

DOCKETED

Docket Number:	15-BUSMTG-01
Project Title:	Business Meeting Transcripts
TN #:	204466
Document Title:	03-11-15 Business Meeting Transcript
Description:	N/A
Filer:	Sabrina Savala
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	5/1/2015 8:48:26 AM
Docketed Date:	5/1/2015

BUSINESS MEETING

BEFORE THE

CALIFORNIA ENERGY COMMISSION

In the Matter of:)
)
Business Meeting)
_____)

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A, 1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, MARCH 11, 2015
10:00 A.M.

Reported by:
Kent Odell

APPEARANCES

Commissioners Present

Robert B. Weisenmiller, Chair
Andrew McAllister
David Hochschild
Janea Scott
Lezlie Kimura-Szeto, Her Policy Advisor

Staff Present:

Rob Oglesby, Executive Director
Kourtney Vaccaro, Chief Counsel
Alana Mathews, Public Advisor
Kevin Bell, Senior Staff Counsel, Technical Staff,
Air Quality
Nancy Fletcher, Technical Staff, Air Quality
Cristopher McLean, Electric Transmission Staff
Virginia Lew, Energy Efficiency Research Office

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Kevin Barker	2
Lezlie Kimura-Szeto	3
Jonathan Fong	4
Dale Rundquist	5 and 6
Daniel Johnson	7
Todd Ferris	8
Joe Loyer	9
Cheryl Closson	10
Shahid Chaudhry	11 and 12
Larry Rillera	13
Laurie ten Hope	14
Alan Solomon	15
Prab Sethi	16
Gina Barkalow	17

Others Present (* Via WebEx/Phone)

Dr. Peter Van Deventer, Diplomatic Liaison, Director of
Coast to Coast Mobility Program for Consulate General,
The Netherlands
Charlene Wardlow, Ormat Nevada, Inc.
*Patrick Hayes, General Manager, Mammoth Community
Water District
*Steve Nelson, Bureau of Land Management (BLM)
Manny Robledo, Electric Operations Manager, City of
Anaheim, Operating Agent for the Canyon Power Plant

APPEARANCES (Continued)

Matt Wolske, Project General Manager for Panoche Energy Center
Robin Shropshire, Environmental Health and Safety Coordinator for Panoche Energy Center
Eric Emblem, Joint Committee on Energy and Environmental Policy
*Erik Andis, National Energy Management Institute
*Chris Walker, California Association of Sheet Metal and Air-Conditioning Contractors
Jerry Salamy CH2M Hill
*Vicky Lee, South Coast Air Quality Management District
Greg Wheatland, Otay Mesa Energy Center
Barbara McBride, Otay Mesa Energy Center
Renee Webster-Hawkins, Executive Director, California Pollution Control Financing Authority (CPCFA)
Jason Bradley, Program Manager, California Pollution Control Financing Authority (CPCFA)
Ben Kaun, Project Manager, EPRI
Leila Madrone, CEO and Co-Founder, SunFolding
Sharon Garvey, Cal Bio

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1 P R O C E E D I N G S

2 MARCH 11, 2015 10:05 a.m.

3 CHAIRMAN WEISENMILLER: Okay, let's start
4 the Business Meeting with the Pledge of
5 Allegiance.

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

8 CHAIRMAN WEISENMILLER: So good morning.
9 In terms of today's agenda, Item 2 will be held.
10 Item 15b will also be held, and Item 10 will come
11 right after Item 3. So let's start with the
12 Consent Calendar and I need first a motion, but
13 actually I have a statement for you to add as
14 part of that, whoever is going to do the motion.
15 Kourtney, do you have that?

16 MS. VACCARO: So with respect to the
17 Consent Calendar, the recommendation is that the
18 Motion should be approving the Consent Calendar,
19 noting that Item 1b also includes approval of the
20 Order that staff is recommending the Commission
21 approve. And that Order has been made publicly
22 available and available to the Commissioners
23 before this meeting.

24 COMMISSIONER SCOTT: I move approval of
25 the Consent Calendar, noting that Item 1b

1 includes approval of the Order.

2 COMMISSIONER MCALLISTER: I'll second.

3 CHAIRMAN WEISENMILLER: All those in
4 favor?

5 (Ayes.) The Consent Calendar is approved
6 4-0.

7 Let's go on to Item 3. Memorandum of
8 Understanding with the Province of Noord.

9 MS. KIMURA-SZETO: Good morning,
10 Commissioners. My name is Lezlie Kimura-Szeto
11 and I am Policy Advisor to Commissioner Scott.
12 Today our office is seeking your approval of a
13 Memorandum of Understanding between the Energy
14 Commission and the Province of Noord Holland and
15 the Netherlands on Sustainable Transportation
16 Energy Activities.

17 Similar to California, who is leading the
18 way in the United States on Sustainable
19 Transportation in terms of Electric Vehicle
20 numbers and charging infrastructure, the
21 Netherlands leads the way in Europe. This is a
22 result of strong commitments by both states to
23 implement favorable Zero Emission Vehicle
24 policies, incentives, research and development,
25 and public outreach efforts toward meeting our

1 respective greenhouse gas emission reduction and
2 renewable energy goals.

3 In October of last year, Commissioner
4 Scott visited the Netherlands as a California
5 delegate with the goal of identifying strategic
6 opportunities to exchange expertise and
7 experience in these areas. This agreement is a
8 result of that trip and it is intended to guide a
9 mutually beneficial exchange of information and
10 development of tangible projects related to the
11 Energy Commission's and Province of Noord
12 Holland's respective Zero Emission Vehicle work,
13 with a particular focus on Electric Vehicle
14 infrastructure.

15 If approved, this working agreement will
16 result in further work between Commissioner
17 Scott's office, and the Netherlands Provincial
18 Government Staff Liaison, on charging
19 infrastructure models related to multi-unit
20 dwellings, Faster Charging, and the role of
21 utilities over the next three years. This is a
22 cooperative agreement, no funds are being
23 exchanged between agencies, and there are no
24 legally binding obligations being created.
25 Commissioner Scott's office anticipates executing

1 the work of the Agreement on behalf of the
2 Commission with no impact to staff resources.

3 Participating in this meeting today and
4 interested in providing comments is Dr. Peter Van
5 Deventer, Diplomatic Liaison and Director of the
6 Coast to Coast Mobility Program for the Consulate
7 Generation of the Netherlands.

8 If the Commission votes to approve the
9 agreement, we would ask Dr. Van Deventer and
10 Commissioner Scott to come to the podium
11 immediately afterwards for the signing of the
12 MOU.

13 With that, I'd like to thank you for your
14 time and consideration of this item, and answer
15 any follow-up questions you may have.

16 COMMISSIONER WEISENMILLER: Thank you.
17 Commissioner Scott.

18 COMMISSIONER SCOTT: Great, well, I would
19 just like to thank Lezlie so very much for all of
20 her excellent work on this. As she mentioned,
21 she and I had a chance to visit the Netherlands
22 last year and learn more about all of the
23 innovative transportation policy and technology
24 work going on there. We saw things like the
25 solar road where they've got solar PV baked into

1 concrete, and they've made it into a bike path,
2 and it's connected right up into the grid.
3 They're working to see if they can make the glass
4 that goes on top stronger so that you could
5 actually put it on a road and cars could drive
6 over it. They have a great set of innovative
7 research and development campuses where the
8 students are working on things like Ostella,
9 which is the four-person solar powered car that
10 they brought over to the U.S. late last year. I
11 had a chance to see some inductive charging and
12 busses, we saw all-electric port terminals, the
13 work that the Netherlands is doing on electric
14 mobility is really exciting and I very much look
15 forward to partnering with them.

16 I was also really struck by the Dutch
17 collaboration model which they call the Triple
18 Helix, or the Golden Triangle, and it's
19 government, businesses, and academia work
20 together to solve some of our most pressing
21 environmental challenges. So in sum, I think
22 that there is a lot that we'll all be able to
23 learn from each other as coast-to-coast leaders
24 in the Electric Vehicle space, so much so that I
25 am volunteering my office to do the leg work on

1 this, and we'll keep -- the resources will all
2 come out of my office to make this happen. And I
3 really look forward to exchanging notes with our
4 Dutch friends on the best practices and
5 continuing to look for areas that we can work
6 together. And we have Peter Van Deventer is in
7 the audience, I don't know if you'd like to make
8 a remark if that's appropriate at this time?

9 CHAIRMAN WEISENMILLER: Please. Please
10 come on up.

11 DR. VAN DEVENTER: Thank you. My name is
12 Dr. Peter Van Deventer. Dear Commissioners, dear
13 audience, dear Commissioner Scott, on behalf of
14 the Dutch Government, the Consulate General of
15 the Netherlands, as well as the Province of North
16 Holland, I want to thank you for the opportunity
17 to speak and request your approval of the MOU in
18 front of you. And the MOU is between the
19 California Energy Commission and the Province of
20 North Holland.

21 The MOU offers a great opportunity for
22 both the California Energy Commission and the
23 province to jointly work together on energy
24 transition, Zero Emission Vehicles, and to combat
25 climate change; both for the Netherlands and

1 California, this is of great concern and
2 importance. We have been working together since
3 2009 when we first started to connect under the
4 great leadership of former Commissioner Peterman
5 and today's Commissioner Scott, the CEC has an
6 excellent opportunity and position to act and
7 deliver on these very important issues.

8 The Dutch Government and the Province of
9 North Holland look forward to continue our
10 wonderful relationship. These are truly
11 important times and, as Diplomatic Liaison, I
12 strongly believe that we should and can make a
13 difference. It is therefore that I advise the
14 Board of Commissioners to approve the MOU and
15 work together to achieve tangible results. Thank
16 you.

17 CHAIRMAN WEISENMILLER: Thank you. A
18 motion?

19 COMMISSIONER SCOTT: I move approval of
20 Item 3.

21 COMMISSIONER HOCHSCHILD: Second.

22 CHAIRMAN WEISENMILLER: All those in
23 favor?

24 (Ayes.) This item passes 4-0. Thank
25 you.

1 Let's take a question break on this item.

2 [Photo break at 10:13 a.m.]

3 DR. VAN DEVENTER: Well, thank you so
4 much and good luck, and a pleasure to work with
5 all of you. Thank you.

6 COMMISSIONER SCOTT: Please to work with
7 you, as well. [Applause.]

8 CHAIRMAN WEISENMILLER: Okay, so let's go
9 to Item 10. This is going to be Ormat Nevada.
10 Cheryl Closson, please.

11 MS. CLOSSON: Good morning Chairman and
12 Commissioners. I'm Cheryl Closson with the
13 Renewable Energy Division. This item is for
14 approval of a \$631,620 Grant to Ormat Nevada from
15 the Energy Commission's Geothermal Grant and Loan
16 Program.

17 The item has been carried over from the
18 February 25th Business Meeting in response to
19 concerns raised by representatives of the Mammoth
20 Community Water District about the scope of the
21 project and location of proposed monitoring
22 wells.

23 Under this agreement, Ormat will initiate
24 elements of a groundwater monitoring program for
25 their proposed Casa Diablo IV geothermal

1 development near Mammoth Lakes, California. As
2 noted by staff at the February 25th meeting, this
3 agreement and its scope of work do not represent
4 the complete groundwater monitoring program that
5 will be developed for the proposed Casa Diablo
6 Development. It only addresses two monitoring
7 wells and associated testing that have been
8 discussed by the Long Valley Hydrologic Advisory
9 Committee, which is the Advisory Committee
10 established in 1986 by Mono County to monitor
11 geothermal development in the area.

12 The Grant Agreement Scope of Work posted
13 as background for the February 25th Business
14 Meeting referred to monitoring work being done in
15 the area by the Long Valley Hydrologic Advisory
16 Committee and the United States Geological
17 Survey, and also identified the proposed
18 monitoring well locations as the U.S. Forest
19 Service junkyard location and one at the existing
20 Geothermal Production Well 1425.

21 The scope of work also included an
22 objective to drill and complete two new
23 groundwater monitoring wells at locations
24 suggested by the U.S.G.S. and agreed to by the
25 Bureau of Land Management, United States Forest

1 Service, Great Basin Air Pollution Control
2 District, Mammoth Community Water District, and
3 Ormat Nevada.

4 While the language of the objective did
5 not name the Long Valley Hydrological Advisory
6 Committee specifically, its membership includes
7 the agencies and parties listed in the objective.
8 The language used was meant to reflect the role
9 of the U.S.G.S. in recommending the drilling
10 sites, and the Long Valley, what is known as the
11 Hack, their support for the well locations
12 identified in the Grant.

13 The U.S.G.S. provides technical support
14 for the Hack and the BLM, and is also a
15 subcontractor to the Grant Agreement for the
16 monitoring well drilling. Public and scientific
17 community involvement for the project will also
18 be available via the Long Valley Hack.

19 At the February 25th Business Meeting,
20 representatives of the Water District raised
21 concerns about the agreement's scope of work for
22 the following main reasons: They did not agree
23 with the approach or the well locations. They
24 believed that at least one well location would
25 not be appropriate and that deep geothermal

1 monitoring wells are necessary for the Casa
2 Diablo IV Monitoring Program and that they are
3 not included in the Grant project.

4 The Water District representatives asked
5 the Commission to delay approval of the grant
6 until Ormat and the Water District could reach
7 agreement on a rigorous monitoring and mitigation
8 plan for the proposed Casa Diablo IV development.

9 In response to the Water District
10 request, the item was held over to today's
11 meeting with Commissioners indicating interest in
12 understanding the role of the agencies, if the
13 agencies recommended the well locations, and how
14 the wells and grant activities fit in with the
15 larger monitoring program to be developed for the
16 Casa Diablo IV Project.

17 After the February 25th meeting, staff
18 took the following steps to address the questions
19 from the Commissioners and the concerns raised by
20 the Water District: first, we set up a docket for
21 submittal of background documents per the Chair's
22 request that these documents be docketed; we set
23 up and participated in a conference call between
24 Commissioner Hochschild and the U.S.G.S.
25 Representatives on the methodology used for

1 selecting well sites. We talked with
2 representatives from the U.S.G.S., BLM, Water
3 District, Great Basin Air Pollution Control
4 District, Ormat, and the California Division of
5 Oil, Gas and Geothermal resources. They are also
6 a member of the Long Valley Hack.

7 And finally, set up and participated in a
8 conference call between Energy Commission staff,
9 U.S.G.S., BLM, Division of Oil and Gas and
10 Geothermal Resources, the Water District, and
11 Ormat. As a result of the conference call, staff
12 and the consulted parties were able to clarify
13 the following points: That BLM has sole
14 jurisdiction over any monitoring plan that will
15 be developed for the Casa Diablo IV development,
16 that this agreement is not the shallow
17 groundwater monitoring plan for the Casa Diablo
18 IV project, and it is not solely tied to the Casa
19 Diablo IV project, that the junkyard well site
20 was recommended by the U.S.G.S., and the
21 geothermal well 1425 site was recommended by the
22 BLM, that a deep monitoring well could be
23 considered for the overall Casa Diablo IV
24 Groundwater Monitoring Plan to be developed in
25 the future, that a deep geothermal well would not

1 be or could not be added to this agreement
2 because it is not part of the competitively
3 scored application submitted by Ormat, and
4 because we do not have funding for it, that the
5 data generated by the agreement would be valuable
6 for regional monitoring, as well as for use by
7 the Casa Diablo IV Monitoring Program to be
8 developed, and that the Water District had
9 received additional information since the
10 February 25th Business Meeting and are now
11 supportive of the well locations identified for
12 the grant.

13 The last point, however, the Water
14 District noted that their main concern is that
15 the public or any interested party might think
16 that the grant does represent the entire
17 monitoring program, and they would be more
18 comfortable if we could revise grant language to
19 clarify that the grant is not the entire
20 monitoring program for the Casa Diablo IV
21 development.

22 To reflect this understandings and
23 address the Water District concern, staff has
24 revised the Grant Agreement scope of work as
25 follow: we simplified the Grant Problems

1 Statement to indicate that additional information
2 is needed to determine if there is connection
3 between the thermal and non-thermal ground water
4 in the western part of the Long Valley Caldera,
5 we clarified that the grant does not represent
6 the overall groundwater monitoring program that
7 will be developed for the Casa Diablo IV
8 development, but that the wells and test data are
9 intended to be used for that program once it is
10 developed. We deleted reference in the Grant
11 Objectives and tasks for Goals Statement
12 regarding Agreement to the well locations by the
13 specific agencies and parties; we added language
14 to the task in case the monitoring wells come up
15 dry to allow the wells to remain open after the
16 drilling rig leaves, if appropriate, so that the
17 wells could be used for other types of
18 monitoring. And we made non-substantive
19 grammatical changes or edits to tasks regarding
20 the well location names.

21 Both the Ormat and Water District
22 representatives have reviewed these changes and
23 in it my understanding that they are in agreement
24 with them. On a program note, the geothermal
25 grant loan programs authorizing statute requires

1 that GRDA projects approved by the Energy
2 Commission be submitted for a 30-day comment
3 period to the Department of Finance, the
4 Legislative Analyst, the Joint Legislative Budget
5 Committee when the Legislature is in session,
6 before the Energy Commission executes the
7 Agreement.

8 If this Agreement is approved today,
9 staff will send notice of the approval to the
10 Department of Finance, Leg Analyst, and Joint
11 Legislative Budget Committee, as directed by the
12 Statute, and execute the Agreement after the
13 required 30-day comment period.

14 I ask for your approval of this agreement
15 and would be happy to answer any questions you
16 might have. Charlene Wardlow with Ormat is here
17 today and is available to respond to questions.
18 Also, I believe Pat Hayes from the Water District
19 is on the phone, as well as Steve Nelson and Dale
20 Johnson from the Bureau of Land Management.

21 CHAIRMAN WEISENMILLER: That's great.
22 Why don't we start with Ormat. Please come
23 forward.

24 MS. WARDLOW: Good morning, Mr. Chairman
25 and members of the Commission. I'm Charlene

1 Wardlow with Ormat. And first of all, I'd like
2 to apologize for not being here two weeks ago, I
3 was actually in Mammoth Lakes for a Long Valley
4 Hack meeting and was surprised at the opposition
5 to do additional monitoring.

6 I appreciate the opportunity to be here
7 today and would like to compliment Cheryl Closson
8 on her efforts to mitigate the concerns of the
9 Water District and move this Grant forward. She
10 has worked very diligently and I appreciate all
11 the work that she has done.

12 Ormat does request your approval of this
13 grant and we believe that any additional
14 monitoring in the Long Valley Caldera will be
15 valuable to the monitoring already done for
16 almost 30 years, in addition to what the U.S.G.S.
17 does through the Volcanoes Hazard Program. So
18 thank you for the opportunity to be here. We
19 would recommend your support of this grant and we
20 look forward to working with the Water District
21 on hopefully future solicitations to apply a
22 collaborative grant application for additional
23 monitoring that may come about as we complete the
24 monitoring and response plan that we're working
25 on with the agencies that have jurisdiction on

1 this project. Thank you.

2 CHAIRMAN WEISENMILLER: Thank you.

3 Thanks for being here. Let's hear from the Water
4 District. Mr. Hayes on the line?

5 MR. HAYES: Good morning, it's Pat Hayes
6 here, General Manager with the Mammoth Community
7 Water District.

8 As you may recall, and Cheryl has pointed
9 out, we did speak at your February 25th meeting
10 on this matter, and raised some concerns which
11 I'm pleased to say I think our concerns have been
12 heard, and I appreciate the work that the Project
13 Manager, Cheryl Closson has done to open a
14 collaborative effort to resolve those
15 differences.

16 At this point, the Water District does
17 not object to this project, the Water District
18 sees value in having these wells at the locations
19 suggested by U.S.G.S. at Well 1425, and at the
20 Junkyard and boneyard site as part of a larger
21 monitoring and response program. In that
22 collaborative process, she mentioned the outreach
23 to the various entities and the conference call
24 that resulted, and that the need for new deep
25 geothermal monitoring wells is part of the

1 overall monitoring end response program to be
2 developed, has been endorsed by BLM and U.S.G.S.,
3 along with further stress testing in addition to
4 what is covered in the proposed draft. So at
5 this time, the Water District feels that our
6 needs have been met and we appreciate all that
7 have been involved to get to this point.

8 CHAIRMAN WEISENMILLER: Great. Thank
9 you. Mr. Nelson from BLM?

10 MR. NELSON: Hi, this is Steve. Thanks
11 for the opportunity here. I'm glad to hear what
12 Pat has to say and also appreciate Ormat's
13 perspective on this. BLM, we're in full support
14 of the grant, and the well locations. We believe
15 strongly that they're part of the plan or the
16 requirement for a monitoring plant that we
17 required in our Record of Decision for CD4. And
18 we look forward to that larger plan and these
19 wells being part of that, so BLM is fully
20 supportive of the grant.

21 CHAIRMAN WEISENMILLER: Great. Thank
22 you. Anyone else either in the room or on the
23 line? Then let's turn to the Commissioners.

24 COMMISSIONER HOCHSCHILD: So let me thank
25 Cheryl for your diligence and especially the

1 stakeholders from Mammoth for raising the
2 concerns that you did. I did personally speak to
3 the U.S. Geological Survey about the validity of
4 the sites that have been selected for this, and
5 I'm absolutely comfortable moving forward. So
6 unless there's other comments, I would move the
7 item.

8 COMMISSIONER MCALLISTER: I'll second.

9 CHAIRMAN WEISENMILLER: All those in
10 favor?

11 (Ayes.) This item passes 4-0. Thank
12 you, Cheryl. Thanks for your work on this.

13 MS. CLOSSON: Thank you.

14 CHAIRMAN WEISENMILLER: Let's go on to
15 Item 4, so we're back in sequence, Canyon Power
16 Plant. And this is Jonathan Fong.

17 MR. FONG: Good morning, Commissioners.
18 My name is Jonathan Fong and I'm the Compliance
19 Project Manager for the Canyon Power Plant, or
20 CPP.

21 The Energy Commission certified the
22 original 200 megawatt Canyon Power Plant facility
23 on March 17, 2010, and has been operational since
24 September 15, 2011. The power plant is located
25 in the City of Anaheim in Orange County,

1 California.

2 Today I'm presenting a Petition to Amend
3 the Energy Commission Final Decision for the CPP.
4 The Petition would modify the Air Quality
5 Conditions of Certification to increase the
6 allowable usage of each of the four turbines,
7 require additional emissions reductions credits,
8 amend the emission factor used to demonstrate
9 compliance with the PM10 emission limits, and
10 lower the allowable operation hours for the black
11 start engine.

12 Joining me today is Energy Commission
13 staff attorney Kevin Bell from the Chief
14 Counsel's Office, Air Quality Technical Staff,
15 Nancy Fletcher, and Electric Transmission Staff,
16 Christopher McLean.

17 Representing the Applicant is Manny
18 Robledo, Electric Operations Manager for the City
19 of Anaheim as the Operating Agent for the Canyon
20 Power Plant, and Jerry Salamy with CH2M Hill.

21 And I believe that Vicky Lee from the
22 South Coast Air Quality Management District may
23 be calling in on the phone.

24 On September 29, 2014, the Southern
25 California Public Power Authority filed a

1 petition with the California Energy Commission
2 requesting to modify the Air Quality Conditions
3 of Certification. These changes would allow the
4 CPP to meet qualifying criteria of the new
5 Flexible Resource Adequacy Criteria and must
6 offer obligation or FRACMO Initiative established
7 by the California Independent System Operator, or
8 CAISO.

9 The FRACMO Initiative was developed by
10 CAISO to ensure that there is sufficient flexible
11 capacity in order to respond to the variability
12 and uncertainty of renewable energy resources.
13 This initiative requires qualifying base ramping
14 resources to be capable of starting two times per
15 day, and operating a minimum of six hours per
16 day.

17 In order for the CPP to qualify as a base
18 ramping resource, the Air Quality Conditions of
19 Certification need to be amended to be able to
20 operate according to these new criteria. Without
21 this amendment, CPP could at some point
22 disqualify as a flexible resource adequacy
23 capacity, resulting in the City of Anaheim
24 needing to secure power from other resources, or
25 pay CAISO a penalty for not providing resource

1 adequacy capacity.

2 Energy Commission staff has reviewed the
3 proposed changes and concludes that the changes
4 could result in an increase of emissions from
5 this facility on a monthly and annual basis.
6 Emissions Reduction Credits, ERCs, and Regional
7 Clean Air Incentive Market Trade Credits, or
8 RECLAIM credits, would be required and have
9 already been surrendered to the South Coast Air
10 Quality Management District to fully mitigate the
11 emission increases of all non-attainment
12 pollutants and their precursors.

13 Energy Commission staff agrees with the
14 District's findings that the mitigation would
15 reduce the proposed air quality impacts to a less
16 than significant impact level.

17 Energy Commission staff has reviewed the
18 Petition and finds that it complies with the
19 requirements of Title 20, Section 1769A of the
20 California Code of Regulations, and recommends
21 approval of the project modifications and
22 associated revisions of the Air Quality
23 Conditions of Certification based on staff's
24 findings and subject to the revised Conditions of
25 Certification. Thank you.

1 CHAIRMAN WEISENMILLER: Thank you.

2 Anyone in the room or on the line who wants to
3 speak to this? Okay, please.

4 MR. ROBLEDO: good morning, Mr. Chairman,
5 fellow Commissioners. My name is Manny Robledo,
6 I'm the Electric Operations Manager for the City
7 of Anaheim and Canyon Power Plant. And I'd like
8 to thank the staff for their diligent efforts in
9 preparing the staff assessment, and I'd like to
10 thank the Commissioners for your consideration of
11 this matter.

12 The Canyon Power Plant does provide a
13 significant part of the City of Anaheim's
14 resource capacity and it is critical that we
15 maintain it as a capacity resource into the
16 FRACMO, as it was described here. And I'd be
17 happy to answer any questions that you may have.

18 CHAIRMAN WEISENMILLER: Thank you. Thank
19 you very much for being here. Let's move from
20 comments to discuss the item. Commissioner
21 Douglas is in Imperial today, so I'll be
22 channeling her later on with DRECP. But in this
23 context, I would note that initially I was the
24 presiding member of the siting committee back in
25 2010, and so we looked at a number of amendments

1 at that stage. And this falls in that category.
2 We will permit something with very specific
3 operational requirements or permit requirements,
4 over time it's not unusual to have to revise
5 those; certainly we and the Air Districts both
6 look at it, and then once it's been approved for
7 us the big question is does it have a significant
8 environmental impact or not. And this Amendment,
9 the staff has indicated at least after the
10 mitigation measures it does not, and so again, I
11 would tend to characterize this as a relatively
12 straightforward cleanup at this stage, but
13 certainly any questions or comments, particularly
14 for the gentlemen from Anaheim would be great.

15 COMMISSIONER MCALLISTER: I reviewed this
16 and it looks like the mitigation measures cover
17 the impacts, so I'm comfortable with it.

18 Okay, so I'll move Item 4.

19 COMMISSIONER SCOTT: Second.

20 CHAIRMAN WEISENMILLER: All those in
21 favor?

22 (Ayes.) This items passes 4-0. Thanks.
23 Thanks again for being here.

24 Let's go to Item 5, Panoche Energy
25 Center. Dale, please.

1 MR. RUNDQUIST: Good morning,
2 Commissioners. My name is Dale Rundquist and I
3 am the Compliance Project Manager for Panoche
4 Energy Center. With me this morning is Kevin
5 Bell, Senior Staff Counsel, and environmental
6 staff from the Land Use Unit.

7 Also present in the room are
8 representatives from Panoche Energy Center, LLC,
9 or the Project Owner, the Owner of Panoche Energy
10 Center.

11 On October 13, 2014, the Project Owner
12 filed a petition with the California Energy
13 Commission requesting to amend the final decision
14 for the Panoche Energy Center. The current
15 Petition to amend the Final Decision requests
16 approval for the construction and operation of an
17 enhanced waste water system. The enhanced
18 wastewater system would be built on a 3.5 acre
19 portion of the combined 9.18 acre former Panoche
20 Energy Center Construction Laydown Area in an
21 adjacent pomegranate Orchard.

22 Panoche Energy Center, a simple cycle
23 natural gas fired, 400 megawatt peaking facility,
24 was certified by the Energy Commission in its
25 decision on December 19, 2007, and began

1 commercial operation on July 1, 2009. The
2 facility is located in an unincorporated area
3 approximately 15 miles southwest of the City of
4 Mendota in Western Fresno County, California.

5 The project owner proposes to install
6 three storage tanks ranging from 250,000 gallons
7 to 500,000 gallons. The storage tanks would
8 temporarily store wastewater during operational
9 periods where the wastewater production exceeds
10 the injection well capacity, which is
11 approximately 250 gallons per minute.

12 The excess wastewater would be stored for
13 later injection when wastewater production
14 ceased.

15 The proposed changes also include
16 construction and operation of a permanent water
17 treatment system. The approximate capacity and
18 dimensions of the enhanced wastewater system's
19 structures are as follows: a 500,000 gallon blow
20 down collection tank, 60-feet in diameter X 24
21 feet high; a 500,000 gallon wastewater collection
22 tank, 60 feet in diameter X 24 feet high; a
23 250,000 gallon permeate collection tank, 48 feet
24 in diameter X 20 feet in diameter, and an
25 enhanced wastewater system building 120 feet long

1 by 70 feet wide, or 8,400 square feet, and
2 approximately 20 feet high. Construction of the
3 enhanced wastewater system is projected to begin
4 in early 2015, in the last four approximately 14
5 weeks.

6 Because the covered and enclosed
7 industrial building comprising 8,400 square feet
8 would be constructed, Condition of Certification
9 Socio 1 will apply to the Amendment. The project
10 owner shall pay the one time statutory school
11 development fee to the Mendota Unified School
12 District as required by Education Code Section
13 17620.

14 Energy Commission Socio and Economic
15 staff concludes that mitigation measures for the
16 short term construction impacts are expected to
17 greatly reduce or eliminate the potential for
18 significant adverse impacts on the environmental
19 justice population within the potential affected
20 area of the proposed site.

21 Staff in the technical area of land use
22 proposes modifications to Condition of
23 Certification Land 1. This would mitigate the
24 additional 3.5 acres needed for construction of
25 the wastewater system and would assure compliance

1 with laws, ordinances, regulations, and
2 standards, and reduce potential environmental
3 impacts to a less than significant level.

4 The Notice of Receipt was mailed to the
5 Post-Certification Mail List and affected public
6 agencies, docketed, and posted on the Energy
7 Commission's site on October 20, 2014. The staff
8 analysis was mailed, docketed, and posted to the
9 Energy Commission website on February 13, 2015.

10 One comment was received from the U.S.
11 Army Corp of Engineers, notifying staff that a
12 Section 404 permit would be needed if any project
13 features resulted in discharge of materials into
14 the Waters of the United States.

15 Staff appreciates input from the U.S.
16 Corp of Engineers, however, in the original
17 analysis for the Panoche project, it was
18 established that there are no Waters of the
19 United States associated with the Panoche
20 project. Energy Commission staff has discussed
21 this matter with the U.S. Army Corps of
22 Engineers, who are in agreement with staff
23 determination.

24 Energy Commission staff reviewed the
25 petition and finds that it complies with the

1 requirements of Title 20, Section 1769A of the
2 California Code of Regulations, and recommends
3 approval of the project modifications and
4 associated revisions to the Land Use Condition of
5 Certification based upon staff's findings and
6 subject to the revised Condition of
7 Certification. Thank you.

8 CHAIRMAN WEISENMILLER: Thank you.
9 Applicant?

10 MR. WOLSKE: Yes, good morning. I'm Matt
11 Wolske, the project General Manager for Panoche
12 Energy Center, and I have with me my colleague,
13 Robin Shropshire, who is the Environmental Health
14 and Safety Coordinator. First of all, we
15 appreciate you taking the time to consider this
16 Petition to Amend, and would like to extend our
17 appreciation to the staff for their diligence in
18 reviewing this application, as well as their
19 understanding of the importance of how this
20 applies to Panoche Energy Center and our
21 reliability through the summer peak season.

22 CHAIRMAN WEISENMILLER: So I guess while
23 we have you here, probably a good question to ask
24 in terms of considering that we're in our fourth
25 year of drought, what are the specific potential

1 issues for your plant and how you're trying to
2 mitigate those.

3 MR. WOLSKE: This is really a process
4 improvement for the ongoing wastewater stream
5 that the plant currently has as part of the
6 cooling process for the individual combustion
7 turbines, so what we're doing is the injection
8 wells that dispose of the wastewater are limited
9 on their capacity, so the storage tanks just hold
10 that water during the summer months when the
11 plant is requested in dispatch to run longer
12 hours than what the injection well capacity can
13 handle. And it also includes an enhanced water
14 treatment process that will recover 75 percent of
15 that wastewater and recycle it in the cooling
16 tower.

17 CHAIRMAN WEISENMILLER: What's your
18 current source of cooling water? I know it's in
19 the application, but groundwater?

20 MR. WOLSKE: Yes, sir.

21 CHAIRMAN WEISENMILLER: Okay. So any
22 drop-offs so far in the level of groundwater with
23 pumping in that area?

24 MR. WOLSKE: There's been observed
25 reduction since the original drilling of those

1 wells, but those wells didn't have installed at
2 the time when they were originally drilled actual
3 monitoring capability, and we're currently
4 installing that as we work over those wells. But
5 there has been some observed drop in that level.

6 CHAIRMAN WEISENMILLER: Well, certainly
7 as we move into the summer, if there's any ways
8 we need to make adjustments, let us know.

9 COMMISSIONER MCALLISTER: How much of
10 your cooling water capacity is satisfied by -- is
11 covered by now the tank storage versus the
12 injection wells and kind of what is your long
13 term view of where those injection wells are
14 actually going in terms of their capacity?

15 MR. WOLSKE: This would actually be an
16 enhancement to the injection wells. One of the
17 biggest challenges with the injection wells is
18 it's almost if you can imagine injecting water
19 into a rock, so the porosity of those injection
20 wells varies depending on the location, but the
21 wastewater does pose some particulates in that
22 injection well, and this wastewater treatment
23 process will actually remove those and extend the
24 longevity and performance of the injection wells.
25 And at the same time, we minimize the total

1 injection water that goes down.

2 COMMISSIONER MCALLISTER: So that's
3 great. I think it sounds like a good step. I
4 guess, do you have any idea of the longevity of
5 the injection wells? Or are you just going to
6 try to keep them going as long as you can? Or do
7 you have a time horizon there?

8 MR. WOLSKE: Currently they are estimated
9 to be in parallel with the lifecycle of the
10 facility. We don't really have a predetermined
11 lifecycle for the wells themselves. Right now we
12 don't foresee that we would lose that injection
13 capability, we would just actually maintain its
14 current injection rate and reduce the total
15 volume that we inject.

16 COMMISSIONER MCALLISTER: Okay. Well,
17 I'll move Item 5.

18 COMMISSIONER SCOTT: Second.

19 CHAIRMAN WEISENMILLER: All those in
20 favor?

21 (Ayes.) Item 5 passes 4-0. Thank you.
22 Thanks for being here.

23 MR. WOLSKE: Thank you.

24 CHAIRMAN WEISENMILLER: Let's go on to
25 Item 6, Otay Mesa Energy Center. Dale again.

1 MR. RUNDQUIST: Good morning again,
2 Commissioners. My name is Dale Rundquist and I
3 am the Compliance Project Manager for Otay Mesa
4 Center also. With me this morning is Kevin Bell,
5 Senior Staff Counsel and technical staff from Air
6 Quality. Also present in the room are
7 representatives from Otay Mesa Energy Center,
8 LLC, the owner of Otay Mesa Energy Center.

9 The Otay Mesa Energy Center is a combined
10 cycle natural gas-fired electricity generating
11 facility that was certified by the Energy
12 Commission in its Decision on April 23, 2001, and
13 began commercial operation on October 3, 2009.

14 The facility, located in the Otay Mesa
15 area in Southwestern San Diego County,
16 California, can generate up to 689 megawatts.

17 On May 29, 2014, Otay Mesa Energy Center,
18 LLC filed a Petition with the California Energy
19 Commission requesting to amend the Final Decision
20 for the Otay Mesa Energy Center Project. The
21 Petition requests modification of the Air Quality
22 Conditions of Certification in the Energy
23 Commission Decision. In addition, it requests
24 removal of any air quality conditions pertaining
25 to the auxiliary boiler because the auxiliary

1 boiler is no longer operating and no longer
2 installed.

3 The requested project changes will not
4 increase project emissions. Staff reviewed the
5 proposed project changes and determined that only
6 the technical area of air quality would be
7 affected by the proposed project changes.
8 Additionally, staff has reviewed the San Diego
9 Air Pollution Control District's revised Title 5
10 Permit and Permit to Operate issued on June 7,
11 2013, that evaluated the project changes.

12 The Air District revised the Title 5
13 Permit and Permit to Operate to incorporate minor
14 administrative changes during their routine five-
15 year update. Staff agrees with the changes
16 requested by the Petitioner. In general, the
17 changes are administrative or minor in nature.
18 The recommended modifications to the Conditions
19 would remove obsolete conditions of certification
20 that are no longer applicable. These conditions
21 either pertain to project phases that have
22 already been completed such as construction and
23 commissioning, or relate to the auxiliary boiler
24 which is no longer used in facility operation.

25 Staff is also recommending approval of

1 several new Conditions of Certification along
2 with renumbering and/or consolidating other
3 conditions necessary to maintain consistency with
4 the project Title 5 Permit and Permit to Operate.

5 The recommended changes will assure
6 continued compliances with laws, ordinances,
7 regulations, and standards, and not change
8 environmental impact levels or mitigation. Air
9 Quality Table 1 of the staff assessment provides
10 in more detail the specific recommended changes
11 for each condition and the justification for each
12 change.

13 The Notice of Receipt was mailed to the
14 Post-Certification Mailing List and affected
15 public agencies, docketed, and posted on the
16 Energy Commission website on June 6, 2014. The
17 Staff Analysis was mailed, docketed, and posted
18 to the Energy Commission website on January 16,
19 2015, for a 30-day comment period. There were no
20 comments received within the 30-day comment
21 period.

22 Energy Commission staff reviewed the
23 Petition and finds that it complies with
24 requirements of Title 20, Section 1769A of the
25 California Code of Regulations, and recommends

1 approval of the proposed modifications and
2 associated revisions of the Air Quality
3 Conditions of Certification based upon staff's
4 findings and subject to the Revised Conditions of
5 Certification. Thank you.

6 CHAIRMAN WEISENMILLER: Thank you. Mr.
7 Wheatland.

8 MR. WHEATLAND: Good morning,
9 Commissioners. I'm Greg Wheatland and with me
10 this morning is Barbara McBride. We'd like to
11 thank the staff for its recommendations and we're
12 here to answer any questions you may have.

13 CHAIRMAN WEISENMILLER: Thank you.
14 Again, I won't repeat the comments, but this
15 certainly looks a lot like the comments I made
16 right before. And so any questions or comments?

17 COMMISSIONER MCALLISTER: This looks like
18 a pretty clear cleanup. Okay, so I'll move Item
19 6.

20 COMMISSIONER SCOTT: Second.

21 CHAIRMAN WEISENMILLER: All those in
22 favor?

23 (Ayes.) This passes 4-0. Thanks, Dale.

24 MR. RUNDQUIST: Thank you.

25 CHAIRMAN WEISENMILLER: Let's go on to

1 Item 7, which is Order Instituting Rulemaking.

2 Daniel Johnson, please.

3 MR. JOHNSON: Good morning, Chair,
4 Commissioners. My name is Daniel Johnson and I
5 am the Project Manager for the Nonresidential
6 Building Energy Use Disclosure Program.

7 This program went into effect January 1,
8 2014. The Energy Commission addressed low
9 initial compliance by adopting an Order
10 Instituting an Informational Proceeding on June
11 6, 2014. The Informational Proceeding Workshop
12 was held on July 2, 2014.

13 The Energy Commission invited
14 representatives from major stakeholder groups
15 such as Utilities, Real Estate trade groups, and
16 Benchmarking jurisdictions to provide comments on
17 the program's implementation. Staff addressed
18 comments from the informational proceeding and
19 drafted proposed regulations. The proposed
20 regulations aim to address barriers to compliance
21 and enhance the overall efficacy of the program.

22 A Pre-rulemaking Workshop was just held
23 on February 20th to receive public comments on
24 the proposed regulations. Today's Business
25 Meeting item requests the adoption of an Order

1 Instituting Rulemaking, which signals the Energy
2 Commission's intent to enhance these regulations.
3 My legal counsel, Galen Lemei and I are happy to
4 answer any questions. Thank you.

5 CHAIRMAN WEISENMILLER: Thank you.
6 Commissioner McAllister.

7 COMMISSIONER MCALLISTER: Yeah, so thank
8 you, Daniel. So we have existing regulations on
9 the books for AB 1103, and we've listened to
10 stakeholders who have listened to folks out there
11 who have manifested some issues with the way that
12 program is set up and run, and we're not seeing a
13 great amount of compliance, it varies quite a
14 bit. So in response to that feedback, we're
15 opening up this rulemaking again to make some
16 appropriate revisions, there's been a staff
17 workshop on that already, and a lot of engaged
18 stakeholders. And I'm hopeful that we're already
19 getting to a place that's pretty close to where
20 we'll end up, but this is opening the formal
21 rulemaking to obviously formalize the process and
22 get us to the finish line. So I think this is
23 something we're implementing in Statute in AB
24 1103, it's the first benchmarking program really
25 that we've had for nonresidential in the state,

1 and this is our chance to improve what we're
2 doing, learn from that program, and then move on
3 with any future benchmarking efforts that we
4 might make. So I want to thank staff for all the
5 effort up to this point in going forward.

6 COMMISSIONER SCOTT: I just wanted to
7 add, as the public member here on the Commission,
8 Commissioner McAllister and you and your team, I
9 really appreciate your leadership here and the
10 way that you've been so incredibly responsive to
11 our engaged stakeholders, and working really hard
12 to get these important components raised. So I
13 just wanted to thank you for your leadership
14 there.

15 COMMISSIONER MCALLISTER: Thank you. So
16 I will move Item 7.

17 COMMISSIONER HOCHSCHILD: Second.

18 CHAIRMAN WEISENMILLER: All those in
19 favor?

20 (Ayes.) Item 7 passes 4-0. Thank you.

21 MR. JOHNSON: Thank you.

22 CHAIRMAN WEISENMILER: Let's go on to
23 Item 8, which is Energy Pro V6.4. Todd Ferris,
24 please.

25 MR. FERRIS: Good morning, Commissioners.

1 We placed this item on the Business Meeting
2 Agenda and --

3 COMMISSIONER MCALLISTER: Could you turn
4 your mic on or make it a little closer? Thanks.

5 MR. FERRIS: Does that work? Good
6 morning, Commissioners. We placed this item on
7 the Business Meeting Agenda and worked with
8 Energy Soft staff with hopes to recommend
9 approval for the Nonresidential Energy
10 Calculation Software Version Energy Pro V6.4.

11 For the last two months, staff has been
12 meeting with Energy Soft at least two times per
13 week to identify and resolve barriers with their
14 Application for Vendor Software. Unfortunately,
15 during the review process, several problems were
16 identified which we were unable to overcome in
17 order to recommend approval of the software
18 today. Some of the problems identified were not
19 entirely within Energy Soft's control. These
20 included issues related to the conversion of
21 detailed geometry test files to simplified
22 geometry versions that Energy Pro has chosen to
23 use. These include complications like
24 daylighting control credits, which cannot be
25 analyzed using the simplified geometry method,

1 unmet load hours related to increased lighting
2 power densities due to the removal of the
3 daylighting controls.

4 Other issues identified were related to
5 how Energy Soft developed their test files.
6 Commission staff worked with Energy Soft's team
7 to identify the differences and together we have
8 identified discrepancies which include
9 construction material definitions, window and
10 skylight placement, lighting power density
11 differences, HVAC equipment descriptions, and
12 minimum outdoor air settings.

13 Both Energy Commission and Energy Soft
14 staff worked hard to identify and resolve these
15 problems, we participated in weekly Tuesday and
16 Thursday WebEx meetings, my staff and I assisted
17 Energy Soft's team in troubleshooting their
18 files, we even extended the deadline for
19 submitting the test files to try to achieve
20 recommended approval to bring before you today.
21 However, Energy Soft has been unable to finish
22 preparing the required test files and summary
23 reports necessary for staff to recommend the
24 software be approved at this time.

25 We request your approval to continue to

1 work with Energy Soft to bring this item back
2 before you once all necessary submittals have
3 been received and reviewed. At that time, we
4 will be able to recommend approval of the
5 software.

6 With your approval, staff will continue
7 to work with Energy Soft's team to resolve the
8 outstanding issues. We will continue to meet
9 with them at least twice a week until
10 certification work is finished. Both teams' goal
11 is to have Energy Pro V6.4 listed as an agenda
12 item for your consideration at the April 8, 2015
13 Business Meeting.

14 Energy Soft's Alternative Compliance
15 Method Software, Energy Pro V6.2, conditional
16 approval expires on March 31, 2015. There
17 continues to be additional pathways for current
18 users to document compliance. These include
19 using the prescriptive method which is available
20 from Energy Pro, which is not affected by their
21 alternative calculation expert certification's
22 expiration, submitting permit applications to
23 enforcement agencies using the performance method
24 in Energy Pro V6.2 before it expires on March
25 31st, and preparing performance compliance

1 documentation using one of the currently approved
2 compliance method software, CBECC-Com or IES
3 Virtual Environmental.

4 Thank you, and I'm available to answer
5 any of your questions.

6 CHAIRMAN WEISENMILLER: Actually, let's
7 double-check, no one on the line or in the room?
8 Okay.

9 COMMISSIONER MCALLISTER: Okay. So
10 thanks, Todd. I guess your presentation said it
11 all, I'll give it a little bit of context. We
12 have extended Energy Pro a couple times now and,
13 you know, been I think sending a consistent
14 message, certainly I have, I believe I have, that
15 we're moving on to the new paradigm, CBECC-Com is
16 the engine, and we have both it and we have an
17 accepted vendor that's using it and has been for
18 a while. And partly we've extended because
19 there's a large user base for this existing
20 software and people were feeling pressed, but I
21 think enough time has gone by that that argument
22 doesn't really hold as much weight. And I think
23 to the extent that folks want to continue to use
24 this product, you know, it's really a marketplace
25 issue more than ours at this point.

1 So I have seen you sweating on this and
2 really working hard and rolling up your sleeves,
3 and staff has really been trying to be as
4 responsive as possible, and I certainly feel like
5 we want to see this process go forward and want
6 to see more software in the marketplace that
7 gives folks more options. But at the end of the
8 day, they have to meet the minimum standards and
9 we certainly hope they will next time around.
10 And I certainly support continuing to bear down
11 and make the effort and be as responsive as
12 possible to try to get the additional software
13 across the finish line. And we'll see about when
14 the agenda is coming together for the next
15 meeting and we'll hope and keep our fingers
16 crossed that it will be there, but I think we're
17 looking at a hopefully brief period of one of the
18 softwares that currently is being used being
19 offline, and that's really a function of the
20 transition. So I am in support of this item. So
21 thank you, Todd.

22 MR. FERRIS: Thank you.

23 COMMISSIONER SCOTT: I have a clarifying
24 question here. I think what I heard you say in
25 your proposal is that you want us today to

1 approve continuing the work with Energy Soft, but
2 not necessarily approve the Energy Pro V6.4 like
3 it reads in the --

4 COMMISSIONER MCALLISTER: I think the
5 proposal is to continue this to the next meeting.

6 COMMISSIONER SCOTT: I've got it, okay.

7 MR. FERRIS: Yes, and continue our
8 regular meetings that we're having with them to
9 facilitate them moving towards approval.

10 COMMISSIONER MCALLISTER: But we're not
11 actually approving that at this meeting, we're
12 just continuing the item, but certainly as Lead
13 Commissioner I am in support of that and we'll
14 support you in that effort. Okay, so I will move
15 Item 8 -- oh, I'm sorry, I will propose that we
16 continue Item 8 until the next meeting.

17 COMMISSIONER WEISENMILLER: So we'll
18 continue it. Let's go on to Item 9. National
19 Energy Management Institute Committee. And Joe
20 Loyer, please.

21 MR. LOYER: Good morning Chair and
22 Commissioners. I'm Joe Loyer, Senior Mechanical
23 Engineer in the Standards Implementation Office.
24 I'm here to present the Application for the
25 National Energy Management Institute Committee,

1 or NEMIC, to be approved as a Mechanical
2 Acceptance Test Technician Certification
3 Provider. An Acceptance Test is a set of
4 functional tests that ensures that Non-
5 Residential Mechanical Systems are working as
6 designed after they are installed.

7 The Energy Commission's 2005 Standards
8 adopted requirements that Non-Residential
9 Mechanical Installers perform Acceptance Testing
10 on newly installed mechanical systems to help
11 ensure that these systems performed as intended.
12 The 2013 Standards establish new requirements to
13 ensure that technicians receive training and
14 certification to perform Acceptance Testing.
15 These new standards allow organizations to apply
16 to the Energy Commission to become an ATTCP.

17 To be approved as an ATTCP, Applicants
18 must submit a complete application to the Energy
19 Commission for staff to review and validate that
20 the application is complete and contains
21 sufficient information to be approved as required
22 by the 2013 Standards.

23 On August 7, 2014, NEMIC submitted its
24 application for full approval as a Mechanical
25 ATTCP. Energy Commission staff, working with the

1 Applicant, completed a review and validation of
2 the NEMIC application on February 26, 2015, and
3 found that the Application meets or exceeds the
4 requirements under the 2013 Standards.

5 As a Condition of Approval, the Applicant
6 will launch and maintain a website that will be
7 available to enforcement agency personnel and the
8 public within 90 days of the Energy Commission
9 approval of NEMIC as an ATTCP.

10 This Condition of Approval states that by
11 June 9, 2015, NEMIC must have implemented its
12 website as described in its application, and
13 further that failure to comply with this
14 Condition of Approval provides grounds for the
15 Energy Commission to revoke all or part of its
16 approval.

17 Energy Commission staff has documented
18 these findings fully in the Staff Evaluation
19 Report, which has been made available to the
20 public.

21 Staff requests that the Energy Commission
22 confirm the Executive Director's finding, adopt
23 his recommendations, and approve NEMIC as a
24 Mechanical ATTCP, to administer the program
25 described in its application subject to the

1 Condition of Approval in Exhibit A.

2 Technical and Legal staff are available
3 to answer any questions, as well as
4 representatives from the Applicant, I believe
5 Gary Andis is available on the WebEx.

6 CHAIRMAN WEISENMILLER: Thank you. I
7 believe we have three commenters, one in the room
8 and two on the phone. So let's start with the
9 one in the room, Mr. Emblem.

10 MR. EMBLEM: Good morning, Mr. Chair,
11 Commissioners. It's nice to be in front of you
12 again and speaking on an issue that's near and
13 dear to my heart. This has been a long and
14 arduous task. Anything new and anything good
15 doesn't come without a little pain, you know, and
16 this one, I've got to give it to the Energy
17 Commission staff, they have bent over backwards,
18 they have done everything that humanly could be
19 required of making sure that this gets before you
20 today, so my hat is off to Joe and the staff that
21 have worked on this because it is a very
22 important moment, what I believe in Energy
23 Efficiency, and particularly in Non-Residential.

24 The National Energy Management Institute
25 Committee and their certification program, TAPP,

1 is a class 1 five star program. We're very
2 blessed in the State of California that they have
3 15 training centers across the state, two
4 certification centers that work with the
5 practical application of testing, and a third
6 practical center about to come on line in
7 Fairfield, so they've done a tremendous job and
8 put a lot of capital and investment into this to
9 comply and to apply as a Nonresidential
10 Acceptance Tester.

11 The other thing I think I'd like to point
12 to, and it has a lot to do with the Governor's
13 State of the State message in the 5050 Plan, that
14 looking at a 50 percent reduction in energy use
15 in commercial buildings is a big goal. And in
16 order to obtain that goal, there's going to be a
17 lot of public and private capital put forth to
18 move the state and the buildings to this goal.
19 Acceptance testing is key -- is key -- to assure
20 that that capital is being well spent.

21 So I think that obviously I support this
22 and, again, I commend the staff on the work that
23 they've done and, for the record, my name is Eric
24 Emblem and I'm here from the Joint Committee on
25 Energy and Environmental Policy. Thank you, Joe.

1 MR. LOYER: Thank you.

2 MR. EMBLEM: And I'll be happy to answer
3 any questions.

4 COMMISSIONER MCALLISTER: Thanks for
5 being here, Eric.

6 CHAIRMAN WEISENMILLER: Thanks. Let's go
7 on to those on the phone. Mr. Andis. Harriet,
8 should we go on to the other gentleman?

9 MR. ANDIS: Hello? Yes, this is Gary
10 Andis. I'm sorry, I can't hear anything that's
11 being said at this time.

12 CHAIRMAN WEISENMILLER: That's not good,
13 but please go forward if you hear me.

14 MR. ANDIS: Oh, okay, yes. This is Gary
15 Andis with National Energy Management Institute,
16 and I would like to thank Joe for all the hard
17 work and what his and his staff has done to get
18 this to this point. There's been a lot of work
19 put forward and his staff has been a great part
20 of the role that's been done. So on behalf of
21 National Energy Management Institute, I'd like to
22 thank the staff of the CEC. Thank you.

23 CHAIRMAN WEISENMILLER: Thank you. Mr.
24 Walker?

25 MR. WALKER: Hi, this is Chris Walker on

1 behalf of the California Association of Sheet
2 Metal and Air-Conditioning Contractors,
3 representing the 600 contractors in the State of
4 California.

5 We'd like to first of all thank staff,
6 Joe Loyer, for doing the incredible job with
7 NEMIC and we support the approval of NEMIC as an
8 ATTCP. Thank you very much.

9 CHAIRMAN WEISENMILLER: Thank you. Okay,
10 anyone else on the line or in the room? Okay, so
11 Commissioners? Commissioner McAllister.

12 COMMISSIONER MCALLISTER: So this is
13 another, you know, there are many pieces to the
14 Energy Efficiency puzzle and this is one that was
15 put in place formally in the 2013 Building
16 Efficiency Standards Update for Nonresidential,
17 along with lighting, we also did mechanical and
18 these ATTCPs are producing, will produce
19 technicians that actually can do Acceptance
20 Testing of these increasingly complex systems.
21 And that verification of proper installation and
22 operation is important to make sure we're getting
23 the results that we say we're getting and that we
24 want to get.

25 So I think this is an implementation of

1 something that's been in the works for quite a
2 while. As Mr. Emblem said, it can be complicated
3 and setting up a new system like this always is.
4 From my perspective, we do have to balance the
5 level of complexity of the system with the
6 benefits that we're likely to achieve, and I
7 think part of the discussions have been along
8 those lines, you know, we want contractors and we
9 want the marketplace to be able to get out there
10 and do projects without imposing too much
11 additional cost on those projects so they can
12 actually happen in practice. So always a
13 balancing act between many stakeholders, and I
14 think staff has done a truly admirable job at
15 doing that and achieving that, and getting us to
16 where we are. And the NEMIC application, I
17 think, we all believe that it's there and we're
18 looking forward to getting this step underway and
19 rolling out the program and making sure we get
20 enough technicians out there in the world doing
21 the work. So that's really what it's all about.
22 So I'm supportive of this, obviously. I don't
23 know if anybody else has other comments?

24 Okay, so I'll move Item 9.

25 COMMISSIONER HOCHSCHILD: Second.

1 CHAIRMAN WEISENMILLER: All those in
2 favor?

3 (Ayes.) Item 9 passes 4-0. We've
4 covered 10, so let's go on to 11, County of
5 Alameda. Shahid.

6 MR. CHAUDHRY: Good morning, Mr.
7 Chairman, Commissioners. I'm Shahid Chaudhry
8 with the Local Assistance and Financing Office of
9 the Energy Efficiency Division.

10 I'm here to request your approval for a
11 \$3 million ECAA loan at one percent to the County
12 of Alameda for installing a little over 1.7
13 megawatts of PV panels at its Santa Rita Jail
14 facilities.

15 The total cost of this project is a
16 little over \$4.3 million and the County will use
17 other sources to provide balance of the funds.

18 On completion, the project will reduce
19 about 2,859 megawatt hours of grid electricity
20 use and will save the County about \$436,920 in
21 utility costs.

22 In addition, the project will reduce 986
23 tons of carbon dioxide equivalent greenhouse gas
24 emissions every year. Based on the loan amount,
25 the simple payback is 6.9 years. The loan

1 request fulfills the requirements of the ECAA
2 Loan Program.

3 I therefore recommend and request your
4 approval of this loan. I'm available to answer
5 any questions you may have.

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

8 COMMISSIONER SCOTT: I had a chance to
9 visit the Santa Rita Jail about a year and a half
10 ago or so with Commissioner Hochschild and it
11 just was really neat to see the different things
12 that they are working on there, and the types of
13 power that they've been experimenting with, I
14 mean, they have Fuel Cells, they have different
15 types of Photovoltaics, and all kinds of
16 interesting things to really sort of help
17 demonstrate various technologies, and so that was
18 neat to see, and so I'm supportive of this
19 project.

20 COMMISSIONER MCALLISTER: And I need to
21 get out there and see it because there's all
22 sorts of cool stuff going on over there, and on
23 the energy efficiency front and increasingly on
24 the self-gen front, we're seeing a massive system
25 going in, this 1.7 megawatts here for that

1 facility. And so there's a fairly good sized
2 cost share here and before this meeting I did a
3 few numbers, and the overall payback is still in
4 the 10-year range, so that's pretty good, even if
5 you include the whole investment amount. And it
6 reflects really how ready for prime time, you
7 know, distributed solar actually is, so it's a
8 very positive development. So I'm supportive of
9 this.

10 I'll move Item 11.

11 COMMISSIONER SCOTT: Second.

12 CHAIRMAN WEISENMILLER: All those in
13 favor?

14 (Ayes.) This also passes 4-0. Let's go
15 on to Item 12.

16 MR. CHAUDHRY: Thank you very much for
17 Item 11, Commissioners. I'm up again.

18 Once again, I'm Shahid Chaudhry and this
19 time I'm requesting your approval for a \$1.453
20 million ECAA-Ed loan at zero percent to the
21 Esparto Unified School District, for installing
22 227.7 kilowatt PV panels at three school sites,
23 as well as interior and exterior energy efficient
24 lights at various locations.

25 The total project cost is the same as the

1 requested amount. On completion, the project
2 will reduce about 404 megawatt hours of grid
3 electricity use and will be saving the District
4 about \$91,652 in utility costs. In addition, the
5 project will reduce 139 tons of carbon dioxide
6 equivalent greenhouse gas emissions every year.

7 Based on the loan amount, the simple
8 payback is 15.9 years. The loan request fulfills
9 requirements of the ECAA-Ed loan, I therefore
10 recommend and request your approval of this loan.
11 Again, I'm available to answer any questions you
12 may have.

13 COMMISSIONER HOCHSHILD: Shahid, I was
14 just interested, why the difference in payback
15 between the two projects? Does it have to do
16 with the difference in retail electric rates that
17 are being offset?

18 MR. CHAUDHRY: No, Commissioner, first of
19 all the Alameda County Loan is 1.7 megawatts and
20 that's part of regional renewable procurement
21 initiated and they've got a very good deal which
22 is roughly equivalent to \$2,500 per kilowatt.

23 On the Esparto side, the total requested
24 amount includes PV panels, as well as net
25 efficient lights, so when we're excluding the

1 energy efficiency cost of the project, the
2 renewable portion of the project runs about
3 \$5,850.00 per kilowatt. Now this is at three
4 different locations, so this is much smaller size
5 of the project, so that's the main reason that
6 the cost of this is higher as compared to Alameda
7 County cost. So consequently, the payback period
8 is higher as compared to Alameda County costs.

9 COMMISSIONER HOCHSCHILD: Okay, that's an
10 excellent point. This goes to a subject we've
11 discussed in the past, which is we focus a lot on
12 technology and innovation, but innovation is
13 important at every stage and what you just
14 highlighted Alameda County is doing is really
15 procurement renovation, right, where they've got,
16 I believe, if I'm remembering right, we talked
17 about this, Commissioner Scott, something like 20
18 different cities that we're doing procurement and
19 renewables at the same time, and they've got 15
20 percent reduction in cost. So from what you're
21 saying, part of the reason for the difference.

22 MR. CHAUDHRY: That's right.

23 COMMISSIONER HOCHSCHILD: Okay, well,
24 thanks for highlighting that. And I'm happy to
25 support this project.

1 COMMISSIONER MCALLISTER: Great. What
2 are the terms of this particular loan? Is this a
3 Zero percent?

4 MR. CHAUDHRY: ECAA—Ed is zero percent
5 for Esparto Unified School District and regular
6 ECAA to the County of Alameda is one percent.

7 COMMISSIONER MCALLISTER: One percent,
8 yeah. I want to just take the opportunity to
9 congratulate Marcia who is sitting back there,
10 and her team, because the same team manages many
11 different loan programs and the Legislature and
12 the Budget process ends up dedicating funds to
13 some very worthwhile things, but that have to be
14 accounted for separately and often have different
15 terms, and so managing the throughput and then
16 the repayments, and just all the contracts and
17 the grants and loans, it's quite a phenomenal
18 task, and we add Prop. 39 in and the same team,
19 you know, the broad team is doing that, as well,
20 which is a grants to schools across the state.
21 So thousands literally of entities we're dealing
22 with and I think our team does a really admirable
23 job, so thank you for that.

24 COMMISSIONER HOCHSCHILD: Well said. I
25 would move the item.

1 COMMISSIONER MCALLISTER: I'll second.

2 CHAIRMAN WEISENMILLER: All those in
3 favor?

4 (Ayes.) This passes 4-0. Thank you.

5 MR. CHAUDHRY: Thank you. Thanks,
6 Commissioners.

7 CHAIRMAN WEISENMILLER: Let's go on to
8 Item 13, California Pollution Control Financing
9 Authority. Larry, please.

10 MR. RILLERA: Good morning, Commissioners
11 and Chair. I'm Larry Rillera with the Fuels and
12 Transportation Division.

13 Staff is requesting approval of an
14 Interagency Agreement with the California
15 Pollution Control Financing Authority, or CPCFA,
16 for \$2 million from the Alternative and Renewable
17 Fuel and Vehicle Technology Program, or ARFVTP.

18 The \$2 million will fund the Electric
19 Vehicle Charging Station Pilot Financing Program
20 to be administered by CPCFA under their existing
21 California Capital Access Program. This
22 agreement will allow CPCFA to implement a Loan
23 Loss Reserve Program, which is the first
24 alternative financing program implemented under
25 the ARFVTP. This program is designed to expand

1 the availability of EV Charging Infrastructure
2 funds to eligible businesses and increase the
3 leverage of ARFVTP funds. The purpose of the
4 program is to incentivize qualified lenders to
5 finance the acquisition and installation of
6 Electric Vehicle Chargers by small businesses in
7 California.

8 Under the program, eligible borrowers or
9 businesses apply for a loan through lenders or
10 banks that are certified by CPCFA. The lenders
11 or banks conduct the loan underwriting, set the
12 loan terms and conditions, and provide loan
13 packaging and servicing.

14 Important components to the program
15 include eligibility which is limited to
16 businesses with one thousand employees or less,
17 ARFVTP funds are contributed to a loan loss
18 reserve, a type of credit enhancement that will
19 assist borrowers if needed. Installations in
20 disadvantaged communities and multi-unit
21 dwellings are further incentivized through
22 increased contributions to the loan loss reserve.

23 Additionally, rebates of 50 percent of
24 the contribution are provided to borrowers with a
25 good track record of loan repayments, such as no

1 more than one 30-day late payment.

2 The specific Interagency Agreement
3 contains key tasks and deliverables such as the
4 Energy Commission will advance to CPCFA the full
5 \$2 million to implement the program. CPCFA will
6 certify lenders who are eligible to participate
7 in the program and ensure that claims are
8 processed and paid. CPCFA will provide monthly
9 and quarterly reports to inform staff on program
10 efforts and the issues that may need to be
11 addressed. CPCFA will also develop formal
12 program regulations through the Office of
13 Administrative Law. Staff anticipates that this
14 program can be implemented within 45 to 60 days.

15 Staff from CPCFA and the Energy
16 Commission conducted a staff workshop on November
17 7th of last year to introduce this financing
18 concept to the public. Public comments were
19 received at the workshop and the month following
20 the workshop, as well. Valuable feedback was
21 received from lenders, electric vehicle supply
22 equipment providers and installers, other
23 industry participants, and borrowers, which have
24 been incorporated into this pilot program.

25 CPCFA has considerable experience in

1 administering loan loss reserve programs for the
2 state, including the California Air Resources
3 Board's Truck Loan Assistance Program, and
4 rolling over \$250 million in loans to assist
5 small business owners with heavy duty diesel
6 truck emissions so the businesses can meet air
7 quality regulations.

8 It is the intention of both of our
9 agencies to revisit program implementation during
10 the pilot phase using program data and results.
11 The process will of course require stakeholder
12 engagement so we can better understand the market
13 and other issues that will lead to a sustainable
14 financing program.

15 I would also like to recognize Renee
16 Webster-Hawkins, the Executive Director of CPCFA
17 to my left, and Jason Bradley, the Program
18 Manager of CPCFA, who are also here. With that,
19 staff would seek your approval for this program.
20 Thank you.

21 CHAIRMAN WEISENMILLER: Thank you.
22 Renee, do you want to say a few words?

23 MS. WEBSTER-HAWKINS: Good morning,
24 Chairman, Commissioners. We're very happy to be
25 here today. We've been working over the last

1 year very closely with your staff and with the
2 guidance of Commissioner Scott, and we're very
3 excited about the possibility of expanding our
4 program, our loan loss reserve program, which
5 Larry mentioned we've been running since 1994,
6 and more recently since 2010 we've been
7 administering a major program on behalf of ARB,
8 and through that program we've been able to
9 enable small fleet owner operators to get into
10 over 5,000 cleaner burning heavy duty diesel
11 trucks, mostly new, some retrofits. It's been a
12 very successful program and our niche lenders who
13 are willing to lend in that portfolio find our
14 program very beneficial.

15 That's what we like about our program;
16 what we offer to lenders is some comfort. As
17 Larry mentioned, they use their existing
18 underwriting criteria and risk assessment
19 policies when making loans, but still there are
20 times, especially with projects or business loans
21 that involve newer technologies like this
22 program. Where the lenders aren't comfortable,
23 they don't have the track record and the
24 experience to know whether or not the revenues
25 that the small business might realize as a result

1 of the loan that they're supporting will cover
2 the debt, quite frankly. And so we've had
3 experience in tailoring programs for lenders
4 where some aspect of their risk assessment policy
5 isn't quite clear from the get go.

6 And so in this case precisely where the
7 revenue from the charging stations may certainly
8 not cover the debt that a small business might
9 take on as a result of the loan to install these
10 stations, this will help the lenders have the
11 comfort they need and we make the contributions
12 into a fund that the lender holds, and then in
13 the event of a default, then the lender can make
14 a claim against that pooled insurance fund.

15 At the same time, we're very clear that
16 our program is not designed to incentivize
17 lenders to make bad loans, and for that reason,
18 as Larry described, we have included an incentive
19 for the Borrower, as well, to stay good on their
20 payments. And for those Borrowers that do in
21 fact stay good on their payments through the four
22 years, the first four years of the supported
23 loan, they will receive direct cash rebate up to
24 50 percent of the total contribution for that
25 loan.

1 So we're looking very forward to
2 launching this. As Larry mentioned, our Board is
3 going to be hearing this very same item, the
4 Interagency Agreement, next Tuesday, and also we
5 will be presenting the package of emergency
6 regulations to implement the program, and
7 assuming OAL approves that package, the
8 Regulations will be ready by the end of the
9 month, the Interagency Agreement hopefully will
10 be approved by DGS around the same time, and
11 we'll be ready to go.

12 We have current lenders who are very
13 excited about the program. Next week we have
14 staff who are attending the California Bankers
15 Association Lenders Conference in Southern
16 California and we're going to be outreaching and
17 targeting new lenders into this program, as well.
18 So it's very good timing and we're looking
19 forward to this program.

20 CHAIRMAN WEISENMILLER: Great, thank you.
21 Commissioners, any questions or comments?

22 COMMISSIONER SCOTT: Sure, I'd like to
23 make a few comments here. I want to say thank
24 you very much to our partners at CPCFA, Renee and
25 Jason, for working with us on this and thanks to

1 Larry, as well, for really digging into the
2 details and helping put this together. It's
3 really exciting for me because AB 118 and
4 Assembly Bill 8 which set up the Alternative and
5 Renewable Fuel and Vehicle Technology Program
6 give the Energy Commission the ability to use
7 other financial instruments in addition to the
8 grants. And so this is the first time that we
9 will have put in place another one of these
10 financial instruments, with is the Loan Loss
11 Reserve that Larry and Renee have described for
12 you.

13 I'm also really excited about it because
14 we have the ability to tailor where it heads
15 towards, and so we have increased incentives for
16 the disadvantaged communities and also for
17 multiple-unit dwellings, which are two places
18 where we're working very hard to try to crack the
19 nut and figure out how to expand the charging
20 infrastructure.

21 And we're really hoping to capture a
22 different set of folks than would typically apply
23 to us under one of our Program Opportunity
24 Notices for grants, right, this could be a
25 business that just wants to put in one charger

1 and this gives them the opportunity to do so,
2 whereas they might not apply to a broader grant
3 program where you've got to put lots more detail
4 together, you know, just to be able to do one
5 charger. So we're really hoping to expand the
6 reach of the ARFVTP program to a broader set of
7 folks who might be interested in getting this
8 infrastructure out there.

9 So I just wanted to highlight a couple of
10 things about why I'm so excited that we have this
11 piece in place and I'm in strong support of this
12 item.

13 COMMISSIONER MCALLISTER: I'll
14 reciprocate your comments earlier, thanks for
15 your leadership on this and the other things
16 we've heard about today because transportation is
17 an area that's really exciting and I think
18 something that traditionally the Energy
19 Commission has maybe done a little bit less of
20 than efficiency in other areas. And your jumping
21 in and making stuff happen and being creative, I
22 think, is having a big impact. So thank you for
23 your leadership.

24 COMMISSIONER SCOTT: Thank you. So I
25 will move approval of Item 13.

1 COMMISSIONER MCALLISTER: Second.

2 CHAIRMAN WEISENMILLER: All those in
3 favor?

4 (Ayes.) This item passes 4-0. Thank
5 you.

6 Let's go on to Item 14, Public Interest
7 Energy Research (PIER) 2014 Annual Report.
8 Laurie ten Hope, please.

9 MS. TEN HOPE: Good morning. I'm Laurie
10 ten Hope, the Deputy Director of the Energy
11 Research Division, and I'm here today to ask for
12 your support for the PIER 2014 Annual Report.

13 This report will be the last PIER report;
14 as you're quite aware, we're winding down the
15 PIER Program, but in 2014 we were still actively
16 managing over 150 projects and a significant
17 volume of dollars. At the same time we were
18 winding down the PIER Program, we were very
19 pleased to be kicking off the EPIC Program, and
20 in 2014 we released eight solicitations for
21 approximately \$152 million, so it's been a pretty
22 busy year.

23 One other point to make, in the last
24 couple of years we've changed the selection
25 criteria for the PIER Program and it carries over

1 to the EPIC Program to really emphasize funds
2 spent in California. And in 2014, close to 86
3 percent of the research funds were spent in
4 California.

5 Our research program provides a great
6 opportunity to connect researchers with ideas,
7 with investors with funding. And what I'm going
8 to profile here are a few of the projects that
9 are in the Annual Report that do just that. So
10 I'm going to start with a building energy
11 efficiency project.

12 This is a project trying to look at
13 packages of energy efficiency measures that would
14 dramatically reduce the cost of energy
15 efficiency, particularly in the retrofit market
16 and this researcher, Bruce Wilcox, took a novel
17 approach. They leased four homes in Stockton of
18 various vintages from older homes built around
19 1948 to homes built with the 2008 Standards, and
20 they extensively monitored this building, but
21 they did it in a way where they first did
22 detailed baseline monitoring and monitoring of
23 the building as it was with the equipment
24 installed in the building, and then they
25 simulated occupancy through humidifiers and

1 heaters, and they put in the retrofit packages.
2 This allowed them to compare day by day in
3 different weather climates what the baseline
4 situation was with the equipment, as installed,
5 and then compare to the equipment as they
6 retrofitted. And some of the retrofit packages
7 that they were retrofitting in these various
8 vintage homes were the standard things you would
9 expect in a retrofit. They sealing the envelope,
10 they were improving the windows, they were
11 putting ducts in conditioned space, they were
12 putting in whole house fans and upgrading the
13 HVAC systems. And through this detailed, long
14 term monitoring, they were able to achieve the
15 reductions, actually exceed the reductions that
16 they were targeting in these homes from -- this
17 is really looking at net cooling from a 73
18 percent reduction in the oldest homes, and still
19 a 48 percent reduction in the newest homes.

20 A couple of the interesting findings from
21 this that were not necessarily anticipated, but
22 that ducts that were straightened, sealed, and
23 insulated within attics could have almost
24 equivalent savings to ducts in conditioned space,
25 so this provides some retrofit opportunities to

1 achieve similar savings. And one of the other
2 insights was that mini splits are maybe not as
3 efficient as anticipated, so additional research
4 is needed in that area and we have an EPIC
5 project that will be investigating that further.

6 The chart does some calculations to say
7 if we were to carry out these retrofits within
8 the Central Valley, homes in similar climate
9 zones, that the savings could be 48 percent of
10 the air-conditioning use, which translates to
11 about 11 gigawatt hours per year.

12 The next project profiled is also an
13 efficiency project, but this time looking at the
14 wastewater sector. And so this researcher is
15 basically experimenting with different filtration
16 systems to remove more of the solids from the
17 wastewater, which then reduces the aeration
18 electrical power at the wastewater treatment
19 plant, and the savings estimates are pretty
20 significant, about 20 to 30 percent. And that
21 also, by removing more solids, you have more
22 input into the digesters, increasing the biogas
23 output, and also increase the capacity of the
24 wastewater treatment system. So this was highly
25 successful on multiple value streams, and

1 estimated about a 25 percent energy savings and a
2 less than a 10-year payback, which for this type
3 of facility is a reasonable payback.

4 The next project profiled is a multi-year
5 project with U.C. Irvine. This was an award
6 under our RESC Program, the Renewable Energy
7 Secure Communities Project, and this sort of was
8 a precursor to Microgrids and other community-
9 scale work we've done more recently to encourage
10 campuses and communities to come up with their
11 own renewable integration plans. So U.C. Irvine
12 developed the high grid modeling program which
13 allowed them to model the renewables demand
14 response and the electric transportation that
15 they already have on campus with some of the
16 additional sustainability goals that they want to
17 incorporate in their campus, and this has given
18 them a powerful roadmap for going forward.

19 We also wanted to profile a couple of
20 transportation projects. So this is a project
21 looking at recycling the recycling materials from
22 batteries, and currently the recycling process is
23 able to recycle some of the low value materials,
24 but the high value materials like lithium are
25 often destroyed in the recycling process, and so

1 this company, Farasis, has come up with a lower
2 cost process for successfully recycling the
3 lithium, and has been successful in the lab. So
4 this has the opportunity to reduce the cost of
5 batteries and also reduce the recycling challenge
6 at facilities of disposal -- what are we going to
7 do with all these batteries as we reach the
8 growth that we're anticipating and really want
9 from electric vehicles?

10 We also wanted to profile an
11 environmental project, it's a key portion of the
12 program, is to look at ways to mitigate energy
13 use, whether it's fossil energy or renewables,
14 and this project is looking at strategies to
15 better anticipate migration patterns of birds and
16 reduce the negative impact of wind facilities and
17 birds. And this is done basically through two
18 strategies, the first is through analysis of
19 weather patterns, anticipating what the migration
20 patterns will be, and also a genomic DNA
21 sequencing strategy that has really developed a
22 low cost way to collect feathers from various
23 wind sites, determine birds that have traveled
24 through these areas, and then through the
25 database predict the migration patterns. This

1 should be helpful both in siting wind facilities
2 and in operation of wind facilities.

3 This project, several of the
4 Commissioners have visited, it's a very
5 successful storage project and a great example of
6 an ARRA success. We, through the ARRA process,
7 funded multiple storage projects, this one is
8 demonstrating a grid-scale iron chromium redox
9 flow battery in the Tracy area to optimize a PV
10 system with their irrigation pump. And they are
11 meeting all their operational targets and
12 projected to be one of the lowest cost storage
13 facilities. It's a very scalable technology,
14 particularly applicable to places where you have
15 a lot of land available.

16 I just want to provide one example of the
17 small grants program. This is a project out of
18 U.C. Riverside, and this researcher was
19 interested in trying to reduce the range anxiety
20 that EV drivers might have by being able to
21 provide information in real time on the traffic
22 patterns within the area, and they've
23 successfully demonstrated the system and estimate
24 energy savings of around 25 percent when taking
25 the Eco-route rather than the alternative route.

1 It's a small grant, they only received about
2 \$100,000, so they're still at the prototype
3 looking for investors and would be happy to be
4 connected with one.

5 The next couple of slides, I want to
6 divert a little bit from the single projects that
7 were highlighted in active projects in 2014, to
8 talk a little bit about case studies, and we've
9 been doing these in the last few Annual Reports
10 to look at a portfolio of projects that have made
11 it to market and what is the commercial
12 penetration of these technologies and the
13 benefits that have been achieved.

14 So these slides are on adaptive lighting.
15 And this research started at U.C. Davis around
16 2000 to look at opportunities for additional
17 savings. We had already retrofitted a lot of
18 lighting within California. They did some
19 baseline assessments of stairwells, hallways,
20 parking garages, and found that these are
21 brightly lit most of the time, and their
22 occupancy is extremely low. Analysis also found
23 this to be the case in offices and libraries and
24 warehouses which might have significant daylight
25 and could reduce lighting during those

1 opportunities. And dynamic control of lighting
2 often requires costly rewiring, so the next step
3 was to look at how do we address this with some
4 lower cost alternatives?

5 So one of the PIER Programs in
6 partnership with University of California was the
7 SPEED Program, which is a demonstration program
8 for multiple technologies, but in this example
9 was demonstrating various adaptive lighting
10 technology starting with just bi-level sensor
11 controls at public colleges in California. That
12 was really successful in terms of, you know,
13 we've got a technology, we've got a strategy, and
14 now we can demo it. And after a few successful
15 demos on campuses, the University widely deployed
16 adaptive lighting throughout their system, and
17 they took advantage of ARRA funding to really
18 expand the coverage of adaptive lighting.

19 Those demonstrations also provided some
20 justification for Title 24 to adopt bi-level
21 controls into the Title 24 Standards. And now
22 U.C., CSU, and the IOUs are continuing to fund
23 additional adaptive lighting projects.

24 COMMISSIONER HOCHSCHILD: Laurie, just to
25 clarify, that's a retrofit that's only done at

1 the fixture? You don't have to rewire --

2 MS. TEN HOPE: It can be done either way,
3 so in the early stages bi-level could have been
4 done hardwired or wireless, and the next slide is
5 talking about the introduction of wireless. So
6 this doesn't separate the two.

7 COMMISSIONER HOCHSCHILD: Okay. What is
8 the typical payback time to retrofit a building
9 with bi-level that's already existing? I know
10 for new Codes it's a different category, but --

11 MS. TEN HOPE: I don't have that off
12 hand, I have an efficiency person here if she
13 wants to speak to it.

14 COMMISSIONER HOCHSCHILD: Just curious
15 because I think this is a very exciting
16 innovation --

17 MS. TEN HOPE: That's better.

18 COMMISSIONER HOCHSCHILD: Yeah.

19 MS. LEW: I'm Virginia Loo with the
20 Energy Efficiency Research Office and I believe
21 these paybacks are typically less than 10 years,
22 and in fact with the ARRA Program, they had
23 several of these demonstrations, especially with
24 parking garages where you have long operating
25 hours, and you had metal halide-type lamps, and

1 so you're doing both efficiency at the technology
2 level and also reducing the hours. So I believe
3 that these are typically less than 10 years.

4 COMMISSIONER HOCHSCHILD: Great, thank
5 you.

6 MS. TEN HOPE: So one of the outgrowths
7 of the SPEED Program working with CLTC was to
8 address the question you were just asking, is can
9 we do these controls in a wireless manner because
10 the retrofitting was expensive. So a researcher
11 at the University of California at Berkeley,
12 Charlie Huizenga, wanted to kind of crack this
13 nut: can we come up with a wireless control
14 strategy, so break the difference between the
15 power system as hardwired, but the control system
16 is wireless. And so he started with a proof of
17 concept, he actually started this idea with a
18 \$75,000 small grant program, proved the proof of
19 concept, tweaked it, and then decided to step out
20 and set up a company. He founded Adura and
21 basically developed this wireless product. He
22 further refined the sensor interface and the
23 savings are very high for adaptive lighting. The
24 adaptive lighting then went back into the SPEED
25 Program and was widely deployed through that

1 program. The next slide will show some of --

2 COMMISSIONER MCALLISTER: Can I ask a
3 clarifying question, or I guess a process
4 question, really. So did that small grant go to
5 the Center for Built Environment at U.C.
6 Berkeley? Or was it separate from that? Because
7 I guess Charlie I think was there at some point,
8 right?

9 MS. TEN HOPE: Yeah, I believe it was
10 when he was still at U.C. Berkeley and so it
11 would have gone to U.C. Berkeley, I can verify
12 that, and then he later went out to found the
13 company.

14 COMMISSIONER MCALLISTER: Yeah, I mean,
15 that story I think is really important to
16 highlight, that good ideas, as Commissioner
17 Hochschild was saying earlier, you know, the
18 lifecycle of a given innovation goes through a
19 lot of stages, and it might start in a
20 university, it might start with just a small idea
21 with no real guarantees that it's going to be
22 widely adopted or cost-effective, or whatever,
23 but then you get some bright folks thinking about
24 it and figuring out a pathway.

25 MS. TEN HOPE: Exactly.

1 COMMISSIONER MCALLISTER: And developing
2 the technology, and then seeing an opportunity
3 and going and finding private capital,
4 complementing that with some grant funding to
5 fill gaps or whatever, and move that forward.
6 It's just a really compelling story and we could
7 tell it on many of the projects you've
8 highlighted here, but that's characteristic of
9 what we're trying to do and I think it's really
10 important to highlight that.

11 MS. TEN HOPE: I was just looking at my
12 notes and he was with Center for the Built
13 Environment when he applied for the Small Grants
14 Program, and then it was a couple years later.

15 COMMISSIONER MCALLISTER: So the
16 University enables a platform to do that, and you
17 can get some incremental funding, and bring the
18 CBE has broad talent in this area, it's a great
19 sort of crucible for that kind of idea, but then
20 at some point it kicks off and gets
21 commercialized, and that commercialization is
22 really key.

23 MS. TEN HOPE: And you don't know when
24 you start which one of these is going to blossom
25 into that opportunity.

1 COMMISSIONER MCALLISTER: Absolutely.

2 MS. TEN HOPE: Vigilant is another
3 example of a University-based researcher spinning
4 out and developing a really successful company,
5 and that one is around data cooling, which we
6 have a slide at the end. So, I mean, this idea
7 is now a multi-million dollar company, I mean,
8 they've been purchased by Acuity, they're already
9 saving \$1.3 million in California, 23 million
10 kilowatt hours a year nationwide, so these aren't
11 projected savings, these are real savings. It's
12 also synergistically launched in an entire
13 lighting control industry, so he has competitors
14 now, but that's a good thing, some of them worked
15 with him at the research stage and have gone out
16 to set of their own companies.

17 So going forward, we see that this is
18 really going to exponentially grow. There's a
19 nice positive synergy between LEDs and adaptive
20 lighting, adaptive lighting is not really very
21 compatible with fluorescence, but it's very
22 compatible with LEDs, you can dim them and turn
23 them off and on, and see that as really enabling
24 each other.

25 The table here projects savings at a

1 relatively conservative growth rate, and it's
2 some pretty big numbers if these numbers are
3 achieved by 2020, \$253 million by 2020.

4 I'm not going to go through all of these,
5 but what I want to point out is that this report
6 has an overview of the ratepayer benefits for
7 each of the projects that were funded in 2015,
8 and so there's more detail on benefits in this
9 PIER report than in prior reports. We do
10 analysis to break out the projects by their
11 technology types, by the problem they're solving,
12 by the benefit categories, and the geographic
13 locations, so it provides sort of a deeper dive
14 first on the chapter holistically, and then each
15 of the projects goes through an analysis of the
16 benefits for the funded projects.

17 And for projects that had sufficient
18 detail, particularly in energy efficiency and
19 demand response, we've gone through and done an
20 estimate of the projected ratepayer benefits from
21 those projects, we make certain assumptions about
22 which technologies will make it to market and
23 make some very conservative market penetration
24 estimates, and then calculate out the savings
25 from those projects.

1 So looking forward, we'll be managing the
2 remaining PIER projects through 2015. We are
3 planning to do a benefits report to capture the
4 highlights of the program before we fully move
5 away from PIER to EPIC, you know, what did this
6 nearly billion dollar investment buy for
7 California, and summarize some of the case
8 studies like adaptive lighting and some other
9 projects. And I was just going to give you a
10 really quick preview of some of the projects that
11 we would include which you've heard about in
12 prior Annual Reports. These are a few of the
13 projects that have gotten to market. So we were
14 an early funder of PowerLight, actually the
15 researchers prior to PowerLight then became
16 PowerLight and purchased by Sun Power; we funded
17 their Integrated Roof Tile and the Power Guard,
18 we are receiving royalties from Sun Power and can
19 take a little bit of credit, or they have given
20 us actually researchers from the State and DOE
21 credit that they were able to cross multiple
22 Valleys of Death and be as successful as they are
23 today.

24 Cooling is another project that will be
25 profiled in the Benefits Report. Vigilant, as I

1 mentioned before, was a spinoff from the
2 University and in their technology, which is a
3 sensor and control strategy for data centers, is
4 already installed in multiple state data centers
5 and moving into private data centers, and these
6 are actual savings so far, so we would expect
7 this to grow significantly, as well.

8 One of the other projects that will be
9 profiled is AutoDR and OpenADR. As you know,
10 demand response has been important for multiple
11 reasons for reliability, for cost savings, and
12 with renewables it's a great strategy for
13 balancing intermittent renewables. And the
14 standards work that we supported at the Demand
15 Response Research Center is already avoiding 260
16 megawatts of peak load; but what's more important
17 is it has developed a protocol for communication
18 that makes Demand Response scalable. And the
19 standard has been adopted nationally, so it will
20 be embraced by manufacturers.

21 Synchrophasors was one of the early
22 successes with the program, sometimes described
23 as the technological canary on the power line.
24 It gives you some intelligence on changes in the
25 power grid that could indicate instability

1 problems and gives the operators a tool to
2 respond quickly. This is another great
3 partnership with Department of Energy who funded
4 some of the early synchrophasor work, and then we
5 funded additional deployment in California along
6 with modeling tools and visualization tools for
7 the Independent System Operator that they've
8 credited with avoiding outages. So this has a
9 tremendous reliability benefit.

10 I think the Benefits Report will capture
11 the ratepayer savings attributed to the program.
12 I think it leaves a strong legacy of helping to
13 transform the policy landscape, providing some of
14 the technologies and tools that allow us to
15 continue to push the envelope with our clean
16 energy goals. It invests in California's
17 talented companies and researchers, and I think
18 that can't be underscored, that it's a
19 synergistic relationship that keeps and rewards
20 innovators here in California, and provide a
21 foundation for continued progress that we'll
22 build on in the EPIC Program and other programs
23 at the Commission.

24 With that, I just want to provide a
25 couple of thank you's. I want to thank the

1 Project Author, Lillian Murvis, and the Project
2 Manager, Felix Villanueva, and I also want to
3 just give a shout out to the Benefits Team which
4 provided a lot of the analytical underpinnings
5 for the Appendix in the Report. And with that I
6 am available for any questions.

7 CHAIRMAN WEISENMILLER: Laurie, I'd like
8 to thank you and your team for pulling this
9 together. I think all of us, at least some of
10 us, remember when we were going for
11 reauthorization and the basic refrain was always
12 there were no benefits. And at that point it was
13 pretty clear there were, and the question in part
14 was making a better case, and I think at this
15 point we certainly have organized the material in
16 a way which I think any fair-minded individual
17 should realize that the benefits from the program
18 far exceeded the cost or benefits to California
19 far exceeded the cost, but I mean, again, the
20 constant message for all of us is it's not good
21 enough just to do good, but you have to make sure
22 that people understand what you're doing.

23 MS. TEN HOPE: One of the things that
24 you've asked us to do, and we will, is that this
25 summer we'll be providing some forums to make

1 sure that research results are available and
2 known more broadly, not just here in this room.

3 CHAIRMAN WEISENMILLER: Yeah, I mean,
4 that's part of it, that's part of the reality too
5 is generally we have worked with a lot of
6 researchers, but basically it's important
7 throughout the state to be getting part of the
8 message out and that may provide a spotlight,
9 too, for venture capital or other users,
10 stakeholders, to really look at some of those
11 opportunities and see how they may be able to use
12 them.

13 COMMISSIONER HOCHSCHILD: I just also
14 wanted to thank the Chair, your area of focus and
15 expertise on the R&D Program. I agree this has
16 been an incredibly fruitful program, not just for
17 the immediate benefits that we're talking about
18 in this report, but there's a second order of
19 magnitude which, I mean, if you think about
20 elsewhere in the economy, kind of what's
21 happening, you look at a company like Uber,
22 right, which is over \$40 billion market cap
23 company, okay, that's entirely predicated on
24 having the Smart Phone, right, which is a
25 California-based company, Apple, that created

1 that. And I think there's a lot of parallels in
2 the energy space when we can create whole new
3 platforms that then become gardens for the next
4 generation of innovation and energy. I just got
5 last week one of those Home Beat Monitors that
6 uses based off the Smart Meter, you get your 10-
7 second data and you get basically like the real
8 time EKG-type read-out for your house, and it can
9 tell you very specifically not only what
10 appliance is running, but what vintage of the
11 appliance it is and how much money you can save
12 if you upgrade that. But this is the kind of
13 thing we're seeing and it really wouldn't be
14 possible without this program and your incredible
15 work, Laurie, and your oversight and leadership
16 on this, Mr. Chair. So thank you, let's keep
17 going.

18 COMMISSIONER SCOTT: I'll echo the thanks
19 to the team and the strong support for the
20 program, and for continuing to bring some of
21 those lessons learned forward into EPIC and
22 continuing with EPIC. So thank you.

23 COMMISSIONER MCALLISTER: Yeah, I wanted
24 to just -- I'll pile on here and just say job
25 well done, I mean, the history here is just

1 fantastic. And many people across the world,
2 certainly across the nation, look at our research
3 funding and benefit from it, too. I mean, our
4 focus is California and bringing benefits, but it
5 goes beyond our borders in a big way.

6 And I also want to express my
7 appreciation, not just in sort of the PIER and as
8 we look at its legacy, but also currently with
9 EPIC and just the team, and the attitude, and the
10 approach that the Division uses to sort of branch
11 out and scour the earth for good ideas, and you
12 have regular meetings with the Commissioners and
13 I certainly try to pump you full of ideas and
14 sort of give you the update from my perspective
15 on efficiency and other topics, and I find that,
16 lo and behold, a few months ago and then there's
17 an item in a PON, or something like that that is
18 actually getting work done and pushing the ball
19 forward on those topics, and so that real can do
20 iteration is I think not that common in an R&D
21 type of environment, and in just the flexibility
22 and the innovation and the creative thought that
23 you put into this in an ongoing way is really
24 very worthwhile and very much appreciated, and I
25 don't know if I've told you that before, but I

1 really think that that's key, keeping our fingers
2 on the pulse of what's really going on in the
3 marketplace and trying to fill gaps, trying to
4 create knowledge that helps that marketplace
5 function. And I think you've been very
6 successful at that, so congratulations.

7 MS. TEN HOPE: I'm supported by a great
8 staff, so it takes a team.

9 CHAIRMAN WEISENMILLER: Actually a
10 village. So thanks again, thanks to you and your
11 team. And let's go on to Item 15, which is
12 another one of your team efforts, Developing
13 Advanced Energy Storage Technology Solutions to
14 Lower Costs and Achieve Policy Goals. These are
15 grants. And this is going to be Alan Solomon.

16 MS. VACCARO: Chair Weisenmiller, before
17 you move forward, this is actually agendized as a
18 proposed resolution approving the annual report.

19 CHAIRMAN WEISENMILLER: Great. Thank
20 you. Thanks for reminding me. So I need a
21 motion on that.

22 COMMISSIONER MCALLISTER: I'll move Item
23 14.

24 COMMISSIONER SCOTT: Second.

25 CHAIRMAN WEISENMILLER: All those in

1 favor?

2 (Ayes.) So thanks again, Laurie. And
3 thanks, Kourtney, for catching that.

4 Let's go on to Item 15. Alan, please.
5 And as I mentioned earlier, b. is being held.

6 MR. SOLOMON: Thank you very much and
7 good morning, Commissioners. My name is Alan
8 Solomon and I was the Solicitation Manager for
9 PON 13-302.

10 This solicitation was tasked with
11 developing advanced energy storage technology
12 solutions to lower costs and achieve policy
13 goals. Broadly speaking, some of the goals of
14 the solicitation were to: 1) reduce the cost of
15 energy storage, 2) improve the performance of
16 energy storage systems, and 3) demonstrate cost-
17 effective and sustainability business cases.
18 This solicitation has two components, the first
19 concerned a modeling initiative and the second
20 component concerned a technology initiative. In
21 total, I received 37 proposals, nine were for the
22 modeling portion, and 28 were for the technology
23 portion. The scoring teams met and, on December
24 10th, the NOPA was issued. It is being
25 recommended that four agreements be awarded from

1 the solicitation, one from the modeling
2 initiative, and three from the technology
3 portion.

4 Today I'm going to present one of the
5 agreements to you and the other three will be
6 presented at a later Business Meeting. The
7 Agreement that's going to be presented today is
8 with the Electric Power Research Institute and it
9 is for \$1 million. This agreement is with the
10 Modeling Initiative.

11 The purpose of the agreement is to
12 develop a publicly available modeling tool that
13 assesses cost and benefits and will guide energy
14 storage projects with respect to use, technology,
15 size, and location. The modeling tool will help
16 support the decision making efforts of
17 Regulators, Utilities, and the Energy Storage
18 industry as they deploy energy storage.
19 Additionally, the modeling tool will help support
20 long term distribution, transmission, and
21 generation planning. It is hoped that the
22 modeling tool will help achieve the state's
23 statutory energy goals, particularly AB 2514 and
24 the associated CPUC decisions to set procurement
25 targets of 1.325 gigawatts by the year 2020.

1 I'm here to answer any questions that you
2 may have and ask for your approval of this
3 agreement. And I believe that Ben Kaun from EPRI
4 is on the line and he may want to add a comment.

5 CHAIRMAN WEISENMILLER: Sure. Ben, do
6 you have any comments?

7 MR. KAUN: Sure. Can you hear me?

8 CHAIRMAN WEISENMILLER: Yes.

9 MR. KAUN: Hi. So I'm Ben Kaun, I'm the
10 Project Manager from EPRI on this project. I'd
11 like to thank you all for considering this
12 project to develop a publically available
13 transparent validated tool for assessing the cost
14 and benefits of energy storage. Overall, you
15 know, it's a really challenging topic because
16 there are so many different technologies,
17 locations, and potential projects associated with
18 energy storage. Specifically, there's a
19 challenge that is emerging for the California
20 Public Utilities Commission to evaluate the
21 procurements of the AB 2514 procurement targets
22 on a consistent basis across multiple utility
23 service areas, many different technologies, and
24 many different use cases. So we're proposing
25 that this tool be a validated and transparent

1 tool that's also user-friendly so that the
2 different stakeholders involved in the energy
3 storage deployments, especially the utilities and
4 regulators and the energy storage industry, can
5 use this tool as a platform for clear
6 communication about where the values are for
7 energy storage in different circumstances.

8 So I just wanted to thank you for
9 considering this project and I'm happy to answer
10 any questions you may have.

11 CHAIRMAN WEISENMILLER: Well, thank you.
12 Anyone else in the room or on the line on this
13 topic, otherwise we'll switch over to
14 Commissioners for questions or comments. So
15 let's switchover at this point. I was going to
16 observe, I think last time when we wrote things
17 out, I had indicated we were obviously going from
18 PIER to EPIC, there's a whole new Terms and
19 Conditions on all the contracts, and at that
20 point we did not have agreements with U.C. or
21 LBNL, we now do. And at the same time, I
22 indicated that at least for one of the other
23 potential winners, the issue was that everyone
24 going into these things agrees they can deal with
25 the Terms and Conditions, and as soon as awarded

1 they come back with a ton of changes. And so
2 then obviously if we have 28 bidders there at
3 some point, either we move forward or move on to
4 the next one in line. But obviously our
5 contracts are not perfect, but we're trying to
6 keep people focused on what really needs to be
7 addressed and then move forward with the deals.
8 So anyway, I suspect our negotiations with EPRI
9 will again be of a similar nature, but certainly
10 if you can encourage your attorneys to be less
11 creative, that's good. Anything else? Anything
12 of substance?

13 COMMISSIONER MCALLISTER: Storage is kind
14 of a new frontier for us, so I think having
15 analytical tools that enable us to optimize size
16 and cost is huge, and so a lot of outside the box
17 thinking on that, but hopefully we can make sure
18 that that box is well defined going forward and
19 we can invest in where it makes most sense for
20 the system. So storage is a key part of the
21 brave new world of energy reliability and
22 distributed resources, and this seems like it
23 will be a terrific resource to help folks have
24 that conversation. So I'm excited about this
25 project.

1 So I'll move Item 15.

2 COMMISSIONER SCOTT: Second.

3 CHAIRMAN WEISENMILLER: All those in
4 favor?

5 (Ayes.) Item 15 passes 4-0. Let's go on
6 to 16.

7 MR. SOLOMON: Thank you very much.

8 CHAIRMAN WEISENMILLER: Thanks.

9 Advancing Cleaner, Less Costly, More reliable
10 Distributed Generation to Enable Customer
11 Solutions and Zero-Net Energy Communities Grants.
12 And this is going to be Prab.

13 MR. SETHI: Good morning, Chairman and
14 Commissioners. My name is Prab Sethi and I'm the
15 Solar Station Manager for the EPIC Competitive
16 Solicitation PON-14-303, which was released
17 August 12, 2014.

18 This PON was released to fund up to \$19.5
19 million for Applied Research and Development
20 activities that will increase the technical
21 performance and value of distributed bio-power
22 and photovoltaics technologies.

23 I'm presenting four projects selected
24 under groups 1, 2, and 4, which are focused on
25 development of modular bioenergy systems for

1 forests, urban interface areas, waste to energy,
2 bioenergy systems, and the last one is the
3 advanced distributed photovoltaic systems.

4 The rest of the projects will be brought
5 to the Business Meeting in April and May.

6 The West Biofuels project will develop a
7 pilot-scale modular biomass gasification system
8 and will integrate it with a high-efficiency
9 lean-burn engine to convert forest residue into
10 renewable grid power to reduce the cost and
11 increase the benefits of forest fuel reduction
12 projects in California's high fire risk regions.

13 This proposed modular system can be
14 deployed in communities across California to
15 support fire safety management and reduce direct
16 costs of wildfires.

17 The second project is the SunFolding. In
18 this project, SunFolding will install a 300
19 kilowatt pilot project that demonstrates the
20 feasibility of air-driven innovative solar
21 tracking technology. The proposed work is a
22 continuation of the technology developed by
23 SunFolding under an ARPA-E Grant. Technical
24 innovations allow this tracking technology to
25 improve performance and reduce cost by using mass

1 manufacturing parts for the drive system, and
2 eliminating requirements for outdoor wiring by
3 connecting tubing to each actuator. This project
4 will increase the energy efficiency by 20 to 40
5 percent over fixed total system at a cost that is
6 below the cost of solar trackers today.

7 The third one, the InnoSeptra project will
8 design and develop a biogas upgrader unit that
9 uses a unique temperature adsorption system to
10 precondition biogas to high purity biomethane
11 that is free of typical contaminants such as
12 Hydrogen Sulfide, Siloxanes, Carbon Dioxide, and
13 organic compounds.

14 The pilot plan will be installed at the
15 wastewater treatment plant at MillerCoors
16 facility in Irwindale and also at Waste
17 Management's landfill site in Simi Valley.

18 The last project, the Lawrence Berkeley
19 National Lab. The overall goal of this project
20 is to perform analytical research to match
21 locally available waste biomass resources in
22 California with grid, industrial, building power,
23 and waste heat needs. This modeling effort with
24 high light locations where waste biomass can be
25 used most efficiently for distributed generation

1 by developing scenarios that identify the most
2 promising opportunities, key technical and
3 regulatory hurdles, and develop tools for
4 matching available waste biomass resources with
5 energy production opportunities.

6 I request your approval for these four
7 projects.

8 CHAIRMAN WEISENMILLER: Great. I believe
9 we have one gentleman - oh, excuse me, I think we
10 have a person on the line, Madrone on SunFolding?

11 MS. MADRONE: Hi there. Good morning,
12 Commissioners. I'm Leila Madrone. I'm the CEO
13 and Co-Founder of SunFolding. I just want to say
14 we're very excited to be considered under the new
15 EPIC Program. As mentioned, at SunFolding we've
16 been working with ARPA-E developing a new type of
17 drive that has the potential to significantly
18 lower the cost of solar tracking and consequently
19 the price of solar.

20 We've been doing several years of lab
21 testing and proving out the technology with ARPA-
22 E and the EPIC funding will help us go to the
23 next level and test our tracker at a larger scale
24 as we transition this technology from the lab to
25 the field. And I just want to say that this kind

1 of funding is critical to projects like ours.
2 We're working on disrupted and not just
3 incremental changes in our solar hardware. It
4 provides a crucial bridge across the so-called
5 Valley of Death, and investment is very hard to
6 find for energy innovations like this until
7 you're at the demonstration stage, even with a
8 technology with potentially high pay off. And so
9 I just want to say on behalf of the whole
10 SunFolding team, thank you so much for
11 considering our project.

12 CHAIRMAN WEISENMILLER: Great. Thank
13 you. Obviously our partnership with ARPA-E has
14 been very valuable to both of us, and it's always
15 really great to have some of those successes
16 become opportunities for us also. So
17 Commissioners, any questions or comments?

18 COMMISSIONER SCOTT: I move approval of
19 Item 16.

20 COMMISSIONER MCALLISTER: I'll second.

21 CHAIRMAN WEISENMILLER: All those in
22 favor?

23 (Ayes.) Item 16 is approved 4-0. Let's
24 go on to Item 17, Demonstrating Bioenergy
25 Solutions that Support California's Industries,

1 The Environment, and The Grid. Gina Barkalow,
2 please.

3 MS. BARKALOW: Hello Commissioners. My
4 name is Gina Barkalow and I am the Solicitation
5 Manager for the EPIC PON-14-305. This
6 solicitation fulfills the CPUC requirement that
7 the Energy Commission provide a minimum of 20
8 percent, or \$27 million of technology
9 demonstration and deployment funds from the first
10 Investment Plan to biomass to electricity
11 projects.

12 Staff released the PON in August,
13 proposals were due in November, the NOPA was
14 released in January. This solicitation received
15 23 applications, 19 of these applications passed
16 Stage 1 screening, divided into four distinct
17 project groups as follows: Advanced Pollution
18 Control Equipment and Low Emission Generators;
19 Fuel Handling and Delivery Systems or
20 Technologies; Biochemical Conversion
21 Technologies, or Deployment Strategies; and
22 Thermo Chemical Conversion Technologies, or
23 Deployment Strategies.

24 Out of these 19 proposals, nine received
25 passing scores. All of them are recommended for

1 funding for a total awarded amount of just over
2 \$29 million. Total match funding is over \$24
3 million.

4 The projects from the solicitation
5 include a diverse range of pre-commercial
6 bioenergy technologies, or bioenergy technologies
7 not widely used in California, as well as
8 strategies to make bioenergy projects more
9 economical. They are located in Northern,
10 Central, and Southern California, and include
11 projects at landfills, wastewater treatment
12 plants, and a municipal solid waste plant. There
13 are also projects addressing strategies to reduce
14 food waste co-digestion costs, low emission
15 bioenergy generation, forestry waste bioenergy,
16 and dairy digester systems.

17 I will just be discussing two of the
18 projects recommended for funding today and the
19 other projects will be presented at future
20 Business Meetings.

21 The recommended projects for today are
22 from Group 3, which focuses on cost-effective and
23 integrated biochemical technologies and
24 strategies not widely used in California. The
25 first project is with American Biogas Electric

1 Company, or ABEC #3 LLC, DBA Lakeview Farms Dairy
2 Biogas. And it is for a \$4 million grant to
3 install and demonstrate an innovative covered
4 lagoon digester system that will process dairy
5 manure into biogas to generate renewable
6 electricity for export to the electricity
7 distribution grid. This particular project is
8 located near 11 other dairies and will help
9 launch the state's first hub and spoke dairy
10 digester cluster by preparing the one megawatt
11 generator platform to accept two megawatts, a
12 future capacity utilizing biogas from neighboring
13 dairies. This hub and spoke approach was
14 initially proposed in a case study prepared for
15 the U.S.D.A. on the economic feasibility of dairy
16 digester clusters in California. The idea is to
17 allow the dairies to benefit from the aggregation
18 of capital investment and reduce operation and
19 management cost by centrally locating the
20 generators and associated electrical equipment.
21 \$4.5 million in match funding is provided for
22 this project.

23 The second project is with ABEC #2 LLC,
24 DBA West Star North Dairy Biogas. It's a \$4
25 million grant to install and demonstrate a

1 double-cell covered lagoon digester and one
2 megawatt generation system. The double-cell
3 covered lagoons, one fixed and the other variable
4 volume, are designed to enable the quantity of
5 wastewater to vary by time of year, as well to
6 allow for the potential of co-digestion to
7 increase biogas output. Further, the digester
8 also has biogas storage capacity which opens up
9 the possibility of providing energy storage. The
10 project will prepare the generator platform to
11 add a second megawatt for potential IOU dispatch.
12 In a future phase, the second megawatt may serve
13 as a qualified energy storage system providing
14 bioenergy to assist with the integration of
15 increasing levels of solar and wind. \$4 million
16 in match funding is provided.

17 Not only are these projects demonstrating
18 innovative technological approaches to bioenergy
19 dairy digester systems, they provide two
20 different approaches to bringing down the
21 levelize cost of electricity through the
22 implementation of carefully thought-out financial
23 strategies. These projects will help develop
24 cost-effective pathways to assist California in
25 achieving its renewable energy and greenhouse gas

1 reduction goals, while also providing benefits to
2 California investor-owned ratepayers consistent
3 with the EPIC guiding principles.

4 Staff recommends approval of these
5 projects and I'm happy to address any questions
6 you may have. Thank you.

7 CHAIRMAN WEISENMILLER: Thank you.
8 Commissioners, any questions or comments?
9 Please.

10 MR. GARVEY: Good morning, Commissioners.
11 On behalf of Cal Bio, my name is Shawn Garvey and
12 I know Neil Black and Ross Buckingham are
13 probably on the phone. We do want to thank you
14 deeply. A number of you have had the opportunity
15 to visit Cal Bio and American Bioenergy's
16 projects at Stockdale, as well as the new Hope
17 Dairy, I believe Commissioner Hochschild and
18 Scott have been down there a little while ago
19 with staff, and we want to thank you for your
20 time and attention not only on the existing
21 facilities, but on the proposed new facilities.

22 Obviously these projects move forward for
23 a number of reasons. One of them would have to
24 be the tenacity of the two principals with
25 American Bioenergy, Neil and Ross. Their ability

1 to create relationships with California's dairy
2 sector and dairy farmers is one reason that these
3 projects are able to move forward in the manner
4 that they are doing, and their ability to put
5 forward new models, including the hub and spoke
6 dairy model that is most relevant to Lakeview
7 Farms, as well as a new business model that would
8 create a co-op of dairies, which is a business
9 model familiar in California's dairy sector, to
10 reduce risk and to share in the benefit among
11 multiple dairies in the same region.

12 The ability at West Star North, of
13 course, to produce dispatchable electricity is
14 another innovation that we're all excited about.
15 I would like to just say this, and I would be
16 remiss in not doing so, the tenacity and
17 Herculean work being done by your folks in the
18 EPIC Program, and in particular by Gina, to bring
19 two projects like this that are complex and
20 complicated and sophisticated so quickly forward
21 to the Commission is deeply appreciated. It
22 would just be entirely remiss of me not to
23 comment on the amount of work being done in this
24 building by the EPIC folks, and we're very very
25 grateful, Gina.

1 CHAIRMAN WEISENMILLER: Great. Anyone
2 else on the line or in the room? Okay, so
3 Commissioners, questions or comments?

4 COMMISSIONER MCALLISTER: This looks like
5 a great project, I mean, it's funny how things
6 overlap. I mean, we're looking at grid studies
7 around the state and sort of working with the
8 utilities and other parties to figure out the
9 distribution level analytics that we need going
10 forward, and doing some pilot studies there, and
11 just on one of those I was talking yesterday with
12 staff from another division from the Supplies
13 Analysis Division about some of the work they're
14 doing down in Dairy country, and a lot of
15 potential for a CHP down there with lots of
16 dairies, and obviously in Kern County, Tulare
17 County, and perhaps there's something here that
18 we can leverage and inform best practices and
19 help get that market going. So you know, keep
20 talking across divisions to figure out where
21 those synergies actually are.

22 Okay, so I will move this item.

23 COMMISSIONER HOCHSCHILD: Second.

24 CHAIRMAN WEISENMILLER: All those in
25 favor?

1 (Ayes.) This passes 4-0. Thank you.

2 MS. BARKALOW: Thank you very much.

3 CHAIRMAN WEISENMILLER: Let's go on to

4 Item 18, Minutes.

5 COMMISSIONER SCOTT: I'll move approval

6 of the Minutes.

7 COMMISSIONER MCALLISTER: Second.

8 CHAIRMAN WEISENMILLER: All those in

9 favor?

10 (Ayes.) 4-0. Let's go on to Lead

11 Commissioner or Presiding Member Reports.

12 Commissioner Scott.

13 COMMISSIONER SCOTT: Excellent. Well, I

14 have just one thing to report on to you all since

15 we just met a couple weeks ago. And that is

16 yesterday was the in-person meeting of the Plug-

17 In Vehicle Collaborative, and so I had my

18 opportunity to chair my very first Plug-In

19 Vehicle Collaborative Meeting, which was great

20 fun. It was a terrific meeting, we had welcomed

21 some new members, two were from the State, or

22 mostly from the State, California ISO, and

23 Caltrans, so it was great to have them join the

24 Plug-In Vehicle Collaborative. We also had

25 Subaru and a consulting company that joined, as

1 well.

2 We heard some really interesting updates
3 from folks like NRG and Nissan. One of the things
4 that they reported within their charging
5 networks, in the public charging network if you
6 have a Fast Charger and a Level 2, more often
7 than not people will use the Fast Chargers. And
8 they said in numbers four times as often to one,
9 and the other one cited numbers six times as
10 often to one. What was interesting, then, we had
11 a presentation in the afternoon from PlugShare
12 where they had also said the same thing about in
13 the public charging space, probably what makes
14 the most sense is DC Fast Charging, not Level 2
15 or Level 1. And as the ranges for Electric
16 Vehicles get larger, then that increasingly
17 becomes the case, that it is DC Fast Charging
18 that makes sense in the public charging space,
19 and that's an important differentiation, they're
20 not talking about in your home charging, they're
21 not talking about workplace charging, but in that
22 public charging sphere. So that was pretty
23 interesting to learn.

24 We had a terrific presentation from
25 Commissioner Peterman providing us with an update

1 on what's going on at the Public Utilities
2 Commission in response to the IOUs being pilot
3 projects before the Public Utilities Commission.
4 We heard from some of the OEMs and they
5 talked to us about what they're doing. Ford had
6 some really interesting plans for their
7 headquarters, they're going to have a solar array
8 across their entire parking lot that then the
9 Electric Vehicle drivers will be able to just
10 plug right into the solar that will be there.
11 And they will continue to give us updates on
12 that. We got updates on the Chevy, the new Chevy
13 Volt, and the new Chevy Bolt. One of the things
14 the Chevy folks were saying is that the Volt,
15 they're calling it 2.0 because it really is
16 basically a redesigned, reengineered, basically a
17 brand new car where they've taken into account
18 all of the learnings that they had on the old
19 Volt and then put it into this car, and so this
20 has got different types of batteries and the way
21 that the batteries are working, different light
22 weighting materials that are in the car, they've
23 got a fifth seat in the car, they've redesigned
24 the dashboard, so it was pretty neat to hear kind
25 of what the OEMs --

1 COMMISSIONER HOCHSCHILD: What's the
2 range?

3 COMMISSIONER SCOTT: That's a great
4 question, I think it's 50 miles.

5 CHAIRMAN WEISENMILLER: I thought it
6 might be, well, I guess it's the range --

7 COMMISSIONER SCOTT: So it's a range-
8 extended Electric Vehicle, but I think it's about
9 50 miles now instead of around 35, so it's a
10 little bit farther. And they have some
11 interesting data on how much people actually use
12 the all e-miles traveled and that they typically
13 go about 900 miles between actually filling up
14 with gasoline because most of the time they're
15 using the -- the people who drive in that
16 electric mode are most of the time using the
17 electric mode. So it was pretty neat to get some
18 information like that. I always learn something
19 new at those meetings and it's going to be fun to
20 be the Chair of that for the next little bit, so
21 that's what I've been up to.

22 COMMISSIONER MCALLISTER: Okay, not so
23 much time has gone by since the last meeting, so
24 just a few things, I have three things. I wanted
25 to just acknowledge Commissioner Scott on having

1 led the IEPR through our last meeting and we had
2 our first kick-off of the Econ Demo for the 2015
3 IEPR, so now you're off the hook, so I'm feeling
4 back in -- you know, did this in 2013 and now on
5 2015. Lots of really exciting topics to talk
6 about, so that will move forward in earnest, and
7 I certainly want to encourage all the
8 stakeholders on the topics as the notices come
9 out and as we convene different items to
10 participate.

11 On the second and third of this month, we
12 actually had workshops on the 2016 Building
13 Efficiency Standards under Title 24 and staff did
14 a really great job putting that together. I
15 think we're in a really good spot to bring the
16 package through the process expeditiously and get
17 the standards through for their new application
18 at the end of 2016, January 1, 2017. Obviously
19 then one more round until 2020, which is where
20 we're really trying to get to extremely low
21 energy buildings in the residential side. So
22 that's very exciting and I wanted to commend the
23 Efficiency staff in the Buildings Office.

24 So the main thing I wanted to talk about
25 was just let everybody know that the 758 Action

1 Plan is out and public now, very relieved on
2 that, everybody knows how much angst that has
3 produced, certainly for me, a big effort, and for
4 staff.

5 Certainly, just keying off of Laurie ten
6 Hope's presentation on some of the energy
7 efficiency technologies that have been developed
8 under the PIER Program, I mean, in the HVAC
9 space, real application of real technologies that
10 are producing a real savings, those are key to
11 move them out into the commercialization into the
12 marketplace so that we can scale up. That's what
13 AB 758 is all about. You know, Nancy Skinner had
14 a very forward looking vision on this and we
15 really have to engage the marketplace on
16 implementation. Adaptive lighting, it's another
17 area where lighting and HVAC are two huge areas
18 of potential savings, and actually as we go
19 forward and see how the marketplace is going to
20 engage and do things in that setting of having
21 demand for energy efficiency projects that are
22 implemented by contractors, as we see how much
23 scale we actually get, knowing which technologies
24 are the ones with the best traction and the
25 highest cost-effectiveness, and the most reliable

1 savings is going to be critical for shaping
2 policy going forward. So I can envision five
3 years from now when we're a couple iterations
4 down on the 758 Action Plan, and we say, hey, you
5 know, there are lighting technologies out there
6 that everybody ought to be doing. And we're
7 hearing about, you know, given our aggressive
8 goals, and the Governor's mandates to us in terms
9 of getting it done in reality, you know, we're
10 hearing some first for, look, what can we just
11 make happen? What should everybody be doing?
12 Certainly from the Legislature and from others
13 out there in the marketplace, hey, what should we
14 just go ahead and do and find the resources to
15 do, and maybe even mandate? So we've referred to
16 some potential mandatory actions off in the
17 future, but we really haven't built those into
18 the plan right now because right now we're in the
19 phase where we're focusing on the marketplace.

20 So, let's see, very very happy to have
21 the plan out there, and I want to just make a few
22 acknowledgements, Dave Ashuckian in the back
23 there, the leader of the Efficiency Division, his
24 team has really worked hard on this, and I think
25 we all want to commend the team for getting it

1 public and really moving on to the next phase;
2 Christine Callopy, Consuelo Martinez, the head of
3 the Existing Buildings Office and her team, Eric
4 Jensen, Abhilasha Wadhwa, Eric Jensen, Dan
5 Johnson, and David Ismailyan, and Martha Brook, a
6 newcomer to that office who is really proving -
7 many of you know her already, she's just a font
8 of knowledge, really deep experience, and a real
9 workhorse on this stuff, and I want to
10 acknowledge her, as well. Getting the document
11 kind of through the last phase, I think she
12 really rolled up her sleeves and helped that
13 happen. My advisor, Pat Saxton, I have to call
14 him out, he's really been the go to guy on a lot
15 of the stickiest questions that come up as to how
16 we're going to approach a given issue, a big lift
17 to help our Existing Buildings, you know, 12
18 million existing buildings in the state, trying
19 to be more efficient, and so it's going to be I
20 think a fruitful dialogue as we move forward to
21 finalizing the plan and start implementing it
22 together with our sister agency, the Public
23 Utilities Commission. The oversight of
24 implementation really is going to be a
25 partnership with the CPUC.

1 I also want to acknowledge Jeanne Clinton
2 who is the Governor's appointee, our Governor's
3 rather Functionary actually at the PUC, and she
4 has been just a really key element in the
5 conversations across the Commissions and helping
6 loop in the Governor's Office when necessary, and
7 kind of keeping us all thinking about the right
8 things. So that sort of networking function, and
9 also her expertise on financing particularly has
10 been very helpful and I'm sure will continue to
11 be so on the implementation.

12 And finally, Executive Office, Rob and
13 Drew I think really have been sharing in the load
14 and keeping us focused on the right things as my
15 office and staff kind of push this forward. So I
16 feel like we're at a key moment to really raise
17 the right issues, some of them difficult issues,
18 there are a few things in there that we're
19 proposing that are fairly big benchmarking,
20 statewide benchmarking program to get some
21 additional resources that are targeted to local
22 governments, so that they can implement and
23 innovate over their existing building stock, but
24 their own buildings and their jurisdictions of
25 buildings, their homes and businesses. And a lot

1 of issues that we're going to have to work
2 through on the data front, trying to get more
3 information out there so that people can make
4 better decisions. So all of these conversations
5 are going to need to happen and we're
6 interfacing. As lead on the IEPR this year, I'm
7 also trying to sort of leverage that process to
8 give this conversation particularly the higher
9 profile and the more difficult issues a higher
10 profile and the gravitas really we need to
11 convene the right people at the table and have
12 those conversations in a productive way.

13 And speaking of that, there's a workshop
14 on April 7th at which we will present the Action
15 Plan and get comments. The comment period is
16 open, anybody can submit today, I encourage
17 everyone to look at the Action Plan, and engage
18 with the process going forward. We'll have a
19 series of workshops on more specific issues after
20 the April 7th workshop, as the IEPR process
21 unfolds. So anyway, that's my big announcement
22 for today's Business Meeting, but this is going
23 to be an ongoing effort and I really look forward
24 to working across the Commission, both with staff
25 and fellow Commissioners on this. I have to

1 acknowledge Commissioner Douglas, as well, who
2 really carried the Energy Efficiency topic for a
3 couple years and has continued to be engaged in
4 some of the sort of individual issues that come
5 up, and really appreciate her perspective on
6 that, as well. So that's my report.

7 CHAIRMAN WEISENMILLER: Okay. Actually,
8 Commissioner Douglas asked me to update everyone
9 on the DRECP, so as I channel her, Jennifer was
10 nice enough to write up those and I'll pass these
11 on so I actually get it right.

12 This is a huge topic, very important to
13 us. So anyway, this is Karen's note:
14 "Yesterday, the Energy Commission, Bureau of Land
15 Management, U.S. Fish and Wildlife Service, and
16 the California Department of Fish and Wildlife
17 outlined the next steps for the Desert Renewable
18 Energy Conservation Plan, or DRECP. The State
19 and Federal Agencies have decided to use a phased
20 approach to approve the three components of the
21 plan: the BLM Land Use Plan Amendment, the
22 Federal General Conservation Plan, and the State
23 Natural Community Conservation Plan. The
24 approach will start with completing the BLM
25 component that designates development focus areas

1 in conservation on public lands. During the 151-
2 day comment period that ended February 23, 2015,
3 we received nearly 12,000 comments. While the
4 comments are still being reviewed, several key
5 themes emerged prompting the decision to move
6 forward with the phased approach. The primary
7 driver for the decision came from feedback from
8 the Counties within the planning area requesting
9 additional time to complete their planning work
10 under the Renewable Energy and Conservation
11 Planning Grants awarded by the Energy Commission,
12 and then to more closely coordinate with State
13 and Federal agencies to ensure better alignment
14 between County planning, renewable energy and
15 conservation objectives in the DRECP.

16 Other comments included the need to more
17 clearly outline permitting efficiencies and
18 conservation protections. We believe this phased
19 approach will result in a plan that is well
20 tailored to local needs, help California and the
21 nation meet long term climate and clean energy
22 goals, and conserve the desert's unique and
23 valuable resources. Continued engagement with
24 the Counties will help determine the best options
25 and timing for proceeding with the private land

1 components and to better align renewable energy
2 development conservation at the local, State, and
3 Federal level. It will also allow the agencies
4 to explore opportunities in an individualized
5 County by County approach that fits within the
6 DRECP Plan."

7 She is not here today because she's at an
8 event down in Imperial Valley, which again gives
9 her an opportunity to continue those dialogues at
10 a local level. So anyway, again, a very
11 significant milestone in this multi-year effort,
12 and certainly a good approach moving forward, I
13 believe.

14 So in terms of talking about the few
15 things I was going to hit, one is last week I was
16 at an event down in San Francisco on Wednesday
17 with the Asia Society, and they had developed a
18 report, a very good report, I was going to say
19 there's English in the front and Chinese in the
20 back, that sort of summarizes the areas of
21 cooperation between China and California. And I
22 was thinking as you were doing the MOU at the
23 beginning of the day, well, the Governor actually
24 said two things, one, he said, "Well, you know,
25 California is a state of mind." And then later,

1 saying, "Well, if you think about what we're
2 doing, we really are a nation." And I think that
3 was certainly the way the Press picked it up,
4 although obviously most of the world thinks we're
5 a subnational group. So anyway, it was a fun
6 event, and then I went from there to the Energy
7 Imbalance Market Transitional Committee in
8 Portland, where the Committee had a meeting and
9 then I met with stakeholders in the Northwest and
10 met with the Association of Public Utilities in
11 the Northwest. Probably one of the more
12 significant elements while we were there was
13 Puget announced that it was indeed joining the
14 Energy Imbalance Market, which certainly, well, I
15 think it's coincidental, but certainly having a
16 meeting in the Northwest at the time of the
17 announcement was being made certainly resonated
18 pretty strongly. And obviously in the Northwest
19 there were still -- actually, thinking back you
20 know, California and the Northwest have had a
21 very strong and positive relationship since the
22 late '60s, early '70s, when the Interties were
23 built. And if you look at the benefits from both
24 regions, from the Interties, they've been
25 enormous benefits over the years. Obviously the

1 Energy Crisis was as traumatic for them as for
2 us, although certainly some entities profited and
3 others really got swept around by the turbulence,
4 and so when you visit the Northwest as a
5 California official, you know, some of the people
6 tend to still move back, but they were -
7 actually, I thought the conversations I was
8 having, they were all pretty polite and at least,
9 again, trying to reframe the discussion a little
10 bit to think more of the longer term relationship
11 and what we can do going forward. So anyway,
12 those are the things I wanted to hit.

13 COMMISSIONER HOCHSCHILD: Well, first of
14 all, just great to hear the milestones being hit,
15 Commissioner McAllister, and the efficiency work.
16 I just think it's also worth noting the way these
17 three energy goals that the Governor laid out
18 relate to each other because if you're really
19 successful with efficiency, it makes it much
20 easier, for example, to get to the 50 percent
21 renewables target, it's a lower bar. The really
22 only one major item to report on, which is
23 yesterday we released the New Solar Homes Market
24 Report, my gratitude to our team and to the Clean
25 Energy States Alliance, which did the study for

1 us, we're one of the 20 member states, and so one
2 of the benefits is they do these studies at no
3 extra cost for us. And the highlight is that 27
4 percent of the homes being built in Southern
5 California are now being done with solar, and
6 there's a whole bunch of other details in there,
7 but I just met on Friday with a bunch of the
8 builders and the forecast for this year is for a
9 very robust market, so last year we built about
10 84,000 new homes, and this year they're
11 projecting 115,000. So this is up from at the
12 time Commissioner McAllister and I were just
13 getting started on creating those rules with the
14 Advisory Committee in the early days, you know,
15 there were only 35,000 homes a year built in 2009
16 and so it's a whole other order of magnitude now.
17 So that's really the biggest highlight. I'm
18 continuing to meet with a lot of innovators,
19 going to be going down to Google shortly and more
20 visits in San Diego with some of the PACE
21 Administrators and some of the environmental
22 groups down there. And that's it for me.

23 CHAIRMAN WEISENMILLER: Chief Counsel's
24 Report.

25 MS. VACCARO: Nothing to report today,

1 thank you.

2 CHAIRMAN WEISENMILLER: Great. Executive
3 Director's Report.

4 MR. OGLESBY: Good afternoon,
5 Commissioners. I was asked to provide an update
6 at this Business Meeting that carries over and
7 builds on an issue that you will recall from the
8 last Business Meeting. That item was a Petition
9 offered by Pat Splitt for an Emergency and
10 Concurrent Standard Rulemaking to address issues
11 that he saw with the Title 24 Building
12 Regulations from 2013.

13 During the discussion of the item, a
14 number of public comments were also received, and
15 while the Commission declined the Petition, staff
16 was directed to follow-up on the issues in a
17 public forum that would be scheduled and asked me
18 to respond and report back to you progress. What
19 I can report today is progress is being made, we
20 have a public notice that is out for a public
21 meeting on April 10th, we've opened a new Docket,
22 and an eFile page to provide opportunities for
23 the public to comment and participate, both
24 electronically and in person at the public
25 meeting.

1 We'll summarize the information that we
2 gather at this public meeting and then we will
3 provide a report to the Lead Commissioner and we
4 can talk about follow-up. As you recall from the
5 discussion at the last meeting, it looked like
6 there were opportunities to deal with some issues
7 outside of a rulemaking process and more
8 expeditiously, but that is where it stands right
9 now and we will continue to provide follow-up on
10 this item.

11 COMMISSIONER MCALLISTER: Great. Thanks
12 for the update, Rob. And I just want to fill in
13 a little bit here because, you know, the
14 discussion at the last meeting was fairly
15 animated and I want my overarching kind of
16 interest here is making sure that we are
17 listening in every way we can to the marketplace
18 to identify any issues that are legitimate ones
19 that we need to deal with, so I would really
20 encourage everyone participating in this process
21 to do a couple things, 1) keep calm and behave
22 themselves, and 2) really try to focus on the
23 substantive issues, you know, sort of general
24 feelings of discomfort don't really hack it. If
25 there are issues, we can only deal with issues

1 that are real issues and can be explained, and so
2 really encourage everybody to focus on specifics
3 and examples and practitioners need to inform
4 this discussion wherever possible because I think
5 the rubber hits the road at the application of
6 Building Code in a local jurisdiction with a
7 particular context, and if we can figure out
8 where problems legitimately exist, we absolutely
9 want to fix those. And so this is just an
10 opportunity to identify and drill in on any
11 issues like that. So, you know, there may be
12 discussion just generally about, oh, gosh, the
13 Building Code is difficult and stuff, but if
14 those don't evolve into asks or identification of
15 actual issues, then really not much can be done
16 about it, so I just want to encourage everybody
17 to engage with that productive attitude in mind
18 in this workshop and beyond. So, thanks, Rob.

19 MR. OGLESBY: I know on behalf of staff,
20 we're looking forward to a constructive process.

21 I do have one other item I want to
22 mention, mostly for the benefit of the public and
23 the Commissioners, and that is although today's
24 meeting was relatively a short day, or certainly
25 not a long day, just to give you a heads up that,

1 as we get closer to the Fiscal Year deadline, our
2 meetings will get longer as more items that are
3 in the financial cycle will ripen for your
4 consideration, so that the folks that have agenda
5 items coming up, be aware that the Business
6 Meetings will get longer between now and July
7 1st.

8 CHAIRMAN WEISENMILLER: That's good and,
9 if necessary, we can certainly add additional
10 Business Meetings as we go forward.

11 MR. OGLESBY: Indeed.

12 CHAIRMAN WEISENMILLER: Okay, Public
13 Advisor Report.

14 MS. MATHEWS: I have nothing to report.

15 CHAIRMAN WEISENMILLER: Okay, public
16 comment? This meeting is adjourned.

17

18 (Whereupon, at 12:47 p.m., the Business Meeting
19 was adjourned.)

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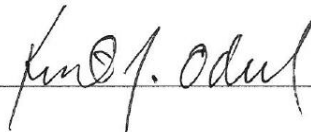
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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under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

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 15th day of April, 2015.

A handwritten signature in cursive script, appearing to read "Kent Odell", is written over a horizontal line.

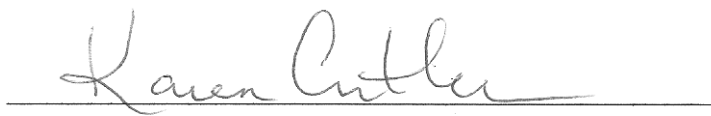
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And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of April, 2015.

A handwritten signature in cursive script, reading "Karen Cutler", is written over a horizontal line.

Karen Cutler
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