

## DOCKETED

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APPEARANCES

Commissioners Present

Karen Douglas  
David Hochschild  
Andrew McAllister  
Janea Scott

Staff Present

Rob Oglesby, Executive Director  
Kourtney Vaccaro, Chief Counsel  
Alana Mathews, Public Advisor  
Tiffany Winter, Secretariat  
Roger Johnson  
Eileen Allen

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Chris Davis	2
Ken Celli	3, 4, 5
Farakh Nasim	6
Angie Gould	7
Larry Rillera	8
Matthew Ong	9
David Nichols	10
Hassan Mohammed	11
Yu Hou	12
Armando Ramirez	13
Gavin Situ	14
Adrian Ownby	15, 16

**Also Present** (\*Present via Telephone)

<u>Interested Parties</u>	<u>Agenda Item</u>
Stephen O'Kane	2
Sean Beatty, NRG	4
*Paula Faust, City of Gardena	8
*Annaliese Franz, UC Davis	9
Greg Newhouse, SDCCD ATTE	10
*William Cox, Chemehuevi Indian Tribe	11

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P R O C E E D I N G S

OCTOBER 14, 2015 10:04 a.m.

DOUGLAS: So welcome to the Energy Commission let's start the Business Meeting. Please join me for the Pledge of Allegiance.

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

COMMISSIONER DOUGLAS: So we'll start with the Consent Calendar and we're going to take it up in two parts, so we'll start -- why don't we start with Item 1(c). We have a disclosure and a recusal on Item 1(c).

COMMISSIONER SCOTT: Sure. Good morning. Because I am the Chair of the Plug-In Vehicle Collaborative, I will recuse myself from consideration of Item 1(c).

COMMISSIONER DOUGLAS: All right, very good. Do we have a motion on Item 1(c)?

COMMISSIONER HOCHSCHILD: I move the item.

COMMISSIONER MCALLISTER: I'll second.

COMMISSIONER DOUGLAS: All in favor:

(Ayes.) The item passes 3-0 with Commissioner Scott having recused herself. Kourtney, could you let her know to come back?

1 Good, thank you.

2 COMMISSIONER DOUGLAS: All right, thank  
3 you. So let's take up the rest of the Consent  
4 Calendar. Item 1(a), (b) and (d).

5 COMMISSIONER MCALLISTER: I'll move.

6 COMMISSIONER SCOTT: Second.

7 COMMISSIONER DOUGLAS: All in favor?

8 (Ayes.) The item passes unanimously 4-0.

9 Thank you.

10 COMMISSIONER DOUGLAS: Item 2. Energy  
11 Commission Committee Appointments. Possible  
12 approval of appointments to the Energy  
13 Commission's Standing Committees and Siting Case  
14 Committees. In this case, we are assigning a  
15 committee to the Huntington Beach Energy Project  
16 Amendment, and the Committee that I will propose  
17 is Commissioner McAllister Presiding and  
18 Commissioner Douglas Associate.

19 COMMISSIONER MCALLISTER: I won't object,  
20 I will actually move this item.

21 COMMISSIONER HOCHSCHILD: Second.

22 COMMISSIONER DOUGLAS: All in favor?

23 (Ayes.) The item is approved 4-0.

24 COMMISSIONER DOUGLAS: Oh, I'm sorry, we  
25 didn't even -- we'd love to hear from you. I'm

1 sorry about that.

2 MR. O'KANE: Are you sure? We've talked  
3 about it --

4 COMMISSIONER DOUGLAS: Really.

5 MR. O'KANE: I'm Stephen O'Kane with the  
6 Applicant for the Huntington Beach Energy  
7 Project, the Petition to Amend. We're all in  
8 favor of the Committee that was appointed, too,  
9 so good to have the same group that has such  
10 knowledge of the project already. I'll be really  
11 brief. I think the amendment is an improvement  
12 in many ways, it's a change in technology. We  
13 were here last October to approve a Combined  
14 Cycle air cooled power plant on the site of the  
15 Huntington Beach Generating Station and the  
16 Amendment is for a Combined Cycle air cooled gas  
17 turbine power plant on the site of the Huntington  
18 Beach Generating Station, but a little bit  
19 smaller, a little bit more efficient, so I think  
20 it will be an improvement within the bounds and  
21 the conditions and limits that we had set already  
22 in the existing license.

23 COMMISSIONER DOUGLAS: Great, thank you.  
24 Staff, any comments? All right, Commissioners,  
25 any questions or comments?

1                   COMMISSIONER MCALLISTER:  Maybe staff,  
2  could you just comment on why you think it's  
3  ready to bring forward now and just sort of give  
4  some context for the record on this?

5                   MR. DAVIS:  Good morning, Commissioners.  
6  My name is Chris Davis and I'm the Siting Office  
7  Manager filling in for Project Manager John  
8  Heiser, who is doing a civic duty this morning,  
9  but hoping he doesn't get picked for a jury for a  
10 three-month trial.  With me is staff counsel  
11 Kevin Bell.  The 939 Megawatt Combined Cycle  
12 Huntington Beach Project certified on October 29,  
13 2014 and is the result of AES being selected by  
14 Southern California Edison.  They have submitted  
15 this petition to amend to a 644 Megawatt project.  
16 And at this time, well, actually a few minutes  
17 ago staff was going to request a committee to be  
18 assigned for this project.  Thank you.

19                   COMMISSIONER DOUGLAS:  Well, I'm glad  
20 you're also in support of the action taken today,  
21 then.

22                   MR. DAVIS:  Yes.

23                   COMMISSIONER DOUGLAS:  Very good.  All  
24 right, well, oh, go ahead.

25                   MR. O'KANE:  Sorry, just a slight

1 correction. The 939 Megawatt was the project  
2 that was approved. The amendment is for an 844  
3 Megawatt project.

4 MR. DAVIS: Right. There would be 200  
5 Megawatts in a Phase 2 simple cycle LMS 100 PBs.  
6 I was just shortening it down, sorry.

7 COMMISSIONER DOUGLAS: All right, well,  
8 thank you very much. Thanks for being here.

9 All right, let's go on then to Item 3,  
10 San Gabriel Generating Station, proposed adoption  
11 of an Order approving committee order terminating  
12 the Application for Certification for the San  
13 Gabriel Generating Station. Mr. Celli.

14 MR. CELLI: Good morning Commissioners.  
15 Kenneth Celli appearing on behalf of the  
16 committee assigned to hear the Motion to  
17 Terminate the San Gabriel Generating Station's  
18 AFC.

19 The San Gabriel Generating Station was  
20 proposed as a 696 Combined Cycle power plant in  
21 Southern California near the site of the old  
22 Etiwanda Station across from Ontario Airport.  
23 San Gabriel was found data adequate in 2007 and  
24 has been in suspended status for the last six  
25 years since 2009. On June 30, 2015, San Gabriel

1 brought a motion to extend the suspension and on  
2 the same day staff brought a motion to terminate  
3 the AFC pursuant to Title 20, Section 1720.2 of  
4 the California Code of Regulations.

5           After a hearing on August 26, 2015, the  
6 Committee found it appropriate to terminate the  
7 AFC based upon the Applicant's inability to bring  
8 the project to a state of readiness for hearings,  
9 also the old age of the information supporting  
10 the application and the likely need to  
11 extensively update the information, the Committee  
12 found that the Applicant would suffer no  
13 prejudice if it were required to submit a new AFC  
14 rather than revising or supplementing the stale  
15 application.

16           Therefore, subject to the approval of the  
17 full Commission, the Committee granted staff's  
18 motion to terminate San Gabriel Generating  
19 Station without prejudice to the Applicant filing  
20 a new AFC for the project when the circumstances  
21 are more favorable to the timely and successful  
22 completion of the application.

23           Section 1720.2(b) requires full  
24 Commission approval of the Committee's  
25 termination of the project, so the recommended

1 action today is the adoption of the Proposed  
2 Order that is before you in your backup  
3 materials.

4 COMMISSIONER DOUGLAS: All right, thank  
5 you. And let me ask, I have one card and one  
6 indication of a member of the public who would  
7 like to speak who is on the phone. If you are  
8 here and you would like to speak on this item, or  
9 if you are on the phone and would like to speak  
10 on this item, please so indicate. So the Sierra  
11 Club actually has one person here and one on the  
12 phone who would both like to speak on Items 3, 4,  
13 and 5. So I'm going to ask you to not be  
14 duplicative in your arguments and really, it will  
15 be fine to come up and speak on all three items,  
16 but to the extent you can avoid being  
17 duplicative, that would be very helpful. Edward  
18 Moreno, are you here?

19 MR. MORENO: Good morning. I sort of had  
20 some general comments for all three. Would I be  
21 able to just sort of address that now?

22 COMMISSIONER DOUGLAS: Yeah, you would be  
23 very welcome to address that now.

24 MR. MORENO: Okay, thank you. Good  
25 morning. I'm Edward Moreno on behalf of Sierra

1 Club, California. And it's 380,000 members in  
2 support or in the state.

3 I'm here today to support the Committee's  
4 decision to terminate the proceedings for San  
5 Gabriel Generation Station, the Sun Valley Power  
6 Plant Project, and the Willow Pass Generation  
7 Station. And the Club urges the full Commission  
8 to support the decision, as well.

9 Last week, California Governor Jerry  
10 Brown signed Senate Bill 315 to law, which  
11 requires the Utilities to procure at least 50  
12 percent of its power from clean energy by 2030.  
13 This couldn't happen at a more important moment  
14 for the future of the state. California just  
15 passed through a summer of extreme drought and  
16 tragic wildfires, two natural disasters which  
17 will only increase in frequency and severity as  
18 climate change worsens.

19 We need to preserve our state and its  
20 unique resources, but we can't do this with more  
21 natural gas energy generation. To continue to  
22 entertain the possible construction of these  
23 power plants steps in the way of the state's  
24 ambitious but absolutely necessary climate goals  
25 and undoubtedly the construction of these power

1 plants will put communities already imperiled by  
2 smog and poor air quality at risk of higher  
3 significant health problems.

4           Furthermore, the Energy Commission has  
5 given the Applicants ample time to meet the  
6 requirements for the certification, but they have  
7 not acted in a meaningful way. The Applications  
8 for Certification are so old that the information  
9 used to determine the significant environmental  
10 impacts associated with these potential projects  
11 is outdated and inaccurate.

12           It's time to vote down these dirty  
13 projects and we urge the Commission to help  
14 advance the State's clean energy goals and  
15 protect air quality by supporting the termination  
16 of these three cases. Thank you.

17           COMMISSIONER DOUGLAS: Thank you for your  
18 comments and, as I noted, we'll bear them in mind  
19 on Items 4 and 5, as well. Now, Sarah Friedman,  
20 Sierra Club, would you like to add anything?

21           MS. FRIEDMAN: Sure. I will do my best  
22 to not be duplicative. I'm down in Southern  
23 California where we haven't had a lot of good  
24 news this summer. As you know, it's been hot,  
25 dry, dirty, and isn't ending any time soon. Up

1 North, it hasn't been better.

2           We were really pleased to see Commission  
3 staff leadership in proposing to terminate the  
4 three gas plants that have taken up State  
5 resources. This summer, it was one of the  
6 threats to fresh air that happened. These gas  
7 plants are located in communities already very  
8 much overburdened with some of the worst air in  
9 the state and nation, which is part of the reason  
10 they may have been unable to get air credit. Two  
11 of the plants are located also on sites that have  
12 very valuable transmission capacity.

13           As Eddy mentioned, the applications are  
14 stale and contain outdated environmental  
15 information that could no longer be accepted by  
16 permitting agencies. As staff and the community  
17 have noted, if NRG wants to develop these plants,  
18 they can and they should start fresh in a new  
19 application process with accurate environmental  
20 baseline and an Impacts Analysis. And this  
21 process could and should involve public meetings  
22 to allow the affected communities to learn about  
23 the project and engage in these processes.

24           For these reasons, we really urge the  
25 Commission to support staff and their colleagues

1 and terminate these applications.

2 COMMISSIONER DOUGLAS: All right. Thanks  
3 for your comments. And as your note says, and  
4 your comment indicated, you're applying it to  
5 Items 3, 4 and 5, so we'll bear that in mind and  
6 we'll give you a chance to pipe up on those other  
7 items if you'd like to.

8 Okay, so is anyone here from NRG? Or  
9 does -- would you like to speak?

10 MR. BEATTY: Good morning Commissioners.  
11 Sean Beatty with NRG. I'm here just to answer  
12 any questions. We made our arguments at the  
13 hearing before the Committee and we understand  
14 the Committee's Draft Order. We're not here to  
15 oppose it, but we're looking forward to the  
16 opportunity to explore options at these sites in  
17 the future and appreciate that it's a dismissal  
18 without prejudice.

19 COMMISSIONER DOUGLAS: Thanks for your  
20 comments and it is very much that, it's a  
21 dismissal without prejudice, and NRG is welcome  
22 to bring in applications forward on those sites  
23 in the future.

24 With that, are there any questions from  
25 Commissioners on this item? Okay, a motion?

1 COMMISSIONER MCALLISTER: I'll move Item  
2 3.

3 COMMISSIONER SCOTT: Second.

4 COMMISSIONER DOUGLAS: All in favor?

5 (Ayes.) Item 3 passes 4-0.

6 COMMISSIONER DOUGLAS: Let's go on to  
7 Item 4. Sun Valley Energy Project. Proposed  
8 adoption of an Order approving Committee Order  
9 terminating the Application for Certification for  
10 the Sun Valley Energy Project. Mr. Celli.

11 MR. CELLI: Thank you. Sun Valley was  
12 found data adequate February 2006 and has been in  
13 suspended status for the last eight years since  
14 2007. It was to be a 500 Megawatt simple cycle  
15 peaker.

16 On June 30 of 2015, Sun Valley brought a  
17 motion to extend the suspension and on the same  
18 day staff brought a motion to terminate the AFC  
19 pursuant to 1720.2. After a hearing on August  
20 26th, 2015, the Committee found it appropriate to  
21 terminate the AFC based upon, 1) the Applicant's  
22 inability to bring the project to a state of  
23 readiness for hearings, 2) the age of the  
24 information supporting the Application, and the  
25 likely need to extensively update that

1 information, and the Committee found that the  
2 Applicant would suffer no prejudice if it were  
3 required to submit a new AFC, rather than  
4 revising or supplementing a stale application.  
5 Therefore, subject to the approval of the full  
6 Commission, the Committee granted staff's motion  
7 to terminate the Sun Valley Energy Project  
8 without prejudice to the Applicant filing a new  
9 AFC when the circumstances are more favorable to  
10 the timely and successful completion of the  
11 application.

12           The recommended action is the adoption of  
13 the Proposed Order that is before you.

14           COMMISSIONER DOUGLAS: Thank you very  
15 much. Are there any public comments on Sun  
16 Valley that have not already been made when we  
17 took up Item 3? Is there anything anyone would  
18 like to add? All right, Commissioners?

19           COMMISSIONER MCALLISTER: I wanted to  
20 just sort of point out this is really about  
21 housekeeping and sort of making sure that we're  
22 keeping focused on relevant proceedings that, you  
23 know, are moving forward and appreciate the  
24 Committee's work to sort of really clean up the  
25 whole portfolio of projects that we have

1 happening in the docket. So I'll move Item 4 if  
2 there's no further comment.

3 COMMISSIONER SCOTT: Second.

4 COMMISSIONER DOUGLAS: All in favor?

5 (Ayes.) That item passes 4-0.

6 COMMISSIONER DOUGLAS: Item 5, Willow  
7 Pass Generation Station, Proposed Adoption of an  
8 Order approving Committee Order Terminating the  
9 Application for Certification for the Willow Pass  
10 Generating Station. Ken, go ahead.

11 MR. CELLI: The Willow Pass Generating  
12 Station was proposed to be a 550 Megawatt  
13 project. It was found data adequate in 2008 and  
14 has been in suspended status since mid-2011. On  
15 June 30, 2015, the Applicant for the Willow Pass  
16 Project brought a motion to extend the suspension  
17 and on the same day staff brought a motion to  
18 terminate the AFC for lack of due diligence  
19 pursuant to Title 20, Section 1720.2.

20 After a hearing on August 26, 2015, the  
21 Committee found it appropriate to terminate the  
22 AFC based upon the Applicant's inability to bring  
23 the project to a state of readiness for hearings,  
24 the age of the information supporting the  
25 application, and the likely need to extensively

1 update it. The Committee found that the  
2 Applicant would suffer no prejudice if it were  
3 required to submit a new AFC rather than revising  
4 or supplementing the stale application.  
5 Therefore, subject to the approval by the full  
6 Commission, the Committee granted staff's motion  
7 to terminate the Willow Pass Generating Station  
8 without prejudice to the Applicant filing a new  
9 AFC for this project when the circumstances are  
10 more favorable to the timely and successful  
11 completion of the Application.

12 The recommended action is adoption of the  
13 Proposed Order that is before you.

14 COMMISSIONER DOUGLAS: All right, thank  
15 you. Is there any additional public comment on  
16 this item? We heard general comments when we  
17 took up Item 3. Any questions by Commissioners?

18 COMMISSIONER MCALLISTER: I guess I  
19 wanted just to thank you, I think you're the  
20 common thread in all three of these?

21 MR. CELLI: I guess so.

22 COMMISSIONER MCALLISTER: But  
23 Commissioner Douglas, for your sort of diligence  
24 in all this. The Chair was on one and  
25 Commissioner Scott was on one.

1           COMMISSIONER DOUGLAS:  Commissioner Scott  
2 and I were --

3           COMMISSIONER MCALLISTER:  Oh, okay, I was  
4 thinking the Chair was on one, okay.  So I'll  
5 thank both of you, then.  And I guess I would  
6 just encourage creative thinking going forward as  
7 we talk about the future electric grid.  We have  
8 these sites, they got transmission to them, there  
9 could be utility broadly speaking, even if it's  
10 not the kinds of projects that were proposed, so,  
11 you know, think creatively across the agencies  
12 and with all the stakeholders on deck on the  
13 issue to see if there is usefulness that can be  
14 found at these sites.  With that, if there are no  
15 further comments, I'll move Item 5.

16           COMMISSIONER SCOTT:  Second.

17           COMMISSIONER DOUGLAS:  All in favor?

18           (Ayes.)  Item 5 passes 4-0.

19           COMMISSIONER DOUGLAS:  Now, before we  
20 move on from Siting items, I did want to take a  
21 moment and recognize somebody who has been a  
22 really important part of our siting process here  
23 at the Energy Commission for a long time and who  
24 is now, I think probably happily for her, but  
25 unfortunately for us, choosing to retire, Eileen

1 Allen has worked for the State of California for  
2 34 years, 30 of them have been at the Energy  
3 Commission and she began working at the Energy  
4 Commission as a graduate student assistant in  
5 1978 and was later hired as an Energy Analyst in  
6 the System Assessments Division at the Energy  
7 Commission's original location on Howe Avenue.

8           Since then, she's been a tremendous asset  
9 to the Step Division as a Project Manager, as a  
10 Supervisor for the Land Use and Traffic Unit,  
11 Siting Program Manager, and Siting and Compliance  
12 Office Manager.

13           When Chair Weisenmiller was appointed to  
14 the Commission, one of his responsibilities when  
15 he came on was to work on siting matters and in  
16 particular to work on the ARRA projects, he saw  
17 Eileen's tremendous talent and ability and pulled  
18 her into the ranks of the Advisors to the  
19 Commissioners, and so she worked as Commissioner  
20 Weisenmiller's Advisor and continued as his  
21 Advisor for a number of years, including when he  
22 became Chair.

23           Later she transitioned to a new role that  
24 we had established that has been extremely  
25 valuable, and she's done some real pioneering

1 work in helping us develop this role where she is  
2 a Technical Advisor to all of the Commissioners  
3 on Siting matters. And so it's of course very  
4 nice to have her talents applied towards helping  
5 one Commissioner; it's been fantastic to have her  
6 available as a resource broadly for the  
7 Commission on these matters.

8           And so I want to thank Eileen for her  
9 tremendous service to the State of California and  
10 to the Energy Commission, and I also think that  
11 Roger might want to say a few words.

12           MR. JOHNSON: I would; thank you very  
13 much. I'm Roger Johnson, Deputy Director for the  
14 Siting Transmission and Environmental Protection  
15 Division. And Eileen and I go a long ways back.  
16 We were both students at Howe Avenue and she  
17 spent time in the Assessments Division and I  
18 spent some time in the Development Division, but  
19 we both figured out fairly quickly that Siting  
20 Division is where all the action was, and so we  
21 spent most of our years in the Siting Division  
22 working together.

23           There was one time after the Co-  
24 Generation gold rush of PURPA and the standard  
25 offers where we had so much siting work and

1 before deregulation that there was really no work  
2 and Eileen was the only Project Manager left in  
3 the Siting Office, and so during that time she  
4 took on the job to become a Transmission  
5 Permitting expert and she drafted the guide,  
6 "Electric Power Line Permitting in California."  
7 And this is something that we really needed and  
8 it's still used today to try to understand the  
9 very complex permitting process here in  
10 California. It really matters, the size of the  
11 line, who owns the line, what it connects to. So  
12 Eileen put that together and there's this big  
13 fold-out chart, sort of like a Gene Varanini-type  
14 chart that shows how everything fits together.

15           So I do want to recognize Eileen's  
16 contributions to the Commission. She's done an  
17 enormous amount of work throughout the  
18 Commission, and I know that if I was ever going  
19 out in the desert to do a field trip, I'd want  
20 Eileen in my car because if there was a  
21 possibility that I might get stuck in the sand,  
22 I'd want Eileen there with me. So, thanks  
23 Eileen.

24           COMMISSIONER DOUGLAS: She's pretty good  
25 at finding that four-wheel drive button, isn't

1 she? Commissioners?

2           COMMISSIONER SCOTT: I would like to add  
3 something. I echo everything that you heard  
4 Roger say and Commissioner Douglas say. I have  
5 thoroughly appreciated the opportunity to get to  
6 work with Eileen Allen in my time here as a  
7 Commissioner. I really appreciate her practical  
8 approach, the level of expertise and knowledge  
9 that she brings to siting has been invaluable.  
10 For kind of the newest Commissioner on the block  
11 here and having my first couple of siting cases  
12 that I'm the Presiding Member on, I felt  
13 especially confident because I knew that I would  
14 have Eileen's knowledge and expertise and good  
15 advice to help me as I learned my way through -  
16 and now she's retiring, so I feel a little  
17 depressed. But I just want to offer a very  
18 hearty thank you to you and let you know how much  
19 I appreciate all of just the excellent expert in-  
20 depth robust work that you have done for us. I  
21 have just found it to be invaluable, so thank you  
22 very much, Eileen.

23           COMMISSIONER MCALLISTER: Yeah, I'll try  
24 not to repeat, as well, you know, we need to hold  
25 ourselves to the same standard as we ask our

1 stakeholders (laughs).

2 I have really enjoyed working with Eileen  
3 and just her foresight and experience really  
4 shows through, you know, when you ask a question  
5 you get a very multi-faceted and kind of very  
6 intuitive and well-informed answer, and just  
7 invariably. So it's really quite incredible.

8 I also will point out that Eileen really  
9 just beyond the Commission and the way she just I  
10 guess lives is just very exemplary as well, you  
11 know, she's on that train every day commuting,  
12 she's I think really very intentional in the way  
13 she goes about things and very thoughtful, and it  
14 reflected both professionally and I think beyond  
15 that. So I really wish Eileen all the best in  
16 her future exploits in Italy, or New Zealand, or  
17 wherever that might be. Very interesting places,  
18 I'm sure you'll find some really great things to  
19 do and to contribute in an ongoing way, so thanks  
20 for all your service.

21 COMMISSIONER HOCHSCHILD: Yeah, and  
22 having been a recipient of some of these  
23 postcards of your adventures, I think the sad  
24 truth is that we will miss you more than you will  
25 miss us, but we wish you well. Congratulations.

1                   COMMISSIONER DOUGLAS:  Congratulations,  
2  Eileen.  And you're welcome to say a few words if  
3  you would like to, but no pressure.

4                   MS. ALLEN:  Well, it's been an extremely  
5  rich 30 years for me at the Energy Commission, so  
6  thank you all for working with me and I couldn't  
7  have done anything without the work of my  
8  colleagues; it's all about team work here.  So  
9  thank you.

10                  COMMISSIONER DOUGLAS:  Thank you, Eileen.  
11  (Applause)

12                  All right, great.  Well, let's go on to  
13  Item 6, then.  Energy Provisions of the  
14  California Green Building Standards Code.  
15  Possible adoption following publication of  
16  proposed changes in 15-day comment period of the  
17  proposed 2016 Updates.  Let's see, Farakh?

18                  MR. NASIM:  Good morning, Commissioners.  
19  So I'm Farakh Nasim from the Building Standards  
20  Office and I'm here today requesting adoption of  
21  the proposed energy provisions of the California  
22  Green Building Standards Code, California Code of  
23  Regulations, Title 24, Part 11, also known as  
24  CALGreen.  Next slide, please.

25                  The public process for the energy

1 provisions of CALGreen began with staff workshops  
2 in the summer of 2014. Through stakeholder  
3 engagement, the Energy Commission received  
4 comments and feedback that have informed the  
5 efficiency measures that were ultimately included  
6 in the proposed language. The bullets on this  
7 slide indicate why it's important to have energy  
8 provisions in CALGreen.

9           The provisions will become the energy  
10 chapter of the California Green Building  
11 Standards. For the most part, that language will  
12 be included in the voluntary appendices, meaning  
13 that these requirements will only become  
14 mandatory if adopted by a local jurisdiction.

15           The proposed energy provisions if adopted  
16 will become the energy basis of Green Building  
17 Codes. These Codes could include the CALGreen  
18 Tiers 1 and 2, the new ZNE Design Elective, or  
19 other jurisdiction-specific Codes.

20           The provisions may also become the new  
21 construction program targets for Utility  
22 Incentive Programs which are increasingly  
23 important as the relationship between the  
24 Building Codes and Utility Incentive Programs  
25 continues to grow.

1           And finally, the measures that are part  
2 of the energy provisions of CALGreen are queued  
3 for possible migration to the Building Energy  
4 Efficiency Standards Title 24, Part 6, in the  
5 future, particularly elements of the new ZNE  
6 Design Requirements. Next slide, please.

7           I will now discuss the specific measure,  
8 recommendations for various building types in the  
9 Voluntary Appendix A-4. We will be updating  
10 language for Newly Constructed Residential  
11 Buildings. We've removed the High Efficacy  
12 Lighting Prerequisite, which was a measure that  
13 had to be included in all Tier 1 or Tier 2  
14 Residential Building projects in the 2013  
15 CALGreen. The Prerequisite was removed because  
16 high efficacy lighting is now a mandatory  
17 requirement for newly constructed residential  
18 buildings in Title 24, Part 6, and we don't need  
19 duplicative requirements in Part 11.

20           We've also introduced an alternative  
21 means of showing compliance with the Tier 1 and  
22 Tier 2 performance requirements. The new  
23 approach allows builders to show compliance with  
24 these energy tiers using the NRG design rating  
25 metric, which I'll talk about in the next slide.

1           Lastly, we've introduced a new Zero Net  
2 Energy Design Building Elective that allows  
3 builders to achieve a ZNE designation by showing  
4 an energy design rating of zero or less for their  
5 building and meeting certain efficiency  
6 improvements that vary based on climate zone and  
7 building type. Next slide, please.

8           The Whole Building Energy Design Rating  
9 Metric is a metric that quantify the greater  
10 percentage of the energy present in a residential  
11 building. The Design Rating Metric is made up of  
12 three components, the first is Energy Uses  
13 Regulated by Title 24, Part 6, which are made up  
14 of space cooling, space heating, and water  
15 heating. The second component of the EDR is  
16 energy uses not regulated by Title 24, Part 6,  
17 and those include appliances and plug loads. The  
18 final component is the renewable generation  
19 that's used to offset any remaining building  
20 energy use after the minimum efficiency  
21 improvement requirements have been made to the  
22 home.

23           The Energy Design Rating will be  
24 calculated by compliance software for the ZNE  
25 Design Elective and will require software users

1 to enter information about their PV system. Next  
2 slide, please.

3           Also in the voluntary Appendix A-4, our  
4 recommendations for additions to existing  
5 residential buildings, in this section we're not  
6 proposing to add any new requirements, but are  
7 rather proposing to remove two provisions. The  
8 first proposal is to exempt alterations from  
9 having to be subject to the requirements in this  
10 section, and this was done to avoid potential  
11 preemption issues with Federal Appliance  
12 Standards that may arise if a jurisdiction were  
13 to adopt these requirements.

14           The second proposed change would remove  
15 the lighting prerequisite from this section  
16 because, again, high efficacy lighting is  
17 mandatory in Title 24, Part 6. Next slide,  
18 please.

19           In the Voluntary Appendix A-5 for all  
20 Nonresidential Buildings, staff again is  
21 recommending removing two provisions, staff is  
22 proposing to remove alterations from being  
23 subject to the requirements in this section to  
24 avoid preemption issues with the Federal  
25 Appliance Standards and, second, staff is

1 proposing to remove high efficacy lighting  
2 requirements from this section because those  
3 requirements are mandatory in Part 6 now. Next  
4 slide, please.

5           If the 2016 Energy Provisions of CALGreen  
6 are adopted today, then post-adoption the  
7 CALGreen rulemaking activities will include  
8 submitting a rulemaking package for Part 11 along  
9 with a rulemaking package for Title 24, Part 1  
10 and 6, which were previously adopted by the  
11 Energy Commission in June of this year. The two  
12 separate rulemaking packages would be submitted  
13 to the California Building Standards Commission  
14 for approval at their December or January  
15 meeting.

16           And finally, all provisions of Part 11  
17 approved by the Building Standards Commission  
18 will be combined by them such that the energy  
19 provisions are included with the other provisions  
20 for approval and publication.

21           Thank you and I'm happy to address any  
22 questions or comments.

23           COMMISSIONER DOUGLAS: All right, thank  
24 you very much. So we have one member of the  
25 public who has signed up to speak on this item,

1 George Nesbitt. Are you on the phone? And if  
2 anyone else would like to speak, please fill out  
3 a blue card or indicate that you'd like to speak.  
4 George Nesbitt, please.

5 MR. NESBITT: Can you hear me?

6 COMMISSIONER DOUGLAS: Yes.

7 MR. NESBITT: George Nesbitt, HERS Rater.  
8 I want to speak specifically on the Design  
9 Rating. In the '90s, the Energy Commission was  
10 directed by Public Resources Code 25942 to have a  
11 uniform consistent rating system for the state  
12 for new homes, existing homes, single family, and  
13 multi-family homes. The energy deregulation  
14 crisis unfortunately delayed that process. AB 32  
15 set a Zero Net Energy homes, new homes, as a  
16 policy goal.

17 In 2008, we worked on the HERS 2 Rating  
18 System, the Energy Commission approved it in  
19 December of 2008, where we created that uniform  
20 rating system we defined what a Zero Net Energy  
21 Home was. The Energy Commission has required a  
22 brochure, a disclosure brochure for all  
23 residential transactions talking about the rating  
24 system, yet sadly it hasn't gone anywhere and I  
25 think CALGreen is a big lost opportunity.

1           The Design Rating System is effectively a  
2 HERS Rating System, as well as the CAP, the  
3 California Advanced Home Program, SCORE, as well  
4 as GreenPoint Rated Index, and the Energy Upgrade  
5 California EnergyPro Software has also  
6 essentially been the HERS software.

7           Nationally, RESNET has gotten probably  
8 thousands of builders to commit to rating 100  
9 percent of their new homes state after state, as  
10 well as counties have started to recognize the  
11 HERS Rating System for Energy Code compliance, it  
12 has now been or is being written into the 2015  
13 IECC. Yet in California we don't seem to have  
14 been able to go anywhere with it. We could have  
15 required or recognized it as part of the New  
16 Solar Home Partnership, I mean, if we have a goal  
17 for Zero Net Energy Home, we should be working  
18 towards that and showing where we are towards  
19 that goal. I certified the first new Zero Net  
20 Energy New Home in California about four or five  
21 years ago now, it seems, and the Commission wrote  
22 up a nice little proclamation on it.

23           So we really need to support our Title 20  
24 HERS system. DOE challenge home, or what's now  
25 Zero Energy Ready Home did recognize it. CTAC is

1 probably the only State of California agency that  
2 has sort of referenced it, although not fully  
3 used it. So I think it's time we recognize the  
4 HERS Rating System and implement it. Thank you.

5 COMMISSIONER DOUGLAS: All right. Thank  
6 you for your comments. Any other public comment  
7 on this item?

8 MR. NASIM: Commissioners, I did have a  
9 letter of support from Bob Raymer. He couldn't  
10 attend in person and he asked that I read it into  
11 the public record.

12 COMMISSIONER DOUGLAS: All right, go  
13 ahead.

14 MR. NASIM: Okay, thank you.

15 "Mr. Chairman and Commissioners, due to a  
16 prior commitment I am unable to attend the CEC's  
17 Business Meeting today. Please be advised that  
18 the California Building Industry Association  
19 supports the adoption of the proposed changes to  
20 the CEC's energy provisions contained in the  
21 California Green Building Standards Code Title  
22 24, Part 11. Over the past 10 months, CEC staff  
23 has worked with industry and addressed the issues  
24 we have raised. CBIA would like to thank CEC  
25 staff for their efforts on this project.

1           Of significant interest to the CBIA and  
2 many other stakeholders during this update was  
3 the inclusion of the new and voluntary Zero Net  
4 Energy Design Proposal. Compliance with this new  
5 design approach will require the dwelling to  
6 achieve an energy design rating of zero as  
7 calculated by Title 24, Part 6 compliance  
8 software approved by the Energy Commission.  
9 While this compliance software is not yet  
10 available, staff has provided interested parties  
11 with a timeline of when these various compliance  
12 tools will be released. We look forward to the  
13 release of this compliance software in the coming  
14 months so we can better understand the impact on  
15 standard residential design and how best to  
16 comply at the lowest cost. If this compliance  
17 software becomes available, CBIA and our energy  
18 consultant consult will be working with CEC staff  
19 in an effort to develop compliant design options  
20 for those who wish to comply with Tier 1, Tier 2,  
21 or the new Zero Net Energy Design Proposal.

22           Mr. Chairman, if Bruce Wilcox is in the  
23 audience, please ask him to hurry up with the  
24 development of the Energy Design Rating  
25 Compliance Software, we are all patiently

1 awaiting Bruce. Thank you for your time.

2 Sincerely, Bob Raymer, CBIA, Senior Engineer."

3 COMMISSIONER DOUGLAS: All right. Well,  
4 thank you and I think we'll have a chance to ask  
5 Bruce to hurry up later today. So if you'd like  
6 to speak now, you're welcome to. Commissioners,  
7 comments?

8 COMMISSIONER MCALLISTER: We have a  
9 barrel we can hold Bruce over right at this  
10 moment. So I'm the Lead Commissioner on  
11 Efficiency and have come to a fairly solid  
12 understanding of how Part 6 and Part 11 relate  
13 and kind of all the different ins and outs of  
14 each of those. And I think it's important to  
15 point out that Part 11 is voluntary and, you  
16 know, this is a particular proposal that is laid  
17 out, but local governments are free to do  
18 whatever they want, it doesn't have to be linked  
19 directly to this particular proposal.

20 And we're getting to a point in  
21 California where our Building Codes are strong,  
22 you know, we prove time and time again that they  
23 are cost-effective, we make incremental  
24 improvements, and they are cost-effective, and we  
25 show that very rigorously, including, well, in

1 Part 6. Now, we don't have to do that for Part  
2 11, but the local jurisdictions who adopt stretch  
3 codes do have to prove that, including whether  
4 they adopt this proposal for Part 11 just  
5 directly in its totality, or whether they pick  
6 and choose, or whether they do something  
7 different, they have to show cost-effectiveness.  
8 And so all of us I think have a stake in helping  
9 them do that, including the utilities and local  
10 partners that they may have, and certainly the  
11 Commission to sort of coach them along, as well.  
12 And we encourage the local governments to adopt  
13 beyond local codes.

14           So I think this Part 11 is an important  
15 contribution toward that. You know, finding the  
16 right balance between efficiency and self-  
17 generation on-site or off-site, you know, those  
18 are issues that continue to be in discussions at  
19 various forums here at the Commission and  
20 elsewhere, at the PUC and elsewhere, and I think  
21 as we push the envelope toward truly low energy  
22 low impact buildings, those discussions, they get  
23 more and more detailed and they get more and more  
24 I think sort of related to cutting edge  
25 technology. And so I think that's a good thing.

1 And Part 11 I think is a very solid proposal,  
2 going beyond Code on energy efficiency; of  
3 course, we have Federal Preemption issues on some  
4 of the plug loads, and we struggle a little bit  
5 with that because we really need those Federal  
6 processes to get us savings and we can't directly  
7 influence them, so we've got to figure out ways  
8 to sort of have an impact there, as well. But  
9 the stuff that's under our jurisdiction, I think  
10 staff does a really good job of figuring out  
11 what's possible and bringing it to us. So Part  
12 11 is in that spirit, this update of Part 11 is  
13 in that spirit.

14 COMMISSIONER DOUGLAS: I'll just make a  
15 brief comment, which is that I also think this is  
16 really valuable. As we move towards Zero Net  
17 Energy and as we continue to work to understand  
18 how to cost-effectively reduce energy used in new  
19 buildings, this Code can help push the envelope  
20 and I think it can help provide an opportunity  
21 for people to try new things and to see how it  
22 works, and that ultimately, where these measures  
23 are successful, can help feed into -- and where  
24 appropriate -- can feed into Title 24. It's a  
25 really valuable way of achieving higher energy

1 efficiency goals and, as Commissioner McAllister  
2 said, it's voluntary and that's important, and I  
3 think it will test some pretty cutting edge work  
4 and improvements.

5 COMMISSIONER MCALLISTER: Yeah, exactly.  
6 We need to keep track of the marketplace and see  
7 what builders actually build and how they  
8 negotiate with the various different stretch  
9 codes that the local jurisdictions hopefully will  
10 be adopting based on CALGreen or otherwise. And  
11 I want to thank Farakh and Mazi and Erline and  
12 the whole team on their good work on this, too.  
13 So thanks, you guys.

14 COMMISSIONER DOUGLAS: Great. Do we have  
15 a motion on this item?

16 COMMISSIONER MCALLISTER: I will move  
17 Item 6.

18 COMMISSIONER HOCHSCHILD: Second.

19 COMMISSIONER DOUGLAS: All in favor?

20 (Ayes.) The item is approved 4-0. Thank  
21 you.

22 COMMISSIONER DOUGLAS: Item 7,  
23 Modifications of Regulations Establishing  
24 Enforcement Procedures for the Renewables  
25 Portfolio Standard for Local Publicly Owned

1 Electric Utilities. This is Angie.

2 MS. GOULD: Good morning Commissioners.

3 I'm Angie Gould from the Renewable Energy  
4 Division and I'm here this morning to ask for  
5 your approval of modifications to the RPS  
6 Regulations for POUs.

7 The original Regulations were approved  
8 June 2013 and they became effective October 1st  
9 of that year. Next slide, please.

10 I'll just start with a brief background  
11 of the RPS Regulations. Next slide.

12 The Regulations are being modified  
13 primarily to implement Senate Bill 591 which  
14 became effective January 2014. The Regulations  
15 also include clarifications in response to  
16 stakeholder comments and clarifications  
17 identified by staff during implementation of the  
18 Regulations.

19 SB 591 allows a POU that receives at  
20 least 50 percent of its retail sales from its own  
21 qualifying large hydro-generation to limit its  
22 procurement to the least of the retail sales not  
23 met by the large hydro, the RPS target that's  
24 applicable to the other POUs, or procurement  
25 capped by the POU's own cost limitation.

1           And SB 591 is intended to apply to Merced  
2 Irrigation District. Next slide.

3           The rulemaking formally began on March  
4 27th of this year with the publication of the  
5 Notice of Proposed Action or NOPA in OAL's Notice  
6 Register. That same date, the Energy Commission  
7 posted the NOPA, as well as the Express Terms of  
8 the Regulations, the Initial Statement of  
9 Reasons, and the Economic and Fiscal Impact  
10 Analysis. This began the 45-day comment period  
11 on the Proposed Modifications to the Regulations.

12           The Commission has one year from the date  
13 of NOPA publication, so until March of next year,  
14 to complete the Regulations and submit the final  
15 rulemaking package to OAL for approval. Next  
16 slide.

17           The NOPA included the Notice for the  
18 Staff Workshop and the Adoption Hearing, today's  
19 hearing, how to submit comments, and where to go  
20 to find documents related to the rulemaking. The  
21 NOPA also outlines the scope of the proposed  
22 regulations. Implementation of the recently  
23 signed SB 350 is not included in that scope. We  
24 will consider the 50 percent RPS in a new  
25 proceeding to begin within the next few months.

1           The Initial Statement of Reasons laid out  
2 the rationale for the Proposed Amendments to the  
3 Regulations and the Economic and Fiscal Impact  
4 Statement showed that the Fiscal Impact to the  
5 state of the proposed changes is negligible and  
6 can be absorbed by existing resources.

7           The total cost to the POUs as a group is  
8 \$7,154 for a typical reporting year, and \$7,261  
9 for reporting years that follow the end of a  
10 compliance period when there is some additional  
11 reporting requirements. Next slide.

12           After posting the proposed language for  
13 comment, we held a joint workshop with staff from  
14 the Air Resources Board, who were included  
15 because the RPS Statute authorizes the ARB to  
16 impose penalties on POUs for non-compliance with  
17 the RPS.

18           We received 18 sets of written comments  
19 by the end of the 45-day comment period, in  
20 addition to the oral comments made at the  
21 workshop.

22           Staff revised the language of the Express  
23 Terms in the Response to Comments and released  
24 that version for a 15-day comment period on July  
25 6th. And we actually received nine sets of

1 written comments on the 15-day language, we just  
2 got two additional comments in the last week, and  
3 it's that 15-day language that you're being asked  
4 to consider today. Next slide.

5 I'll now go over the Proposed  
6 Modifications that were included in the 45-day  
7 language, and then I'll follow that with staff's  
8 proposed changes in the 15-day language made in  
9 response to stakeholder comments. Next slide.

10 We revised and added definitions to  
11 Section 3201. The first revision is to the  
12 definition of a Bundled Renewable Energy Credit.  
13 This revision clarifies existing policy regarding  
14 bundled RECs. We've always allowed RECs from  
15 onsite energy consumption from a POU-owned  
16 resource to count as bundled RECs for the RPS,  
17 but since some parties were unsure, we decided to  
18 explicitly state this in the Regulations.

19 The language added to the bundled  
20 definition is very limited in scope. It doesn't  
21 apply to generation from resources owned by the  
22 customer using the onsite load, or owned by a  
23 third party. In addition, the RECs would no  
24 longer be considered bundled if they were sold to  
25 another utility. Also, all other eligibility and

1 regulatory requirements would need to be met for  
2 a POU to count the RECs as Bucket 1. For  
3 example, the facility would need to be located in  
4 a California Balancing Authority for the RECs  
5 associated with onsite use to be Bucket 1.

6           And second, we added a definition for  
7 resale or resold because the existing regulations  
8 use the term, but don't actually define it. The  
9 added definition clarifies that we're using the  
10 same definition of resale that was adopted by the  
11 CPUC for Retail Sellers. The definition  
12 specifies that it relates to contracts only  
13 because sales from owned resources would just be  
14 sales and not resales.

15           And we added clarification to the  
16 definition of the Western Electricity  
17 Coordinating Council regarding its relationship  
18 to NERC. Next slide.

19           Electricity products have three different  
20 classifications depending on the date of contract  
21 execution and whether the generation was eligible  
22 for the RPS at the time of execution. Contracts  
23 executed before June 1, 2010 that met eligibility  
24 rules at the time are classified as count-in-full  
25 with few restrictions. Those executed after June

1 1, 2010, are categorized into the three buckets  
2 established in Senate Bill X12 and subject to the  
3 portfolio balance requirements for those buckets.

4           Contracts executed before June 1, 2010  
5 that were not eligible at the time, but have  
6 since become eligible are in a third  
7 classification that is neither count-in-full, nor  
8 subject to the portfolio balance requirements.

9           Existing regulations are silent on how  
10 the Commission will treat amendments to contracts  
11 in this third category. The proposed changes are  
12 consistent with contract amendment rules defined  
13 in statute for count-in-full contracts. Next  
14 slide, please.

15           Existing regulations allow generation  
16 from resources with dynamic transfer agreements  
17 to count as Bucket 1 without additional  
18 requirements because dynamic transfer agreements  
19 renew at the time of adoption of the regulations  
20 and it was assumed that all generation under  
21 these agreements would be scheduled into a  
22 California Balancing Authority. However, staff  
23 has since learned that this is not the case after  
24 discussions with the ISO, so the proposed changes  
25 include a requirement that generation under a

1 Dynamic Transfer Agreement actually be scheduled  
2 into a California Balancing Authority to qualify  
3 as Bucket 1. However, the documentation of the  
4 scheduling will be less burdensome than what is  
5 required for generation under a traditional  
6 static schedule. Next slide, please.

7           We slightly modified the section that  
8 outlines the Special RPS Target and Portfolio  
9 Balance Requirements for San Francisco. We  
10 changed the averaging period to show that San  
11 Francisco qualifies for this section from seven  
12 years to 20 years because it better captures the  
13 fluctuations and hydro-production as a result of  
14 drought years, which may run in cycles longer  
15 than seven years. Twenty years is also  
16 consistent with how incremental hydro-generation  
17 is currently calculated for RPS eligibility when  
18 certifying hydro facilities. Next slide.

19           This new subsection implements SB 591 for  
20 Merced Irrigation District. While average, the  
21 qualifying large hydro for the 20 years preceding  
22 each compliance period to determine if it meets  
23 50 percent of Merced's retail sales, which would  
24 allow Merced to qualify for a lower RPS target in  
25 compliance periods with high hydro years. Merced

1 would still be subject to Portfolio Balance  
2 Requirements and they would be required to meet  
3 multi-year compliance period targets, which would  
4 likely have the effect of averaging out years  
5 with high hydro.

6 This contrasts with the existing  
7 regulations implementing a similar statutory  
8 provision for San Francisco. San Francisco has  
9 annual targets instead of multi-year targets, and  
10 is not subject to the Portfolio Balance  
11 Requirements. This difference is supported by  
12 the difference in language between the sections  
13 of the statute and also by differences in the  
14 situations of the two utilities.

15 Section 399.30(j) which covers San  
16 Francisco states that San Francisco needs to  
17 procure enough renewables to meet only the  
18 electricity demands unsatisfied by its hydro-  
19 electric generation in any given year. Section  
20 399.30(k) covering Merced does not include such  
21 language.

22 In addition, San Francisco typically  
23 meets all or nearly all of its electricity demand  
24 with its large hydro. Merced typically meets 60  
25 to 70 percent of its retail sales with its large

1 hydro. These differences mean that Merced can  
2 more easily plan to procure renewables, including  
3 Bucket 1 resources than San Francisco, which  
4 often won't know how much it needs to procure  
5 until the end of each Compliance Year. Next  
6 slide, please.

7 We added language to Section 3206 to  
8 clarify how the Energy Commission would classify  
9 generation from amended contracts for the  
10 purposes of calculating excess procurement  
11 because RECs from short-term contracts can't  
12 count toward the excess procurement calculation.

13 Staff revised this section in 15-day  
14 language, so I'll cover this section in further  
15 detail when we get to the 15-day language  
16 changes.

17 We also added subsections to allow POUs  
18 to waive a portion of their shortfall from their  
19 RPS targets or Portfolio Balance Requirements  
20 using optional compliance measures. The current  
21 regulations only contemplate applying for a  
22 waiver of the entirety of the shortfall. Next  
23 slide.

24 We made some cleanup revisions to the  
25 reporting section and we also added a requirement

1 that POU's report on their own energy consumption.  
2 The Commission will use this information to  
3 verify reported retail sales, which is used to  
4 calculate a POU's RPS target. The POU's own  
5 energy consumption is excluded from retail sales  
6 and we need to ensure that POU's are defining  
7 their own energy consumption accurately and  
8 consistently.

9 Staff also added necessary reporting  
10 requirements for Merced and other POU's that  
11 receive special exemptions under statute. Next  
12 slide.

13 And finally, the proposed modification to  
14 add language to the section on Enforcement to  
15 allow the Commission to provide as complete a  
16 record as possible to the ARB shall determine  
17 penalties for any POU that the Commission finds  
18 in violation. The revisions include addition of  
19 mitigating factors that a POU may choose to  
20 address in its answer to the Commission's formal  
21 complaint, as well as allowing for the  
22 possibility for the Commission to suggest  
23 penalties for a POU found in violation of the RPS  
24 to be forwarded to the ARB for its consideration.  
25 And the ARB is under no obligation to follow the

1 Commission's suggested penalty. Next slide.

2 Now I will cover the proposed 15-day  
3 language changes. Next slide.

4 We've added minor clarifications to the  
5 definition of Bundled and Retail Sales in  
6 response to stakeholder comments. The 15-day  
7 language changes clarify that the language  
8 regarding when RECs associated with onsite  
9 generation could be considered bundled was  
10 provided as just one and not the only example of  
11 Bundled RECs.

12 The Retail Sales definition was revised  
13 to make clear that all generation that a PUC  
14 sells to a customer will be considered part of  
15 retail sales, including generation that is  
16 consumed onsite by a customer. Next slide.

17 For RPS Procurement Requirements, we  
18 determined that, when calculating whether a hydro  
19 facility meets the SB 591 requirements, it's only  
20 necessary to allow averaging of the hydro-  
21 generation over 20 years, and not the retail  
22 sales, as well, as was proposed in the 45-day  
23 language. Next slide.

24 The 15-day changes modify the language on  
25 Excess Procurement related to amended contracts

1 in response to stakeholder comments. Before our  
2 determination of whether an amended contract  
3 would count as long term, and therefore be  
4 eligible for excess procurement was based on  
5 multiple factors, the time of the amendment, how  
6 time was outed, and whether the contract was  
7 initially short term or long term. The 15-day  
8 revision simplify this and just calculate the  
9 contract term as the period between the original  
10 contract start date and the end date once it's  
11 amended. Next slide.

12 Staff added a requirement for a POU with  
13 an SB 591 exemption to report additional  
14 information on the qualifying hydro-generation  
15 produced and procured during the compliance  
16 period. This information was mistakenly excluded  
17 from the 45-day language and it will be used to  
18 verify the amount of qualifying large hydro-  
19 generation. Next slide.

20 And since the 45-day language was  
21 released, the Commission has revised other  
22 Regulations that changed references in this  
23 section, as well as some wording related to the  
24 complaint filing. So the 15-day language brings  
25 the RPS Regulations in line with other Commission

1 Regulations.

2           In response to stakeholder comment, we  
3 also made some revisions to clarify that the  
4 Commission's authority lies in findings of  
5 compliance or noncompliance with the RPS. And  
6 any findings related to ARB's assessment of  
7 penalties or suggestions for such penalties are  
8 just optional and may or may not be considered by  
9 ARB.

10           And we also revised references to the  
11 California Air Resources Board to be consistent  
12 with common State practice. Okay, next slide.

13           And that concludes my presentation and  
14 I'm happy to answer any questions.

15           COMMISSIONER DOUGLAS: Thank you. Now, I  
16 don't have any blue cards for this item, so I  
17 just want to check. Is there any public comment  
18 in the room for Item 7? In the room or on the  
19 phone? All right. Commissioner Hochschild.

20           COMMISSIONER HOCHSCHILD: Thank you,  
21 Angie, for your work and your team's as well.  
22 I'm comfortable with where we are and unless  
23 there's further discussion, I would move this  
24 item.

25           COMMISSIONER MCALLISTER: I'll second.

1 COMMISSIONER DOUGLAS: All in favor?

2 (Ayes.) I just want to congratulate the  
3 staff. I know this is complicated and very  
4 detail heavy work, and so thank you for your work  
5 on this.

6 COMMISSIONER MCALLISTER: Also, I guess  
7 we should probably just point out, Angie said it,  
8 but sort of reiterate that, you know, SB 350 will  
9 create a lot of opportunity to have necessary  
10 discussions going forward, and actually the sort  
11 of need to have those discussions, so there's a  
12 lot of stakeholder input that we're going to  
13 need.

14 COMMISSIONER HOCHSCHILD: You raise a  
15 very good point, Commissioner, and that is  
16 actually worth spending one second on it. So  
17 there is a pretty significant lag time between  
18 when legislation passes and because our process  
19 is public and transparent and thorough, it  
20 doesn't move quickly. So the timing on the next  
21 round of Regs, really we don't expect to be  
22 actually implementing until 2017. Maybe you  
23 could speak to that briefly, Angie, sort of what  
24 the sequence of events is from here?

25 MS. GOULD: Yeah, so the usual expected

1 time for actually getting through the entirety of  
2 the Regulations would be about a year. And we'll  
3 probably start that maybe January. We haven't  
4 quite come up with a schedule yet since it was  
5 just signed last week, but we plan to do so soon  
6 after adoption of these Regulations.

7 COMMISSIONER HOCHSCHILD: Thank you.

8 COMMISSIONER DOUGLAS: All right, thank  
9 you.

10 MS. GOULD: Thank you, Commissioners.

11 COMMISSIONER DOUGLAS: All right, let's  
12 go on to Item 8, then. City of Gardena, Proposed  
13 Resolution approving Agreement ARV-15-006. Let's  
14 see, Larry, go ahead.

15 MR. RILLERA: Good morning,  
16 Commissioners. I am Larry Rillera of the  
17 Division of Fuels and Transportation. I am  
18 seeking your approval of an agreement for a total  
19 of \$2,745,419 resulting from the Medium- and  
20 Heavy-Duty Advanced Vehicle Technology  
21 Demonstration Solicitation issued under the  
22 Alternative and Renewable Fuel and Vehicle  
23 Technology Program.

24 The purpose of the solicitation was to  
25 encourage demonstration of Advanced Vehicle

1 Technologies in communities throughout  
2 California.

3           Gardena Municipal Bus Lines will  
4 demonstrate complete coach works, battery  
5 electric technology in five repowered transit  
6 buses in disadvantaged communities of the City of  
7 Gardena.

8           Gardena will demonstrate the buses in fee  
9 revenue service that serve existing bus routes.  
10 These field demonstrations will help develop  
11 commercial vehicle technologies that will reduce  
12 greenhouse gas emissions, improve air quality,  
13 reduce petroleum fuel consumption, stimulate  
14 economic development, and enhance market  
15 acceptance which will lead to commercial  
16 production of this technology.

17           Thank you for consideration of this item,  
18 and I believe we have somebody from the City of  
19 Gardena in support.

20           COMMISSIONER DOUGLAS: Thank you very  
21 much. And I think we do. Paula Faust, are you  
22 on the line?

23           MS. FAUST: Can you hear me?

24           COMMISSIONER DOUGLAS: Yes.

25           MS. FAUST: Okay. Good morning,

1 Commissioners. Again, my name is Paula Faust.  
2 I'm the Deputy Director for Gardena Municipal Bus  
3 Lines. And thank you for allowing me to speak on  
4 behalf of the City of Gardena's Zero Emission  
5 Repower Bus Demonstration Project.

6 First, I'd like to thank the Commission  
7 for your support of this project. Thank you for  
8 putting your faith and trust in this project.  
9 Gardena, along with the project partners, are  
10 looking forward to working with the Energy  
11 Commission to see this technology move forward.

12 Gardena Municipal Bus Lines in  
13 collaboration with Complete Coach Works,  
14 CALSTART, and the Southern California Regional  
15 Transit Training Consortium will demonstrate five  
16 newly developed third generation zero emission  
17 propulsion system technology for repowering five  
18 new flyer gasoline hybrid buses. The project is  
19 on a commercialization path for repowered  
20 configurations that will provide a second life  
21 for our original gasoline hybrid buses that would  
22 normally have been retired early.

23 The repowered Zero Emission configuration  
24 can also extend the life of these buses. The  
25 project is part of our City's policy direction to

1 move toward sustainable transportation. Despite  
2 our community's disadvantaged community status,  
3 Gardena's Bus Lines is among the most  
4 technologically advanced transit agencies in  
5 California. In May of 2009, Gardena relocated  
6 its headquarters to a new nine-acre state-of-the-  
7 art LEED Silver Certified facility equipped with  
8 solar energy panels currently providing about 30  
9 percent of our facility's power needs.

10 Gardena is working to expand its existing  
11 130 KW solar generation system to a 380 KW, as  
12 well as install an innovative one megawatt energy  
13 storage system to power its existing and proposed  
14 new electric buses. Our plan is to reduce our  
15 demand on the grid as we increase our electric  
16 bus fleet. These newly repowered buses will be  
17 placed into our standard duty cycle with  
18 demonstration routes in the 90247-48 and 90249  
19 Zip Codes. Eleven of the 14 Census Tracts in  
20 these Zip Codes earned a CalEnviroScreen score in  
21 the 91 to 100 percentile range with the remaining  
22 three scoring 76 to 90 percentile range.

23 CALSTART, our partner, will perform the  
24 data collection analysis during the on-road  
25 demonstration of the pre-commercial Zero Emission

1 Battery Buses in the disadvantaged communities in  
2 our City. On average, each of the gasoline  
3 hybrids consume 9,142 gallons of gasoline  
4 annually at a cost of \$34,285 per bus. These CCW  
5 ZEV Buses will eliminate 45,710 gallons of  
6 gasoline, will save \$171,425 in fuel cost, and  
7 reduce our carbon dioxide emissions by 406 metric  
8 tons over the 12-month project period. The  
9 project team expects to verify technical and  
10 economic performance data, document benefits in  
11 terms of job creation and benefits of  
12 transportation service in the disadvantaged  
13 communities. This successful project will serve  
14 as the foundation of a plan to replace our entire  
15 57 gasoline electric hybrid buses with the new  
16 all-electric fleet by 2022.

17           The award of PON-14-605 will not only  
18 benefit Gardena and our surrounding communities,  
19 but offer a commercial path for all transit  
20 agencies across California and the nation the  
21 opportunity to repower their existing fleet of  
22 fossil fuel burning buses to Zero Emission  
23 Electric Buses. Through our partners, the  
24 Southern California Transit Training Consortium,  
25 the project will also provide a training resource

1 as part of the commercialization path for this  
2 technology.

3           Again, thank you for your support of this  
4 project and we encourage your approval of the  
5 Agreement ARV-15-006 with the City of Gardena to  
6 conduct the Battery Electric Repower Bus  
7 Demonstration Project.

8           COMMISSIONER DOUGLAS: Well, great.  
9 Thank you for your comments and thanks for your  
10 hard work on this project, it really does sound  
11 like amazing work. So with that, do we have any  
12 comments or a motion on Item 8?

13           COMMISSIONER SCOTT: I have a question.  
14 I want to say thank you so much, Ms. Faust, for  
15 joining us on the phone today. I had a question  
16 about the buses. And when do you anticipate that  
17 that first set of repowered buses would be  
18 driving on the roads in Gardena?

19           MS. FAUST: Well, we would hope -- in  
20 talking with Complete Coach Works, they have  
21 indicated to us that it would probably be, I  
22 believe, a six-month production cycle, so we  
23 would hope from the time of execution of contract  
24 it would be about six months. And this is my  
25 first go around with a California Energy

1 Commission grant, so I'm not completely clear on  
2 all of the paperwork and all of that following  
3 the approval of the grant agreement and stuff  
4 like that, so it would be shortly thereafter. We  
5 are basically, as you would call it, I guess  
6 shovel-ready, although this is not a shovel-ready  
7 project, but we are ready to go as soon as we  
8 have completed all of the preliminary work with  
9 the Energy Commission, we are ready to go to  
10 execute an agreement with CCW, and then as I said  
11 it would be about a six-month production cycle.

12 COMMISSIONER SCOTT: Great.

13 MS. FAUST: And then we would be ready to  
14 go with putting the buses on the street.

15 COMMISSIONER SCOTT: Great. Thank you so  
16 much, and you have an excellent Project Manager  
17 with Larry and we have an excellent contracting  
18 staff, so they'll get back to you, maybe not  
19 right this second, but right after the Business  
20 Meeting, to help you out with those questions.

21 I want to say how much I appreciate your  
22 leadership and the City's leadership on  
23 sustainable transportation, and helping to  
24 demonstrate this technology. What you said in  
25 your remarks about getting a solar system so that

1 you can put some storage in, and then use that  
2 storage to help power the buses, trying to get to  
3 an all-electric fleet by 2022, is very exciting.  
4 And this is just the type of project that we hope  
5 to fund with ARFVTP funding, right, because it's  
6 model able, as you mentioned, scalable to other  
7 cities, and very much appreciate your leadership  
8 here. And if my fellow Commissioners don't have  
9 questions, I will move approval of Item 8.

10 COMMISSIONER MCALLISTER: I'll second.

11 COMMISSIONER DOUGLAS: All in favor?

12 (Ayes.) Item 8 is approved 4-0. Thank  
13 you very much.

14 MS. FAUST: Thank you.

15 COMMISSIONER DOUGLAS: Thank you. Let's  
16 go on to Item 9. University of California at  
17 Davis. And we have a couple of disclosures on  
18 this item and I guess I'll start. I teach a law  
19 class at King Hall at U.C. Davis, I've done that  
20 for a couple years now, and so this contract is  
21 not with King Hall, but I wanted to make the  
22 disclosure. Commissioner McAllister.

23 COMMISSIONER MCALLISTER: So given that  
24 my wife is a Professor at King Hall, I have to  
25 disclose that there's no financial interest in

1 this particular project, so I will not recuse  
2 either.

3 COMMISSIONER DOUGLAS: All right, so with  
4 that, then, we'll take up Item 9, University of  
5 California, Davis. Proposed Resolution approving  
6 Agreement ARV-15-008. Matthew.

7 MR. ONG: Good morning, Commissioners.  
8 My name is Matthew Ong from the Fuels and  
9 Transportation Division, Emerging Fuels and  
10 Technologies Office.

11 I'm seeking approval for Agreement ARV-  
12 15-008 with The Regents of the University of  
13 California at Davis campus to conduct a biofuels  
14 early and pre-commercial technology development  
15 research project exploring potential reductions  
16 in the overall cost and energy consumption of  
17 algae-based biodiesel production.

18 This agreement is for \$598,168 and will  
19 be matched by an equal amount. Under this  
20 agreement, the University will design, construct  
21 and operate a pilot-scale algae cultivation  
22 system that will synergistically integrate into  
23 the existing U.C. Davis Renewable Energy  
24 Anaerobic Digester in Davis, California. Treated  
25 digester effluence will recycle nutrient rich

1 water for algae cultivation. Microchip and flue-  
2 gas will be captured to supply carbon dioxide for  
3 algae growth and algae residues will be fed back  
4 into the digester for additional biogas  
5 production. Effluent samples will also be  
6 collected from the New Hope Dairy Digester in  
7 Galt, California to perform comparative studies.

8           The project will furthermore study  
9 infrared drying of algae which is expected to  
10 reduce natural gas usage by more than 30 percent  
11 over conventional drying methods.

12           Thank you for your consideration of this  
13 item and I am available for any questions you may  
14 have. And I think we also have Dr. Annaliese  
15 Franz, the Project Director, on the line to  
16 comment.

17           COMMISSIONER DOUGLAS: Great, thank you.  
18 Annaliese Franz, are you on the line?

19           DR. FRANZ: Yes, hello. My name is  
20 Annaliese Franz, I'm a Professor in the  
21 Department of Chemistry at University of  
22 California, Davis and I guess the Lead PIA  
23 Manager for this grant proposal at U.C. Davis on  
24 the consideration that you are making today. I'm  
25 leading a team that involves engineers, as well

1 as myself in the Chemistry Department, members  
2 from the USDA, and also CleanWorld to operate the  
3 Anaerobic Digester at U.C. Davis.

4 I definitely want to thank the  
5 Commissioners for the opportunity to present this  
6 and we are looking forward to the exciting  
7 opportunity to bring forth the details that were  
8 outlined by Matthew.

9 I also wanted to comment on the pre-  
10 proposal abstract and the way in which this was  
11 formatted because I definitely feel that this is  
12 a valuable mechanism for which we can submit  
13 grant proposals and gain the feedback necessary  
14 to best address the goals of the Alternative and  
15 Renewable Fuel and Vehicle Technology Program.  
16 So I just wanted to kind of comment on the  
17 benefit of that program aspect.

18 COMMISSIONER DOUGLAS: Great. Thank you  
19 for your comments and thanks for being on the  
20 phone this morning with us. Commissioners,  
21 questions or comments?

22 COMMISSIONER MCALLISTER: I just want to  
23 thank you for that feedback on the process. I  
24 mean, certainly the merits are there and this is  
25 a really important area in the biofuels front. I

1 guess we really love to hear feedback on the  
2 process because, you know, it's not easy to make  
3 these applications and we do have a very rigorous  
4 evaluation, and any way we can keep that rigor,  
5 but also make it easier on Applicants is very  
6 very welcome. So thank you for that.

7 COMMISSIONER SCOTT: Yeah, agreed. Thank  
8 you so much, Dr. Franz, for joining us on the  
9 WebEx today.

10 DR. FRANZ: Thank you.

11 COMMISSIONER SCOTT: If there are no  
12 other questions or comments, I'll move approval  
13 of Item 9.

14 COMMISSIONER HOCHSCHILD: Second.

15 COMMISSIONER DOUGLAS: All in favor?

16 (Ayes.) Item 9 is approved 4-0. Thank  
17 you.

18 DR. FRANZ: Thank you.

19 COMMISSIONER DOUGLAS: Let's go on to  
20 Item 10 here, San Diego Community College  
21 District. Proposed Resolution approving  
22 Agreement 600-15-008. David Nichols.

23 MR. NICHOLS: Good morning,  
24 Commissioners. Thank you for letting me present  
25 today. My name is David Nichols and I'm here on

1 behalf of the Zero Emissions Vehicle  
2 Infrastructure Office of the Fuels and  
3 Transportation Division seeking your approval for  
4 an agreement with the San Diego Community College  
5 District for \$2 million.

6           This agreement will fund Alternative Fuel  
7 training across multiple California Community  
8 College campuses and build on successes from our  
9 previous contract in support of training in the  
10 Alternative Fuels throughout the California  
11 Community College System.

12           The Advanced Transportation and  
13 Technology Energy Center at San Diego Miramar  
14 College is a program that was created through  
15 initiative funding from the California Community  
16 College Chancellor's Office and is responsible  
17 for implementing the California Community College  
18 Advanced Transportation and Renewable Energy  
19 Initiative.

20           While ATTE is based within the San Diego  
21 Community College District, it serves the entire  
22 California Community College System. In our last  
23 contract, ATTE was instrumental in determining  
24 Alternative Fuel Automotive Program needs and  
25 recommended funding to 19 colleges that totaled

1 \$3.95 million, which we approved.

2 As the Clean Fuels market continues to  
3 grow in California, there is a shortage of  
4 trained personnel to address this market. There  
5 are many challenges facing the Alternative Fuels  
6 training. Three of those greatest challenges  
7 include keeping trainers trained on the ever-  
8 changing cutting edge technologies, having the  
9 specialized equipment necessary for real world  
10 hands-on training that improves their skills, and  
11 in keeping curriculum at pace to meet this  
12 ongoing training.

13 Our office appreciates your consideration  
14 today. I have with us two visitors today, we  
15 have Peter Davis who is the Center Sector  
16 Navigator from the Chancellor's Office, he is  
17 sitting in the back, he is going to wave and say  
18 hello --

19 MR. DAVIS: Hello.

20 MR. NICHOLS: -- and then we have with us  
21 Greg Newhouse, the ATTE Center Director, and he  
22 would like to make a couple of comments. It  
23 should also be duly noted that Greg was a 23-year  
24 employee of the Energy Commission before he went  
25 on to other projects. Greg?

1           MR. NEWHOUSE: Thank you, David. That  
2 was the Dark Ages, a long time ago for the Energy  
3 Commission, but thank you very much for the  
4 opportunity to be here today and on behalf of the  
5 San Diego Community College District and the  
6 Chancellor's Office, we very much appreciate your  
7 consideration of this matter.

8           We are working diligently to create a  
9 regional network throughout California for  
10 technical training on Alternative Fuel Vehicle  
11 Technologies. And as a brief aside also, as  
12 Chair of the Southern California Regional Transit  
13 Training Consortium, Education Services  
14 Committee, and I'm going back to Item 8, we will  
15 make sure that we do everything to have a great  
16 training program supporting that, as well. Thank  
17 you very much.

18           COMMISSIONER DOUGLAS: Well, thank you  
19 both for being here. Commissioners, questions or  
20 comments on this item?

21           COMMISSIONER SCOTT: Well, I would just  
22 echo, thank you so much, Mr. Newhouse and Mr.  
23 Davis, for joining us here today. You guys know  
24 I think that this is a fantastic program and one  
25 of the components that is most exciting about the

1 Alternative and Renewable Fuel and Vehicle  
2 Technology Program is that we have the training  
3 component, and I mean it just allows a whole  
4 generation of Californians who are interested in  
5 learning to work on the Alternative Fuels, to  
6 work on the technologies, to really get the  
7 knowledge, the information, and everything that  
8 they need so that they can get the skill set and  
9 step up and be part of that transformation that  
10 we're trying to make in the transportation  
11 sector. So I think these are great projects. I  
12 am glad that we get to work with the San Diego  
13 Community College District on this and I'm happy  
14 to hear that it's going to be a regional network  
15 because I think it's important for folks all  
16 around the state to have these opportunities. So  
17 thank you for that.

18 COMMISSIONER MCALLISTER: Great. Yeah, I  
19 wanted to just say thanks to Greg specifically, I  
20 mean, this is a great project. But, Greg, I  
21 mean, I know not just at the Energy Commission,  
22 but we cross paths quite a bit down in San Diego  
23 and I think we're all very aware of what a key  
24 role you've played down in that part of the world  
25 in terms of policy and also just on the City's

1 front and just helping sort of push various  
2 mostly transportation-related, but energy issues  
3 generally forward in that region particularly.  
4 So I wanted to just express that appreciation to  
5 you, as well, sort of apart from this particular  
6 grant. So congratulations on that.

7 Let's see, I'll move Item 10.

8 COMMISSIONER SCOTT: Second.

9 COMMISSIONER DOUGLAS: All in favor?

10 (Ayes.) Item 10 is approved 4-0. Thank  
11 you.

12 MR. NICHOLS: Thank you.

13 COMMISSIONER DOUGLAS: Item 11.

14 University of California, Riverside. Proposed  
15 Resolution adopting a Negative Declaration and  
16 approving Agreement EPC-15-003. Hassan Mohammed.

17 MR. MOHAMMED: Good morning,  
18 Commissioners. My name is Hassan Mohammed and I  
19 am a Mechanical Engineer with the R&D Division.

20 On November 4, 2014, the California  
21 Energy Commission released a competitive  
22 solicitation, Program Opportunity Notice 1-14307  
23 for up to \$21 million in Electric Program  
24 Investment Charge funding to fund the  
25 demonstration and deployment projects of three

1 community-scale electricity generation and  
2 innovative energy management strategies to  
3 minimize integration issues associated with local  
4 renewable energies and reduce peak demands.

5 Today staff is asking for your approval  
6 of the last grant agreement from this  
7 solicitation with U.C. Riverside, and the  
8 project's match funding is over \$700,000.

9 The goal of the agreement is to deploy  
10 and demonstrate a community energy generation  
11 system at the Chemehuevi Indian Tribe Community  
12 Center. The Chemehuevi Indian Tribe is a  
13 federally recognized Native American Tribe  
14 located in San Bernardino County and within the  
15 Southern California Edison territory. The  
16 Community Center provides educational and  
17 recreational services and is also used as an  
18 emergency response shelter for the community in  
19 the event of a natural disaster.

20 The Energy Generation System consists of  
21 90-kilowatt three commercial solar photovoltaic  
22 systems and 60-kilowatt hour energy storage  
23 photovoltaic integrated within an energy  
24 management system. The integration of the Energy  
25 Management System will help produce peak energy

1 demand for the community center by utilizing the  
2 battery storage, to shift buildings' loads, and  
3 provide uninterruptable power for the community  
4 center during power failures or when electricity  
5 is down.

6           It is planned to be constructed on land  
7 that is self-governed by the tribe and pursuant  
8 to their tribal ordinance, the Chemehuevi Indian  
9 Tribe completed an Environmental Assessment of  
10 the possible impacts from the project.

11           Energy Commission staff has determined  
12 that the California Environmental Quality Act  
13 (CEQA) applies to this project, and pursuant to  
14 CEQA staff has completed an initial study and a  
15 Negative Declaration regarding the potential  
16 offsite environmental impacts from the project,  
17 and incorporated the Tribe's Environmental  
18 Assessment into the initial study and Negative  
19 Declaration.

20           The Energy Commission provided a comment  
21 period on the initial study and proposed Negative  
22 Declaration beginning on September 9, 2015 and  
23 ending October 12, 2015. So far, no comments  
24 were received during the public participation  
25 process and, based on the initial study analyzing

1 the environmental impacts of the proposed  
2 project, the Energy Commission staff finds no  
3 substantial evidence in light of the whole record  
4 that the proposed project will have a significant  
5 effect on the environment.

6 Therefore, staff respectfully requests  
7 your approval of the Grant Agreement with U.C.  
8 Riverside, including your adoption of the  
9 Proposed Negative Declaration. And I'm happy to  
10 answer questions you may have. And I believe Bill  
11 Cox from the Tribe, he is a Tribe representative,  
12 is on the phone to say a few words. Thank you.

13 COMMISSIONER DOUGLAS: All right. Thank  
14 you very much. And William Cox, are you on the  
15 phone?

16 MR. COX: Yes, ma'am. Can you hear me?

17 COMMISSIONER DOUGLAS: Sure can. Please  
18 go ahead.

19 MR. COX: Okay, thank you. Good morning,  
20 Commissioners. I'm Bill Cox, the Chemehuevi  
21 Tribal Planning Director. Our Vice Chairman, Mr.  
22 Glen Lodge, wanted to thank the Commission  
23 personally, however, a medical necessity  
24 prevented him from doing so.

25 Let me begin by saying on behalf of the

1 Council Executive and the Tribe as a whole, I  
2 would like to thank the Commission for the  
3 consideration of and hopefully approval of this  
4 important energy project.

5           The Chemehuevi Indian Tribe has been  
6 pursuing alternative energy sources for several  
7 years now due to the remote location of our  
8 tribe's reservation and the desire of the tribe  
9 to become both economically viable and energy  
10 efficient. Our power grid is not as reliable as  
11 we'd like due to the verities of weather and the  
12 single point failure potential of the system.

13           This energy project will provide a  
14 significant source of power to our community  
15 center and this facility is essential to the  
16 health and welfare of the community during  
17 protracted power outages. This is especially  
18 true for our elders and those who are encumbered  
19 by medical disabilities requiring some support  
20 equipment. For these and other considerations,  
21 the Chemehuevi Tribe is most grateful for this  
22 opportunity to enhance our energy position.

23           And in closing, let me say that I'd like  
24 once again to thank the Commissioners for their  
25 consideration of this project.

1                   COMMISSIONER DOUGLAS: Well, thank you  
2 for being on the phone. I've had the opportunity  
3 to visit the Chemehuevi Tribe and I appreciated  
4 that opportunity and so it's nice to have a  
5 chance to see first-hand some of the benefits  
6 that can come from a project like this. I  
7 appreciate you being on the phone.

8                   So with that, Commissioners, do we have  
9 any additional questions or comments on this  
10 item?

11                   COMMISSIONER MCALLISTER: Just a comment.  
12 I guess, I mean obviously you're doing a lot of  
13 things that the State needs to learn about, this  
14 is one of a number of projects on Demand  
15 Response, and integration of batteries, you know,  
16 storage of various types including batteries,  
17 with self-generation. And in particular, I'm  
18 interested in the flow battery aspect of this and  
19 sort of to, I guess, encourage rigorous data  
20 collection. I'm sure the University is going to  
21 do that, but I encourage sort of rigorous  
22 characterization of the cycle, the cycle life and  
23 obviously the cycling characteristics of the  
24 batteries so we can really get the technical  
25 evaluation and kind of the learning that we need

1 to get from this project. Flow batteries have a  
2 lot of potential and I think to the extent you  
3 can show that they really do provide that grid  
4 benefit, it will be terrific. So I'm sure you're  
5 working on all that, but I just wanted to make  
6 sure.

7 COMMISSIONER DOUGLAS: Great, thank you.  
8 Do we have a motion on this item?

9 COMMISSIONER MCALLISTER: I'll move Item  
10 11.

11 COMMISSIONER HOCHSCHILD: Second.

12 COMMISSIONER DOUGLAS: All in favor?

13 (Ayes.) Item 11 is approved 4-0. Thank  
14 you.

15 COMMISSIONER DOUGLAS: Item 12,  
16 Electricity Sector Vulnerability Studies and  
17 Adaptation Options to Promote Resilience in a  
18 Changing Climate. And we're taking up Items  
19 12(a), (b) and (c). So my contact here is David  
20 Stoms.

21 MR. HOU: Yeah, Mr. Stoms is being called  
22 away for jury duty, so...

23 COMMISSIONER DOUGLAS: Ah, all right.

24 MR. HOU: Good morning, Commissioners.

25 My name is Yu Hou, I'm from the Research and

1 Development Division. I'm here today to present  
2 three proposed Grant Agreements from this  
3 solicitation, which are a part of the Energy  
4 Sector California Forced Climate Change  
5 Assessment.

6 On March 16th of 2015, the Energy  
7 Commission released this competitive solicitation  
8 with up to \$2.1 million from EPIC funding for  
9 Electricity Sector Vulnerability and Adaptation  
10 Study to integration consideration of climate  
11 resilience into the California Energy System.

12 The solicitation focused on several areas  
13 including potential impact and adaptation options  
14 for Electricity System from sea level rise,  
15 wildfire, climate change, and impact to  
16 transmission and distribution lines, development  
17 of innovative strategies to foster a more  
18 adaptive, resilient Energy System under present  
19 and future climate conditions.

20 Today, I'm requesting approval for three  
21 of the agreements from the solicitation. Staff  
22 anticipates presenting a fourth project at a  
23 future Business Meeting, along with four  
24 associated natural gas projects.

25 In responding to the first research area

1 regarding the sea level rise, ICF, Incorporated  
2 proposed to partner with San Diego Gas and  
3 Electric to assess sea level rise vulnerability  
4 and potential adaptation options to increase the  
5 climate resiliency of their electricity system.  
6 The study will improve modeling techniques that  
7 take into account the protective structures such  
8 as levees and coastal process to understand site  
9 specific vulnerabilities.

10 ICF will also estimates the cost of  
11 service disruptions and the infrastructure repair  
12 from coastal flooding and cost savings to avoid  
13 disruptions from adaptation options.

14 Our project includes extensive  
15 stakeholder engagement. San Diego Gas and  
16 Electric will contribute \$166,200 in match  
17 funding.

18 The second project responds to Group 2 on  
19 the impact of increased risk of wildfires to the  
20 transmission and distribution system. We have  
21 seen in recent years how vulnerable our Grid can  
22 be to catastrophic wildfires. Projections  
23 indicate that the frequency and burn area of  
24 those fires will increase with climate change.

25 Lawrence Berkeley National Laboratory

1 will use the latest wildfire projection in the  
2 state of our Grid modeling to determine which  
3 circuits are the most at risk of disruptions with  
4 the greatest potential impact on ratepayers. The  
5 benefit to ratepayers includes a set of  
6 recommendations for adaptation strategies for the  
7 transmission and distribution grid to minimize  
8 the cost and disruptions of current and future  
9 wildfire risk. The National Lab will partner  
10 with Southern California Edison with support from  
11 SMUD and they also intend to reach out to other  
12 electric utilities.

13           The third area proposed to test  
14 innovative strategies that would increase  
15 resilience under present and future climate  
16 conditions, University of California, Los Angeles  
17 Campus, with its subcontractor at Arizona State  
18 University, plans to address another critical  
19 aspect of climate change, namely hotter and  
20 longer heatwaves that even already increase  
21 cooling demands which can disrupt the Grid like  
22 we saw in 2006.

23           This project will project future heat  
24 events at local levels for Los Angeles County,  
25 identify grid vulnerability based on those heat

1 projections, detail demand forecasts, and  
2 infrastructure capacity, and identify adaptation  
3 options for utilities and local governments.  
4 Expected benefit includes increased safety by  
5 facilitating adaptation, particularly in vulnerable  
6 and disadvantaged communities, and greater  
7 reliability and lower costs by helping utilities  
8 prioritize actions for adaptations such as  
9 targeting energy conservation efficiency  
10 programs, or distributed energy resources.

11           Each of those projects address climate  
12 issues California is already facing, but climate  
13 science projects will intensify within the  
14 timescale of infrastructure planning and the  
15 construction.

16           Staff recommends approval of each of  
17 those proposed projects and I will be happy to  
18 address any questions you may have.

19           COMMISSIONER DOUGLAS: All right, thank  
20 you very much. Is there any public comment on  
21 this item, anything under Item 12? All right  
22 Commissioners, questions or comments? I was just  
23 going to say I had the opportunity to have a  
24 briefing and get some more in-depth information  
25 on these items and I think they're going to be

1 very helpful.

2 COMMISSIONER MCALLISTER: Definitely.

3 Yeah, this issue is not going to go away, so I  
4 think it's a clearly needed investment.

5 COMMISSIONER SCOTT: I'll move approval  
6 of Item 12.

7 COMMISSIONER MCALLISTER: Second.

8 COMMISSIONER DOUGLAS: All in favor?

9 (Ayes.) Item 12 is approved. Thank you  
10 very much.

11 COMMISSIONER DOUGLAS: Item 13. County  
12 of San Luis Obispo. Proposed Resolution  
13 approving Agreement 004-15-ECD with the County of  
14 San Luis Obispo. Armando Ramirez.

15 MR. RAMIREZ: Good morning,  
16 Commissioners. My name is Armando Ramirez. I'm  
17 an Engineer from the Efficiency Division's Local  
18 Assistance and Financing Office.

19 I'm here today to request approval of an  
20 Energy Conservation Assistance Act (or ECAA) loan  
21 to the County of San Luis Obispo in the amount of  
22 \$2,200,000 and one percent interest rate.

23 The County has requested this loan to  
24 fund an energy efficiency upgrade and retrofit  
25 project at several County facilities. The

1 project will retrofit lighting fixtures and  
2 controls, upgrade central plant chillers, retro-  
3 commission air handling units through monitoring  
4 existing controls, and will add intelligent  
5 controls to kitchen exhaust heads.

6           These activities will save about 1.15  
7 million kilowatt hours, 464 therms, and \$181,000  
8 annually. Greenhouse gas reductions are  
9 estimated to be 398 tons of carbon dioxide  
10 equivalent annually.

11           Based on the savings and the loan amount,  
12 the simple payback is 12.1 years. Division staff  
13 have determined that the loan application  
14 complies with all program requirements. I would  
15 be happy to answer any questions. At this time,  
16 I request your approval. Thank you.

17           COMMISSIONER DOUGLAS: Thank you. Any  
18 public comment on this item? Commissioners, any  
19 questions or comments?

20           COMMISSIONER MCALLISTER: Just to do the  
21 periodic boost of the ECAA Program, what a great  
22 job the staff does. This is the local government  
23 portion of the ECAA Program, it's got a lot of  
24 iterations, but it's really great that we have  
25 the opportunity to partner with the Cities and

1 Counties, in this case San Luis Obispo.

2 And these projects undergo a lot of  
3 scrutiny and they really do come with the  
4 assurance of need at the local level. So I want  
5 to just thank staff for all the work on this and  
6 other projects.

7 So I'll move Item 13.

8 COMMISSIONER SCOTT: Second.

9 COMMISSIONER DOUGLAS: All in favor?

10 (Ayes.) Item 13 is approved 4-0. Thank  
11 you very much.

12 COMMISSIONER DOUGLAS: Item 14, Vista Del  
13 Mar Union School District. Proposed resolution  
14 approving Agreement 004-15-ECG with Vista Del Mar  
15 School District. Gavin.

16 MR. SITU: Hi. Good morning,  
17 Commissioners. My name is Gavin Situ, I'm a  
18 staff member of the Local Assistance and  
19 Financing Office, the Efficiency Division. I'm  
20 here to request the Commission's approval of a  
21 \$146,240 loan to Vista Del Mar Union School  
22 District in Santa Barbara County. It is a zero  
23 percent interest loan and will be funded through  
24 the Energy Conservation Assistance Act, Education  
25 Account, also known as ECAA-ED.

1           The loan, in addition to District's  
2 Proposition 39 K-12 Program funding of \$180,000,  
3 will fund the total cost of \$326,240 for a 55 kW  
4 AC ground mounted photovoltaic project on campus.

5           The project is estimated to save the  
6 District 89,595 kW hours of electricity,  
7 resulting in annual energy cost saving of  
8 \$22,533, and 31 tons of greenhouse gas emissions  
9 reduction.

10           Based on the loan amount, the simple  
11 payback is 6.5 years. I'll be happy to answer  
12 any questions you might have.

13           COMMISSIONER DOUGLAS: Thank you very  
14 much. Public comment? Is anyone here from the  
15 School District? Okay.

16           COMMISSIONER MCALLISTER: Yeah, so really  
17 a couple things, you know, this project, PD only,  
18 but combined I think it's worth pointing out is  
19 the fact that they are combining it with Prop. 39  
20 money and they're clearly doing integrative  
21 planning and making a project decision and  
22 cobbling it together in a way that they best can,  
23 and I think that's really just good practice. So  
24 that's really what all of these projects are  
25 supposed to be doing and I just want to recognize

1 the School District of Vista Del Mar for that.

2           The previous project sort of took a  
3 different approach where they had a whole bunch  
4 of different efficiency upgrades that they did  
5 altogether, again, an integrated approach at the  
6 County of San Luis Obispo. So I want to just  
7 acknowledge as these projects come through that  
8 there is really good business practice going on  
9 for these recipients, whether they're school  
10 districts or local governments, evaluating their  
11 needs and making decisions to make these projects  
12 happen. So we're very very happy to support  
13 that. And you'll note that the Prop. 39 funding  
14 is a grant, so it's a formula grant; this is a  
15 loan. But combining that really is a knock it  
16 out of the park value for the School District  
17 with a relatively quick payback, and then after  
18 that until the lifetime of the system, it's going  
19 to be really financially advantageous for them in  
20 a big big way.

21           So I'll move Item 14 if there are no  
22 other comments.

23           COMMISSIONER SCOTT: Second.

24           COMMISSIONER DOUGLAS: All in favor?

25           (Ayes.) Item 14 is approved 4-0. Thank

1 you, and thank you for pointing that out, that  
2 leveraging ECAA and Prop. 39 is a really good way  
3 to do this.

4           COMMISSIONER DOUGLAS: Item 15, NORESCO,  
5 LLC. Proposed resolution approving Agreement  
6 400-15-006 with NORESCO, LLC for a \$3 million  
7 contract to provide technical support for the  
8 Nonresidential Building Energy Efficiency  
9 Standards process. Adrian.

10           MR. OWNBY: Good morning, Commissioners.  
11 My name is Adrian Ownby and I am with the  
12 Efficiency Division's Building Standards  
13 Development Office.

14           This is a \$3 million contract for  
15 Nonresidential technical support of the Standards  
16 Development process. The proposed contractor,  
17 NORESCO, LLC, was selected through a  
18 competitively scored Request for Qualification  
19 process that began in late 2014.

20           The contractor's team includes 15  
21 subcontractors with extensive experience in  
22 Building Science. This will be a work  
23 authorization contract and the scope of work  
24 includes a broad array of technical support tasks  
25 covering various aspects of the Nonresidential

1 Standards and software support and development.

2           These tasks range from the identification  
3 and analysis of new measures to compliance  
4 software development and support, to the updating  
5 of time dependent valuation of energy, and  
6 finally to the development of a strategic plan  
7 for reaching Zero Net Energy new nonresidential  
8 construction by 2030.

9           Staff respectfully requests that you  
10 approve the proposed contract and I'm available  
11 to answer any questions you may have. I believe  
12 Dimitri Contoyannis representing NORESCO is in  
13 the audience today and is also available to  
14 answer any questions you might have.

15           COMMISSIONER DOUGLAS: Great. Would you  
16 like to make any comments today? All right,  
17 perfect. Would anyone like to make public  
18 comment on this item? All right, Commissioners?  
19 Oh, please come forward.

20           COMMISSIONER MCALLISTER: Hey Joe, how  
21 are you?

22           MR. HUANG: My name is Joe Huang, I'm  
23 currently a Building Energy Consultant with White  
24 Box Technologies, but for 26 years I was a staff  
25 scientist at Lawrence Berkeley National

1 Laboratory. In respect to this agreement, I was  
2 the other bidder on this RFQ, but I lost by a  
3 little over one point in the final scoring. I  
4 just wish to express publically that other  
5 members of my team, which includes 14 people and  
6 I, are still interested in the work of this  
7 important agreement, and to say that we would  
8 like to explore with the Commission staff and the  
9 winning contractor what ways that we could help.  
10 So that's, you know, I don't expect any response,  
11 I just wanted to put that on the record.

12 On a separate but related topic, I urge  
13 the Commission to make CBEC-COM and all  
14 supporting software open source as soon as  
15 possible. It's been listed as open source, but I  
16 found out during the bidding process that it  
17 wasn't open source and I think, you know, I know  
18 the Commission staff has told me that they do  
19 intend to do this, and I just want to help build  
20 a fire and make sure that priorities don't slip.  
21 Thank you.

22 COMMISSIONER MCALLISTER: Thanks for  
23 being here, Joe. Adrian, do you want to respond  
24 to Joe's comment?

25 MR. OWNBY: Yeah. We had some additional

1 room in a work authorization budget and we  
2 prioritized this moving the CBEC-COM software to  
3 open source and we should have most of the work  
4 completed before the end of this year and  
5 finalized sometime early next year.

6 COMMISSIONER MCALLISTER: And just to be  
7 clear, you're talking about the CBEC-COM kind of  
8 core engine --

9 MR. OWNBY: Yeah -

10 COMMISSIONER MCALLISTER: -- that others  
11 can then interface with, can provide APIs for,  
12 etc. etc.?

13 MR. OWNBY: Exactly, yeah. Apparently  
14 there's a small portion of it that has some  
15 Microsoft proprietary software in it right now,  
16 and that will have to be swapped out, so it will  
17 take some time.

18 COMMISSIONER MCALLISTER: So I just want  
19 to express that that is a priority and that is  
20 the plan. The part -- really one of the main  
21 reasons why we moved in the direction we did with  
22 the engines is specifically for that reason, to  
23 make it more of an open source process, and we  
24 need to get to that finish line. And then we're  
25 going to benefit from a lot of innovation from

1 outside of these walls and I think that's going  
2 to be hugely positive for the marketplace, both  
3 in Res and Nonres. Great, so those are my  
4 comments. Let me just make one sort of  
5 observation about this. You know, Building Code  
6 is really a tremendous tool that the State has,  
7 it's got a huge sort of history of positive  
8 impact behind it, and the technical support to  
9 help staff develop the various pieces of each  
10 iteration and implementation is a really big deal  
11 and it's very very critical to have that support  
12 available really at all times. It's highly  
13 technical, it's got a lot of, you know, as I  
14 said, we've been doing this for a long time,  
15 there's a lot of sort of history in there, it's a  
16 detailed environment, it's not all that  
17 accessible sometimes. And so I really want to --  
18 I think the fact that we got more than one bidder  
19 this time is good and the quality of the  
20 proposals were good. Going forward, I think we  
21 really will benefit from this contract, so very  
22 important.

23           So with that, any other comments? I'll  
24 move Item 15.

25           COMMISSIONER SCOTT: Second.

1                   COMMISSIONER DOUGLAS: All in favor?  
2                   (Ayes.) Item 15 is approved 4-0. Thank  
3 you.

4                   COMMISSIONER DOUGLAS: Item 16. Bruce A.  
5 Wilcox, P.E. Proposed resolution approving  
6 Agreement 400-15-007 with Bruce A. Wilcox, P.E.  
7 for a \$3 million contract to provide technical  
8 support for the Residential Building Energy  
9 Efficiency Standards process. Adrian.

10                  MR. OWNBY: Hello again, Commissioners.  
11 I'm Adrian Ownby, I'm with the Efficiency  
12 Division's Building Standards Development Office.  
13 This is a \$3 million contract for Residential  
14 technical support of the Standards Development  
15 process. The proposed contractor, Bruce Wilcox,  
16 P.E., was selected through a competitively scored  
17 Request for Qualification process that began in  
18 late 2014.

19                  The contractor's team includes 31  
20 subcontractors with extensive experience in  
21 Building Science. This will be a work  
22 authorization contract and the scope of work  
23 includes an array of technical support tasks  
24 covering various aspects of Residential Standards  
25 software, support and development.

1           These tasks range from the identification  
2 and analysis of new measures to compliance  
3 software development and support to the research  
4 and updating of California Climate Data Sets used  
5 in the Compliance Software.

6           Staff respectfully requests that you  
7 approve the proposed contract and I'm here to  
8 answer any questions you have. And I think Bruce  
9 Wilcox is in the audience today and also  
10 available to answer questions.

11           COMMISSIONER MCALLISTER: Just for the  
12 other Commissioners on the dais, this is actually  
13 the barrel that we have to hold Bruce over that  
14 we mentioned earlier in the meeting. But again,  
15 really it's parallel -- the Residential version  
16 of Res and Nonres, and this is obviously a  
17 Residential side, we have a lot of lists, you  
18 know, our policy environment is sort of more  
19 urgent, I think, on the Residential side in some  
20 ways given that we need to move toward  
21 increasingly low energy buildings and we have a  
22 Net Zero goal for the next cycle and so there's  
23 going to be a lot of work around that. And  
24 there's still some unknowns in that discussion.  
25 There are things that depend on other agencies'

1 jurisdiction and local governments. We do have  
2 some flux in the rates environment, you know, the  
3 TDV update that will be part of the previous  
4 contract, the Time Dependent Valuation work is  
5 really important to get right for both Res and  
6 Nonres, to look at the cost-effectiveness issues  
7 and really chart a path towards reaching our  
8 policy goals. So I want to just highlight that  
9 this contract also is incredibly important and  
10 will need the technical assistance at each step,  
11 a lot of critical work to be done under this  
12 contract.

13 COMMISSIONER DOUGLAS: Great. And let me  
14 just pause and ask if there's any public comment  
15 on this item. Seeing none, do we have a motion  
16 on this item?

17 COMMISSIONER MCALLISTER: I'll move Item  
18 16.

19 COMMISSIONER SCOTT: Second.

20 COMMISSIONER DOUGLAS: All in favor?

21 (Ayes.) The item is approved. Thank  
22 you.

23 COMMISSIONER DOUGLAS: Let's go on to  
24 Item 17, the Minutes. Possible approval of the  
25 September 9, 2015 Business Meeting Minutes.

1           COMMISSIONER SCOTT: Move approval of the  
2 Minutes.

3           COMMISSIONER MCALLISTER: Second.

4           COMMISSIONER DOUGLAS: All in favor?

5           (Ayes.) The item is approved 4-0. Thank  
6 you.

7           COMMISSIONER DOUGLAS: Item 18. Lead  
8 Commissioner or Presiding Member Reports. I will  
9 make a brief report.

10           On November 1st, I had an opportunity to  
11 go to the State Lands Commission and attend a  
12 State Lands Commission meeting where the State  
13 Lands Commission and the Bureau of Land  
14 Management signed a Memorandum of Understanding  
15 to develop a land exchange, and they've  
16 identified specific parcels that would be  
17 exchanged between the State properties owned by  
18 the State Lands Commission and the Bureau of Land  
19 Management.

20           The State Lands Commission, as a legacy  
21 of railroad development in California, in  
22 particular in this case, owns a lot of scattered  
23 parcels in the California desert, many of those  
24 parcels are in holdings, in otherwise Federal  
25 Wilderness Areas, or public lands. Some of them

1 have very high conservation value and very very  
2 low development value. The State Lands  
3 Commission has a statutory obligation to attempt  
4 to use these lands to raise funds to support the  
5 CalSTRS Teachers Retirement Fund, and through the  
6 agreement with the Bureau of Land Management they  
7 are now initiating a very real process to move  
8 forward with a land exchange that would greatly  
9 strengthen the conservation reserve that has been  
10 developed through DRECP and provide some really  
11 nice lands for conservation to BLM that would be  
12 protected, and at the same time the Bureau of  
13 Land Management would be proposing to transfer  
14 ownership of land where there is, in one case, an  
15 operating project and, in another case, an  
16 approved project that would provide immediate  
17 income and substantial annual income to the State  
18 Lands Commission. So they have, as I said,  
19 identified the parcels, they have spoken  
20 reasonably extensively with the project owner in  
21 the one case, they had a public meeting, they are  
22 at the beginning of the public process on  
23 developing a proposed land exchange, there is  
24 both a State and Federal process, but I think  
25 it's an exciting development and it's one of the

1 opportunities that we all knew was out there at  
2 the beginning of the process to develop the  
3 DRECP, but it's really nice to see it come to  
4 fruition, or at least come to the point of a  
5 concrete proposal.

6 I also want to thank the Media Office,  
7 they did a very nice blog on this item and  
8 there's a Flickr account that was established  
9 with some really beautiful pictures of some of  
10 the wilderness areas that would be supported by  
11 this land exchange once it comes to completion,  
12 which is not yet imminent, but it's quite  
13 concrete at this point.

14 So, Commissioner Hochschild?

15 COMMISSIONER HOCHSCHILD: Yeah, quite a  
16 bit actually. One thing I want to share, I was  
17 at a conference last week with the 400 biggest  
18 philanthropic foundations that fund renewable  
19 energy and environmental work in the United  
20 States, and got an update on what's happening  
21 with the fossil fuel divestment movement, which  
22 is actually extraordinary. This is a movement,  
23 it really started about three years ago, and they  
24 go back three years with maybe just a couple  
25 billion dollars of institutional portfolio value

1 that was formerly divested from fossil fuel.  
2 Last year, \$52 billion, this year \$2.8 trillion.  
3 And it's taking off like a rocket. And actually  
4 all that capital - now, to be fair, that's like  
5 if you have a University like Stanford and they  
6 divest, you know, maybe only 10 or 15 percent of  
7 their actual investments were in fossil fuel, so  
8 it's not \$2.8 trillion that's moving, but maybe  
9 it's on the order of a couple hundred billion  
10 dollars. But what is important is the trend.  
11 And by the way, that capital needs a home. And  
12 actually there's a lot of investment looking for  
13 a state to move into. So actually I'm starting  
14 to engage with how we can attract more of that  
15 here to invest in projects in our infrastructure.  
16 But that was very very significant to learn about  
17 that.

18 I did a visit last week with my team and  
19 Senator Hueso down to the Salton Sea, spent a day  
20 looking at the geothermal resource there and had  
21 a terrific visit with him, the Agricultural  
22 community there, and learned a lot more about  
23 that resource.

24 And a couple roundtables I'm putting  
25 together going forward, we're doing one with the

1 Environmental Justice Community on November 30th.  
2 Commissioner Scott and I are going to co-host the  
3 12 biggest Environmental Justice groups here for  
4 a meeting just to better understand their mission  
5 and priorities and help introduce what we're  
6 doing, look how we can work together. Doing one  
7 with Small Farms Organic Farms in the Capay  
8 Valley also early next month looking at their  
9 renewable energy needs and challenges and  
10 opportunities, and then exploring doing one with  
11 the Military, as well, working with the  
12 Governor's Office on a gathering here in  
13 Sacramento to bring the difference services here  
14 together and showcase what's been working and  
15 what still can be done. And that's about it.

16 I guess the other big news is that my new  
17 Advisor, Ken Rider, starts on Monday. I'm really  
18 exciting about him joining and what he can do, he  
19 served very ably in the Title 20 team under  
20 Commissioner McAllister's leadership for the last  
21 seven years and he's going to continue to devote  
22 about 50 percent of his time until the end of the  
23 year on Title 20 work because there's a big need  
24 still for him. And then going forward, you know,  
25 as much as a quarter of his time, for a

1 significant period to support that program. But  
2 really pleased to have him on the team and  
3 excited about what we can do. So, thanks.

4 COMMISSIONER DOUGLAS: Thank you.  
5 Commissioner McAllister?

6 COMMISSIONER MCALLISTER: Yeah, so just a  
7 few things to report. On the first of this  
8 month, I went down to Palm Springs for the SoCal  
9 Energy Summit, an annual event down there. And  
10 Salton Sea is very present obviously in many of  
11 the stakeholders down there and I think there's  
12 palpable urgency in terms of just the  
13 environmental solution down there, independent of  
14 energy issues, but also energy issues are on  
15 people's minds as well and there's a certain  
16 amount of potential down there and I think it's  
17 relevant for state planning going forward. So I  
18 think both at that event and at other events  
19 recently, everyone is interested in the new  
20 legislative landscape, so between AB 802 and SB  
21 350 there's just a lot of discussions going on  
22 around the State. I think some maybe  
23 expectations, preconceptions, things like that  
24 that I think as we move forward with  
25 implementation we'll need to provide a lot of

1 outreach to educate people on sort of the reality  
2 of what those bills are going to do, and as we  
3 work through the various rulemakings that they  
4 impact, make sure to manage those discussions  
5 well and make sure the stakeholders are engaged  
6 fully.

7           I went out to D.C. last week for a day of  
8 meetings and also for a Board Meeting for the  
9 State Energy Advisory Board, which advises  
10 Assistant Secretary Danielson on issues of energy  
11 efficiency and renewables, and got a bit of a  
12 sense of what's happening in D.C. with the  
13 various Energy Bills; I will say not a whole lot  
14 of positive movement, let's say, it's pretty  
15 depressing, actually, if you listen to some of  
16 the discourse around the various bills and the  
17 Amendment Hearings, the Markup Hearings, etc. So  
18 not a lot likely to go forward. But I was able  
19 to meet with Senator Feinstein just briefly, with  
20 her staff for more time, and certainly a lot of  
21 interest in the nuclear issue across the country,  
22 and in particular dealing with the spent fuel,  
23 and she has a bill, she has a bill at the Federal  
24 level that she's got sponsored with really the  
25 key people in the Senate that we're supportive

1 of, for sure. So to even just get that  
2 conversation restated on the long term repository  
3 on a consensus sort of voluntary discussion  
4 basis, even that is a difficult thing to do at  
5 the Federal level, but certainly we need them to  
6 step in to help solve that problem both here and  
7 in other states. And she is really providing  
8 ongoing leadership on that issue, so we're  
9 grateful for that.

10 Well, then in the State Energy Advisory  
11 Board Meeting, it's got some State Energy Office  
12 representation, quite a bit actually, but it also  
13 has representation of different sort of experts  
14 in energy efficiency or renewables, and I did  
15 accept the leadership of the Grid Modernization  
16 Working Group there, so we're going to be  
17 convening some activities to make recommendations  
18 to DOE on how they approach the Grid  
19 Modernization discussion, which is going to be  
20 one of the key topics in the next QER, the  
21 Quadrennial Energy Review document that they're  
22 going to put together. So I'm pretty excited  
23 about that. It's very relevant for us. Hoping  
24 to draft a couple of the other States, Hawaii,  
25 for example, who are doing a lot of leadership on

1 that front, to be part of that discussion and  
2 hopefully we can help inform DOE's Federal  
3 funding for Grid Modernization Initiatives and  
4 really just sort of make sure the dialogue treats  
5 our issues as well as the ones that are  
6 applicable across the country.

7           And on the way back, I swung by Oakland  
8 and participated in a couple of panels at the  
9 CEEIC, the Energy Efficiency Industries Council  
10 Annual Meeting. Lots of interest. Very  
11 knowledgeable stakeholders obviously on the  
12 legislative front, just lots of interest, some  
13 nervousness about change for sure, but also some  
14 recognition that there's a lot of opportunity and  
15 that moving forward these changes are very likely  
16 going to help address deepening of energy  
17 efficiency. And so I was grateful for that  
18 opportunity, as well. So I think, yeah, I'll  
19 stop there. Thanks a lot.

20           COMMISSIONER DOUGLAS: Well, thank you.  
21 Commissioner Scott.

22           COMMISSIONER SCOTT: A couple updates for  
23 you all. Earlier this month, Commissioner  
24 Douglas and I went to visit the Silicon Valley  
25 Leadership Group. That was a fantastic

1 opportunity to get to talk to some of the leaders  
2 in Silicon Valley about what we're working on.  
3 We had quite the interesting and diverse group  
4 because we were talking about transforming  
5 transportation and land use planning in the  
6 DRECP, so it was a good mix of people there. I  
7 very much enjoyed the opportunity to kind of talk  
8 with them, hear what they're thinking about here,  
9 what types of things they're thinking about  
10 investing in, and then talk about what the  
11 Commission is doing on transportation and also on  
12 land use. So that was a fun thing to do.

13           Yesterday we had a meeting of the  
14 Petroleum Market Advisory Committee here at the  
15 Commission. We have a new Chair, so Professor  
16 Jim Sweeney thought that Severin Borenstein might  
17 make a better Chair and might have more time to  
18 dedicate to the Commission, and so he asked Chair  
19 Weisenmiller and me about what we thought about  
20 that. We thought, great, sounds great, and so we  
21 have now Severin Borenstein from Berkeley who is  
22 the Chair of the PMAC, and Professor Sweeney  
23 continues to participate which is excellent. So  
24 we had four of the five members on the phone, and  
25 we also had Dave Hackett and then Amy Jaffe from

1 U.C. Davis. So it's a really good committee.  
2 One of the things that we -- there were two  
3 questions, really, that we had asked the  
4 Committee and that is that the prices in Southern  
5 California have been very high for a sustained  
6 amount of time, and we asked them to kind of look  
7 into that and apply their expertise to that  
8 problem, and then have an opportunity to discuss  
9 what some solutions might be that we could put in  
10 place. We spent most of the day actually talking  
11 about trying to define the problem and get more  
12 information on the problem, we did not have  
13 complete information because some industry  
14 stakeholders showed up and answered quite a few  
15 questions that the PMAC had for them, and some  
16 did not. So we still have some work to do there,  
17 some data to look into, but the short version of  
18 the story is that the prices have been at an  
19 unusually high level for an unusually long time.  
20 So a lot of times you'll see maybe a \$.30  
21 increase for four or six weeks, or something like  
22 that, and then as the market rights itself it  
23 starts to come back down. But we've been in  
24 probably a six or seven-month long at around \$.70  
25 or so. And the numbers wiggle a little bit

1 depending on which expert you talk to, but that's  
2 quite a bit higher than the prices normally are,  
3 and for quite a bit longer. So the Committee is  
4 looking into that for us.

5           And then tomorrow I want to highlight  
6 that we will be -- Commissioner McAllister and I,  
7 so I'm looking forward to that because we don't  
8 get to do that much together very often, and Rob  
9 as well, at the Drive the Dream event. And this  
10 is an opportunity for CEOs of major corporations  
11 around California, and actually these  
12 corporations oftentimes are, of course, national  
13 or global, to make commitments on workplace  
14 charging. And that's really exciting for us  
15 because workplace charging opens up -- if you  
16 build it, they fill up. If you build it, they  
17 fill up. And you guys may have seen the article  
18 from this weekend talking about how the chargers  
19 are congested and people are getting in fights,  
20 and so we need to figure out ways to continue to  
21 get charging out there. It tends to go in steps,  
22 so there will be more cars than anticipated, not  
23 than anticipated, but there will be more cars and  
24 they kind of outpace the charging a little bit,  
25 and then the charging will catch up, and they'll

1 outpace the cars a little bit. So we're moving  
2 forward, but we need more charging right now.

3 COMMISSIONER HOCHSCHILD: Can I ask you,  
4 Commissioner Scott, I know you had a terrific Op  
5 Ed a month or so back on this and I think you  
6 said in there we maybe have 8,000 chargers and I  
7 saw the *New York Times* said there's 15,000 public  
8 chargers. What is the actual correct number  
9 today that we --

10 COMMISSIONER SCOTT: That's a great  
11 question. The chargers I was talking about are  
12 the ones that the Energy Commission has funded,  
13 and that's some are at home, some are at work  
14 places, some are like the DC Fast Chargers on,  
15 you know, I-99 or on I-5. The 15,000 number?  
16 I'm not sure. That might have been public  
17 charging across the country --

18 COMMISSIONER HOCHSCHILD: That was  
19 California, they're saying --

20 COMMISSIONER SCOTT: Oh, it was just  
21 California.

22 COMMISSIONER HOCHSCHILD: -- yeah. So  
23 I'd never seen that --

24 COMMISSIONER SCOTT: I'll have to double-  
25 check. I'll double-check that for you. But the

1 other thing that's exciting about the workplace  
2 charging is, if you live in an apartment building  
3 and you can't get charging at home right now, you  
4 might be able to charge up at work. And so that  
5 again helps open up being able to make a choice  
6 of an Electric Vehicle for a broad set of people.  
7 So we are looking forward to the commitments that  
8 the CEOs are going to make. We did this event in  
9 2013 and the CEOs that were there committed to  
10 about 2,000 workplace chargers, so I hope we -- I  
11 don't know what we'll do with that, but I hope  
12 that we get more than that this time and continue  
13 to accelerate growth in that space, and so that  
14 is tomorrow and I'm very much looking forward to  
15 that.

16 COMMISSIONER HOCHSCHILD: I was also just  
17 curious, what do you see now in terms of pricing  
18 of chargers? Has there been cost reductions?

19 COMMISSIONER SCOTT: The price of  
20 chargers has come down a lot, especially for home  
21 charging where you can just go to Home Depot and  
22 buy one, and I will not put a number out there  
23 because I'll probably be a little bit off on how  
24 much it costs, but it has come down. The part  
25 that's tricky is a lot of times people have a

1 little bit of capacity, especially if you had a  
2 business, a little bit of capacity so you could  
3 put like six in, for example. But the seventh  
4 one means you've got to upgrade your panel and  
5 that cost makes the charger very expensive. And  
6 if you have to go and you don't have the conduit,  
7 which we will have because of the Building Codes,  
8 which is great, you know, you have to go and you  
9 have to dig up the parking lot and that adds cost  
10 to it, so it's not the charger itself, but it's  
11 the cost of getting them in place.

12 COMMISSIONER MCALLISTER: Super exciting  
13 and I think there's going to be more and more  
14 synergy, which I think is why it's good that we  
15 go together tomorrow, synergy between the  
16 buildings themselves and the charging and land  
17 use planning at the local level, as well. I  
18 mean, all these things are going to be  
19 increasingly related and integrated and we have  
20 to be talking about them in the policy  
21 environment. Also, just noting that the sort of  
22 next round of EVs are coming out with longer  
23 autonomy and longer driving distances and  
24 everything, which is really exciting. So as all  
25 of these pieces fall into place and there's more

1 charging, you know, cars that more people can use  
2 to meet their daily needs, then we're really  
3 heading towards a good spot. So I wanted to  
4 thank you for your leadership on that.

5 COMMISSIONER SCOTT: Oh, thank you.  
6 Yeah, it is a very exciting space and it makes it  
7 a little bit challenging because it's almost like  
8 your iPhone, right? So every year there's like a  
9 new innovation, there's new -- and so in making  
10 sure that we are investing in things that can  
11 grow as the market grows and grow as, "Oh, we can  
12 connect wirelessly," autonomous cars, and things  
13 like that. We don't want to have a bunch of  
14 infrastructure out there that can't grow with the  
15 changes in the technology, so that is a  
16 challenge, but it's a fun one to have.

17 COMMISSIONER DOUGLAS: All right, well,  
18 thanks everyone for all of your reports. Item 19  
19 now, Chief Counsel's Report? Nothing to report.  
20 Item 20, Executive Director's Report?

21 MR. OGLESBY: I'll just mention that the  
22 week before last I gave a presentation to the  
23 Independent Energy Producers about the progress  
24 made so far on renewable energy, also looking  
25 forward to increasing amounts of renewable

1 energy, up to 50 percent, and highlighting the  
2 move towards regional energy management,  
3 beginning with the Energy Imbalance Market, and  
4 improving planning for transmission through RETI  
5 2.0.

6 COMMISSIONER DOUGLAS: Thank you very  
7 much. Item 21, Public Advisor's Report.

8 MS. MATHEWS: Good afternoon. I actually  
9 didn't have much to report, but we have a Masters  
10 student here who wants to take pictures, so I'm  
11 going to stand at the podium since I am being  
12 featured in this new book. So I would like to  
13 say I'm excited about the passage of AB 865 and  
14 the Governor signed it, as Chair Weisenmiller  
15 expressed support of it; very excited about the  
16 Energy Commission having the ability to develop a  
17 diversity program. We've offered support to the  
18 Petroleum Market Advisory Committee Meeting  
19 yesterday and, again, I was able to also provide  
20 support to Commissioner Hochschild in the  
21 Environmental Justice and share some of our  
22 contacts to participate in that important  
23 discussion. And we are also continuing that  
24 discussion in the Siting Division, so I'm very  
25 excited about all of those efforts. And that's

1 it. Thank you.

2 COMMISSIONER DOUGLAS: All right, well  
3 thank you very much.

4 Now we have a member of the public who  
5 has been very patient and waiting patiently to  
6 make public comment. Mark Meyers with CALBO.

7 MR. MEYERS: Good afternoon. Mark  
8 Meyers, and I'm affiliated with CALBO, as you  
9 mentioned. Thank you, Commissioners.

10 I'm here this morning because I wanted to  
11 briefly speak on an item that is becoming more  
12 and more relevant and it's a problem that we're  
13 seeing with HERS Raters obtaining permits for  
14 contractors. We believe in reading the rules  
15 that have been published in the Appendices and in  
16 the Business and Professional (Sic) Code that  
17 this is a conflict of interest between the Rater  
18 and the contractor.

19 Under California State Code, in order to  
20 obtain permits, a contractor either has to appear  
21 in person, he has to send an employee, or he has  
22 to send an agent, and an agent under the Business  
23 and Professional Codes establishes an Employee-  
24 Employer relationship. He also then ends up with  
25 a fiduciary interest in the work being conducted

1 by the contractor whose work he is supposed to be  
2 inspecting as the third-party inspector.

3 We bring this to your attention because  
4 we're hopeful that you can review it and have  
5 staff review some previous decisions on things  
6 that we've been told about "there is no  
7 conflict." We've also been told that there are  
8 *underground* rules -- we don't know how you would  
9 look those up or how they're enforceable or  
10 determinable, but we don't believe that they  
11 truly do apply in this area.

12 We refer also to the California Code of  
13 Regulations, Title 20, Division 2, Chapter 4,  
14 Article VIII, section 1673 of the Definitions for  
15 HERS Raters. And it says, "The independent  
16 entity means having no financial interest and not  
17 advocating or recommending the use of any  
18 products or services as a means of gaining  
19 increased business with firms or persons, as  
20 specified." Well, obviously if you're trying to  
21 sell another service, you're trying to gain  
22 additional revenues and additional business.

23 The definition of independent entity and  
24 the financial interest together with this section  
25 prohibit conflicts of interest between providers

1 and raters, or between providers, raters, and  
2 builders or subcontractors. So we believe there  
3 are some conflicts here. And as we see more and  
4 more need to the Code Official to rely upon the  
5 third-party contractor/inspector, we'd certainly  
6 like to see this reviewed and hopefully something  
7 moved forward to ensure that this does not  
8 continue. Thank you.

9 COMMISSIONER MCALLISTER: Thanks for  
10 being here. I want to just assure you that that  
11 conversation is taking place and certainly staff  
12 is engaged with this issue. I very much  
13 appreciate CALBO's involvement in it. I do  
14 think, you know, my direction is we need to  
15 consider the realities of the marketplace, you've  
16 mentioned a few of them, but there are others out  
17 there that also we need to take into account.  
18 The preponderance, you know, the HERS ecosystem,  
19 I think, has characteristics that we need various  
20 stakeholders to sort of help us talk through  
21 because I certainly understand and am sympathetic  
22 to the idea that the local Building Departments  
23 have to rely on various service providers outside  
24 of their walls, definitely get that. So I just  
25 wanted to assure you that we are aware of this

1 issue and are working on it. So you certainly  
2 are a key stakeholder in that conversation, so  
3 thanks for being here.

4 MR. MEYERS: We appreciate it. Thank  
5 you.

6 COMMISSIONER DOUGLAS: All right, thank  
7 you. And with that, we are adjourned.

8

9 (Whereupon, at 12:11 p.m., the Business Meeting  
10 was adjourned.)

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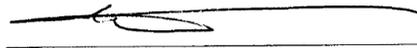
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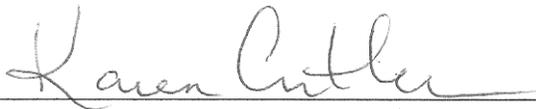
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