't know if it's  
6 been distributed to you, yet, but --

7 COMMISSIONER MC ALLISTER: Was that part of your  
8 e-mail to the Executive Director?:

9 MR. SPLITT: No, I just finished this last night.

10 COMMISSIONER MC ALLISTER: Oh, okay.

11 MR. SPLITT: So, I'm not expecting you to take  
12 any action today but --

13 COMMISSIONER MC ALLISTER: Yeah, it has not been  
14 distributed to us. So, there's a process for that, as  
15 well, so we're not going to make a --

16 MR. SPLITT: But I just like to do things in  
17 public.

18 COMMISSIONER MC ALLISTER: But thanks for letting  
19 us know. It's good to know and we'll --

20 MR. SPLITT: So, anyway, this petition has maybe  
21 about 20 specific items that I think are real problems that  
22 need to be fixed. And I actually have successfully  
23 submitted a petition for emergency rulemaking at the  
24 Building Standards Commission, in 2011, to amend their  
25 outdoor light pollution regulations. And they accepted it

101

1 and the regulations are now un-regulations, as I wrote  
2 that.

3 And I actually have a copy here of a rulemaking  
4 from 1988. And I had to go back and find one that had to  
5 do with the Energy Commission. But this one is exactly  
6 what I am proposing. It's a combination emergency  
7 rulemaking and standard rulemaking, so that we can have  
8 public comment. But then, once a decision is made, we  
9 don't have to wait another 180 days before it becomes  
10 effective.

11 And this petition was originally given to the  
12 Commission by Patrick Splitt, in 1987, and it was accepted,  
13 and it was passed.

14 So, I know for a fact that I can do what I'm  
15 doing.

16 COMMISSIONER MC ALLISTER: No, look, you know,  
17 I'll just say what I've said in previous business meetings  
18 and in some of our workshops. You know, thank you for  
19 bringing forward issues and I think it's that kind of  
20 participation that's exactly what we want.

21 And, you know, obviously hear your frustration in  
22 your voice. But, you know, there are a lot of moving parts  
23 here and it just takes a little bit of process to get  
24 through.

25 So, I want to get staff to sort of give some

1 preliminary ideas now, and then probably some follow up  
2 discussions on the individual topics that you bring up is  
3 appropriate.

4 MR. SPLIT: Yeah, I know you don't like this, but  
5 waiting to 2016 isn't going to work because, as I said, a  
6 lot of Building Departments are already blowing this off.  
7 And by the time 2016 comes around, if you don't have things  
8 fixed and figure out what went wrong this time, and fix  
9 those things, it doesn't matter what you say in 2016,  
10 nobody's going to pay any attention.

11 COMMISSIONER MC ALLISTER: Well, I mean, and I  
12 appreciate your viewpoint on that. I mean, I think we have  
13 to unpack these issues and figure out what's appropriate.  
14 And there are more stakeholders that are in this room or  
15 are nearby so --

16 MR. SPLITT: Those are my three items.

17 COMMISSIONER MC ALLISTER: Thanks very much.

18 MR. OGLESBY: Oh, and after doing a further  
19 search, I found the e-mail.

20 MR. SPLIT: What?

21 MR. OGLESBY: I found the e-mail. I hadn't seen  
22 it, yet, but --

23 COMMISSIONER MC ALLISTER: Oh, it came through  
24 dockets already or it's just an e-mail to you?

25 MR. OGLESBY: Just an e-mail to me.



1 COMMISSIONER MC ALLISTER: Okay.

2 MR. OGLESBY: And it was from APP-TECH, Inc.

3 COMMISSIONER MC ALLISTER: Okay.

4 MR. OGLESBY: I was looking for Splitt.

5 CHAIRMAN WEISENMILLER: Anyone else?

6 COMMISSIONER MC ALLISTER: You want to just hit

7 some of the topics here, briefly, at a high level and then

8 maybe --

9 MR. ASHUCKIAN: Sure, Dave Ashuckian, the Deputy

10 Director for the Efficiency Division.

11 Pat mentioned a number of issues and I'm not

12 prepared to address all of them. But on the first few that

13 he talked about with CalCERTS registry, in fact they have

14 met all the requirements of our conditions for the forms.

15 And we are in the process of finalizing that approval with

16 them.

17 In addition, you mentioned CHEERS. CHEERS has

18 not submitted their application for becoming a registry,

19 yet, or a provider. And so, we have not been able to

20 process their application because we don't have it.

21 Regarding the software versions, we are aware

22 that EnergyPro has provided a non-approved version, an

23 approved version for res. We have had a conversation with

24 them about that.

25 The fact that they are in fact -- it's clear on

1 our website what is approved and what is not approved. And  
2 so, we are working with building officials, building  
3 inspectors to make sure that they understand what versions  
4 are -- what versions should be used in the approval  
5 process.

6 So, and we continue to work with building  
7 officials, other stakeholders to make sure that any issues  
8 we have with the forms, with other issues are addressed.

9 We have a list of work-arounds for things that  
10 the software can't do or things that people have identified  
11 that work. And so, that information is on our website.  
12 And again, we continue to be open to taking information and  
13 working with our stakeholders to address all the issues  
14 that we can.

15 Again, it's been a major lift going from  
16 electronic forms to -- or from paper forms to electronic  
17 forms this year. And some of those things just continue to  
18 be needed to be worked through.

19 I can't answer any questions about the  
20 rulemaking, the emergency rulemaking, I haven't seen any of  
21 that. So, thank you.

22 COMMISSIONER MC ALLISTER: Thanks, Dave.

23 CHAIRMAN WEISENMILLER: Anything else?

24 Okay, well, this meeting's adjourned.

25 Well, why don't you, you're the one who's the

1 most capable to talk about the rulemaking. Give us a --  
2 orient us on the -- we realize you haven't seen it yet,  
3 but --

4 MR. OGATA: Yeah, thank you, Chair Weisenmiller.  
5 I just wanted to let the Commission know the process for  
6 handling this.

7 So, the Executive Director has seven days from  
8 the date of receiving the petition for rulemaking to  
9 determine whether or not the petition is complete. And I'm  
10 assuming we will accept this petition as of today, since  
11 it's the first time we've seen it. So, our clock will  
12 start today.

13 At that point, the Executive Director will make a  
14 recommendation to the Commission as to whether the petition  
15 is complete or not.

16 And the Commission, within 30 days of that  
17 certification has to take action on this petition. So, I'm  
18 assuming that at the next business meeting, or thereabouts,  
19 the Commission will then order denying the petition,  
20 stating the reasons in writing, or directing the staff to  
21 prepare an appropriate order. And that order, of course,  
22 would be an order instituting a rulemaking.

23 And so, that's how this process will kick off.  
24 So, you'll be seeing this again within 30 days after the  
25 Executive Director makes the decision as to whether or not

1    this petition is complete.

2                   CHAIRMAN WEISENMILLER:   Thanks.   Okay, so the  
3   meeting's adjourned.

4                   (Whereupon, at 12:30 p.m., the business  
5                   meeting was adjourned.)

6   --o0o--

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

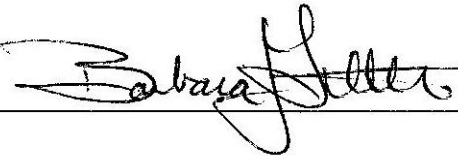
25

**TRANSCRIBER'S CERTIFICATE**

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 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 3rd day of February, 2015.



---

Barbara Little  
Certified Transcriber  
AAERT No. CET\*\*D-520