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Karen Douglas
Andrew McAllister
David Hochschild
Janea Scott

Staff Present:

Rob Oglesby, Executive Director
Kourtney Vaccaro, Chief Counsel
Alana Mathews, Public Adviser
Tiffani Winter, Secretariat
Kevin Bell, Senior Staff Counsel
Gabe Herrera, Staff Counsel
Laurie ten Hope, Division Deputy Director

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P R O C E E D I N G S

MARCH 9, 2016 10:05 a.m.

CHAIRMAN WEISENMILLER: Good morning. Let's start with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: Okay. So in terms of the meeting structure we've had one item put off the Consent Calendar, Item 1d. We're going to make that a new Item 14 and there is no -- well we'll hold it until the next Business Meeting, Item 2.

So with that we have a resolution, Karen?

COMMISSIONER DOUGLAS: All right. Well, good morning everyone.

As the attorney Commissioner I have the privilege of working, I think, especially closely with the Legal Office and a lot of the really talented attorneys who work at the Energy Commission. And today we'd really like to open this Business Meeting by acknowledging one of our long-time superstars here, who we're sorry to see retire, but we're happy to see today.

And Dick Ratcliff, who has been just a tremendous resource and talent for us, and just a real pleasure for me to work with, I've enjoyed working with him so much. He's

1 one of the attorneys who you are always hoping will get
2 assigned to any issue that comes up ever. And, of course,
3 that can't possibly happen. And we've got a lot of great
4 people to work with, but it always made me happy when I got
5 -- whether it was a siting case or some house counsel issue
6 -- and learned that Dick Ratliff was assigned to, frankly,
7 almost any side of that case. He's such a tremendous
8 pleasure to work with.

9 And so I'd like to read a resolution that we have
10 for him. And then we'll ask him to come forward for a
11 photograph. So here we go:

12 "Whereas Dick Ratliff is retiring as an Attorney
13 IV in the Chief Counsel's Office of the California Energy
14 Commission, after a spectacularly productive career in
15 energy, environmental and administrative law, and it's
16 appropriate at this time to honor his contributions to the
17 Energy Commission and the State of California.

18 "And whereas Dick joined the Chief Counsel's
19 Office in 1979, and worked for and was greatly appreciated
20 by Chief Counsel's Bill Chamberlain, Mike Levy and Kourtney
21 Vaccaro,

22 "And whereas Dick worked on a variety of
23 Commission programs and activities including building
24 standards, appliance standards, power plant licensing and
25 rulemakings,

1 "And whereas Dick's advocacy and writing skills
2 help the Commission's litigation teams prevail in
3 litigation numerous times, including challenges to the
4 Metcalf Project in nine different judicial and
5 administrative fora, (phonetic)

6 "And whereas Dick's collaborative abilities
7 resulted in close coordination with Air Districts and the
8 EPA, participation in the law revision Commission
9 proceedings on administrative adjudication and other joint
10 agency efforts that have benefited both the Commission and
11 the State,

12 "And whereas Dick modeled work-life balance by
13 combining his legal career with outrageous adventures and
14 nurturing his daughters, provided comic relief with an
15 occasional rendition of the Norwegian birthday song, and
16 should never be allowed to make cornmeal muffins, at least
17 not without an understanding of the difference between
18 baking soda and baking powder,

19 "Therefore let it be resolved that the California
20 Energy Commission thanks Dick Ratliff for his distinguished
21 record in professional contributions to the wellbeing of
22 the citizens of California, energy efficiency policy, and
23 the environment. And for his superb accomplishments
24 throughout the many years of service he has given to the
25 Energy Commission and the people of the State of

1 California,

2 "Be it further resolved that the California
3 Energy Commission congratulates Dick Ratliff on his
4 retirement and wishes him good health and happiness,
5 wonderful times with his family and friends, and fabulous
6 and safe outdoor adventures."

7 (Applause and presentation.)

8 CHAIRMAN WEISENMILLER: So let's turn attention
9 to the Consent items. Again --

10 COMMISSIONER MCALLISTER: Well, wait. I guess
11 Kourtney is suggesting that we recuse and disclose
12 (indiscernible)

13 CHAIRMAN WEISENMILLER: Okay. We can do that,
14 yeah go ahead.

15 Good, go ahead.

16 COMMISSIONER MCALLISTER: So I just want to get
17 this out of the way early on. I'll recuse from Item 11.
18 My former employer is a sub, so I'm going to not vote on
19 that one and then I'll be out of the room.

20 And then 13, let's see, I'm just disclosing, it's
21 a contract to UC Davis. And my wife is a professor at UC
22 Davis King Hall. There's no relation to that contract, so
23 I'm not conflicted out.

24 MS. VACCARO: Vice Chair McAllister, for the
25 record would you identify who your former employer is that

10

1 causes you to recuse?

2 COMMISSIONER MCALLISTER: The Center for
3 Sustainable Energy. That's a sub on Item 11.

4 CHAIRMAN WEISENMILLER: Great, so let's go on to
5 the Consent Calendar except for Item d, which again is
6 going to become a new Item 14.

7 COMMISSIONER DOUGLAS: All right, move Consent
8 Items a through c.

9 COMMISSIONER SCOTT: Second.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.)

12 CHAIRMAN WEISENMILLER: So the Consent Calendar a
13 through c has been approved 5-0.

14 Let's go on to Item 3, Mountainview Generating
15 Station Project. Joseph Douglas, please?

16 MR. DOUGLAS: Good morning, Commissioners. My
17 name is Joseph Douglas. I am the Compliance Project
18 Manager for the Mountain View Generating Station

19 MR. DOUGLAS: Good morning, Commissioners. My
20 name is Joseph Douglas. I am the Compliance Project
21 Manager for the Mountainview Generating Station Project.

22 With me this morning is Kevin Bell, Senior Staff
23 Counsel and technical staff from Air Quality and Traffic
24 And Transportation. Also present are representatives from
25 Southern California Edison.

1 The Mountainview Generation Station is a 1,056
2 megawatt combined-cycle facility that was certified by the
3 Commission on March 21st, 2001 and began commercial
4 operation on January 19th, 2006. The facility is located
5 in the City of Redlands, in San Bernardino County.

6 On January 11th, 2016 Southern California Edison
7 Company, owner of Mountainview filed a petition with the
8 California Energy Commission requesting to amend the Final
9 Decision for the Mountainview Generating Station.

10 Modifications proposed in the petition would
11 replace certain combustion section components with advanced
12 Gas Path components. Modifications would increase the
13 efficiency of the combustion turbines, allow faster ramping
14 rates, reduce the generator minimum-load operating point
15 and extend major maintenance intervals.

16 These advanced components will also increase the
17 combined generating capacity of the four turbines by
18 approximately 48 megawatts. However, the project will
19 continue to meet all emission limits established in the
20 existing permits.

21 Staff have reviewed the proposed project changes
22 and determined that the technical areas of Air Quality and
23 Traffic and Transportation would be affected by the
24 proposed project changes. Staff has proposed several
25 updates to the Air Quality Conditions of Certifications,

1 when necessary, to reflect the minor administrative
2 revisions to the Title V permit that were being proposed by
3 the South Coast Air Quality Management District. The
4 requested modifications would not result in any increases
5 to the existing emission limits.

6 Staff is also proposing a new Condition of
7 Certification TRANS-8, regarding pilot notification and
8 awareness. The new condition would warn pilots of the need
9 to avoid direct low altitude over-flight of the project,
10 because the hourly heat input increases would result in
11 slight increases in the exhaust plume velocities and
12 temperatures.

13 The Notice of Receipt was mailed and posted to
14 the certification mail list, docketed and posted to the
15 Energy Commission website on February 1st, 2016.

16 The staff analysis was mailed, docketed and
17 posted to the Energy Commission website on February 8th,
18 2016.

19 An extension to the comment period to 10:00 a.m.
20 on March 9th, 2016 was mailed, docketed and posted to the
21 Energy Commission website on February 11th, 2016.

22 Staff received one phone call yesterday from a
23 member of the public advising that they have asthma and
24 inquiring how they could participate in the matter. I
25 pointed them to the website to get info on ways to

1 participate, either by written comment or by calling into
2 the Business Meeting. And I also indicated that this
3 particular amendment would not propose any additional
4 increase in emissions.

5 Energy Commission staff reviewed the petition and
6 finds that it complies with the requirements of Title 20,
7 Section 1769(a) of the California Code of Regulations. And
8 recommends approval of the project modifications updates to
9 the air quality conditions, and the addition of the Traffic
10 and Transportation Conditional Certification. Thank you.

11 CHAIRMAN WEISENMILLER: Okay. So Edison, Phil
12 Herrington, please?

13 MR. HERRINGTON: Thank you. Good morning, Chair
14 Weisenmiller, Commissioners. I'm Phil Herrington, Vice
15 President of Power Production for Southern California
16 Edison.

17 Thank you for the opportunity to be here, first
18 of all. I would also like to thank Mr. Joe Douglas and his
19 team for the detailed analysis that went into the review of
20 the Petition to Amend. We have reviewed that
21 recommendation and the proposed order of the Petition to
22 Amend and we're in agreement with the order.

23 I'd be happy to answer any questions, but would
24 also reiterate, as Mr. Douglas said, there are no new
25 emissions associated with this amendment. And also the

1 proposed modifications to the Mountainview Generating
2 Station will contribute to a number of factors contributing
3 to California's goal of reducing greenhouse gas emissions
4 by supporting renewable integration and system support.

5 CHAIRMAN WEISENMILLER: Thank you.

6 Do we have any other public comments on this?

7 (No audible response.)

8 Then let's go to the Commissioners.

9 COMMISSIONER DOUGLAS: You know what, I'll just
10 make a brief comment, which is that my colleagues might
11 remember some fairly similar amendments on the last
12 Business Meeting. This was a case where the project's
13 proposing some upgrades to the combustion burners and
14 system. And those upgrades are resulting in more
15 generation, more efficiency, and generally more flexible
16 performance. And also a somewhat higher thermal plume,
17 which is the reason for the new condition requiring pilot
18 notification, for example.

19 There's no increase in emissions and so I
20 certainly recommend this to your support. I don't have any
21 questions for the project proponent, but we'll see in a
22 moment if anyone else does.

23 I'll go ahead and move approval of this item.

24 COMMISSIONER MCALLISTER: I'll second.

25 CHAIRMAN WEISENMILLER: Okay. All those in

1 favor?

2 (Ayes.)

3 CHAIRMAN WEISENMILLER: So this item passes 5-0.

4 Thank you. Thanks for being here.

5 Let's go on to Item 4, Renewables Portfolio

6 Standard Program. Lynette Green, please?

7 MS. GREEN: Good morning, Chair Weisenmiller and
8 Commissioners. I'm Lynette Green, the lead staff for the
9 Renewables Portfolio Standard or RPS Eligibility Guidebook.
10 To my left is Gabe Herrera, Legal Counsel.

11 Staff is requesting approval of two separate
12 resolutions that specify revisions to the RPS Eligibility
13 Guidebook. RPS staff has used the resolution process in
14 the past to approve RPS guideline changes when there were
15 specific timing issues that required immediate action.

16 The Commission approved RPS guideline changes
17 using the resolution process, in April 2014, to implement a
18 process to extend and waive deadlines for RPS certification
19 applications and again, in October 2014, to implement a
20 process to allow retroactive creation of WREGIS
21 certificates. And to extend use of the Commission's
22 interim tracking system through December 31st, 2013.
23 Changes approved through the resolution process are then
24 incorporated into the RPS Eligibility Guidebook during the
25 annual guidebook update process.

1 Staff is holding a Scoping Workshop next week, on March
2 17th, to discuss potential revisions to the RPS Guidebook
3 to implement Senate Bill 350 and make other clarifying
4 changes. Revisions to the RPS Guidebook are expected to be
5 completed in September 2016.

6 The first Resolution 16-0309-04A, relates to
7 treatment of renewable energy credits, or RECs that are
8 required to show RPS compliance. A REC is created and
9 tracked in the Western Renewable Energy Generation
10 Information System, or WREGIS, for each megawatt hour of
11 renewable generation from an RPS-certified facility.

12 RECs must be retired within 36 months of the
13 initial date of generation to be eligible for the RPS.
14 Once a REC is retired for RPS compliance, it can only be
15 unretired by the WREGIS Administrator under specific
16 limited circumstances. The Energy Commission verifies the
17 eligibility of each REC that is claimed by a load-serving
18 entity towards its RPS obligations.

19 The Commission also determines RPS compliance for
20 local publicly-owned electric utilities, or POUs.

21 For the first compliance period, under the 33
22 percent RPS, which covers 2011 through 2013, POUs must
23 procure 20 percent of their total retail sales with
24 eligible renewable energy. During the POU verification
25 process for the first compliance period, staff became aware

1 that a POU's total retail sales could change after a staff
2 audit of the information submitted by the POU for example,
3 due to over counting by the POU. This could result in a
4 reduced renewable target and lead to a POU having retired
5 more RECs than they needed to meet their RPS obligation or
6 surplus RECs.

7 While WREGIS has a process for RECs to be
8 unretired that process only allows un-retirement within 12
9 months of the original REC retirement date.

10 If a POU has surplus retired RECs that have
11 passed the 12 month un-retirement deadline those RECs are
12 stranded and cannot be applied to satisfy the POU's RPS
13 requirements for the subsequent compliance period, even
14 though they are otherwise eligible.

15 Staff explored different options to address this
16 issue including asking WREGIS to amend its operating rules
17 to extend the 12 month un-retirement deadline to 24 months.
18 However, amending WREGIS operating rules takes a minimum of
19 six months and there is no guarantee that the request would
20 be approved.

21 Staff believes this issue must be addressed now,
22 so that any necessary adjustments to the RPS verification
23 results for the first compliance period, can be made
24 quickly to avoid delaying Commission adoption of the POU
25 Verification Report, which is anticipated in August of this

1 year.

2 Delaying adoption of that report could delay the
3 Commission's determination of RPS compliance for the POU's
4 for the first compliance period. Staff therefore decided
5 the best approach was to propose a resolution to establish
6 a process to allow a POU to request approval from the
7 Commission's Executive Director to move surplus retired
8 RECs that were reported for a specified compliance period
9 to the next compliance period, as long as the POU meets
10 certain criteria.

11 The proposed resolution would only apply to POU's
12 and be limited to situations where the surplus retired RECs
13 could have been retired for either the original or
14 subsequent compliance period. And the resolution will not
15 change existing requirements in the POU regulations or the
16 WREGIS operating rules.

17 Staff received four sets of written comments on
18 the proposed resolution from the Los Angeles Department of
19 Water and Power, Pacific Gas and Electric Company, Southern
20 California Public Power Authority and the California
21 Municipal Utilities Association.

22 LADWP and SCPA recommended POU's be allowed to
23 transfer additional retired RECs to a compliance period or
24 use surplus retired RECs in any compliance period, if
25 shortfalls are discovered during the Commission's

1 verification process.

2 They also suggested that POU's should not be
3 limited to one request to move surplus retired RECs per
4 compliance period.

5 Staff's response is that the RPS Guidebook
6 already has a process for retiring additional RECs if
7 shortfalls are discovered during the verification process.
8 And any expansion or clarification of that process can be
9 considered in the next RPS Guidebook Revision.

10 Staff disagrees with the request to allow the use
11 of surplus retired RECs in any compliance period, because
12 that would violate the POU Regulations, which do not allow
13 RECs to be retired and applied to a compliance period that
14 begins after the date the RECs were retired.

15 In response to LADWP and SCPPA's request not to
16 limit the transfer of surplus retired RECs to one per
17 compliance period, staff set this limit to strike a balance
18 between allowing this process in limited circumstances and
19 still following the intent of the WREGIS operating rules in
20 the RPS POU regulations.

21 PG&E opposes staff's proposal for three reasons.
22 There was insufficient time for stakeholder review, the
23 same rules should apply to all LSEs, and retroactive
24 application of new rules for POU's is inappropriate.

25 Staff notes that they met the legal deadline of

1 10 calendar days to notify stakeholders of proposed
2 substantive changes to the RPS Guidelines and ask for
3 comments. Because of the conflict between the timing of
4 the POU Verification Report, and the updates to the RPS
5 Eligibility Guidebook, staff feel it would be
6 counterproductive to delay consideration of this resolution
7 to receive further comments, because that could
8 substantially impact the schedule for adopting the POU
9 Verification Report.

10 In addition, staff notes that if the resolution
11 is approved stakeholders will still have an opportunity to
12 further discuss this and other concerns at the March 17th
13 Scoping Workshop to consider potential changes to the next
14 edition of the RPS Guidebook.

15 Regarding expanding the resolution to include all
16 LSEs, staff notes that the Commission does not have
17 authority to extend this process to the retail sellers.
18 That authority rests with the CPUC.

19 Staff contacted CPUC staff regarding the proposed
20 resolution and received no comments or suggested edits.
21 But it is staff's understanding that CPUC staff will be
22 attending the March 17th Scoping Workshop. And staff
23 recommends that PG&E raise their concerns to CPUC staff at
24 that time.

25 Regarding PG&E's statement that the proposed

1 process applies new rules retroactively, staff disagrees.

2 For the 2011 to 2013 compliance period this
3 process would only apply to RECs currently in the
4 verification process, which has not yet completed and would
5 reduce, not increase, the number of RECs retired and
6 applied to the first compliance period. And under the
7 current program rules, all LSEs including retail sellers
8 are already allowed to withdraw RECs that were retired and
9 applied to the first compliance period within one year of
10 the REC retirement date, per WREGIS operating rules. And
11 may retire additional RECs up until the date when the
12 retail seller's Verification Report is adopted, currently
13 anticipated in May 2016.

14 CMUA, in its comments, generally supported staff
15 proposed change though recommended eliminating the
16 provisions that surplus RECs can only be applied to the
17 subsequent compliance period and only one request per
18 compliance period.

19 CMUA also asked that surplus retired RECs be
20 allowed for different compliance periods, rather than only
21 the compliance periods subsequent to when the RECs were
22 originally retired.

23 Staff disagrees with CMUA's suggestions, because
24 under the retirement rules of the POU regulations, POUs can
25 only apply RECs to the current or previous compliance

1 period at the time they are retired, not the future
2 compliance periods. Such a change would require a change
3 to the regulations, which is outside of scope of the RPS
4 Guidebook revision process.

5 Staff therefore requests that the Commission
6 approve Resolution Number 16-03-0904A adopting the proposed
7 revisions to the RPS Eligibility Guidebook as written. And
8 will continue working with stakeholders as part of the
9 Guidebook revision process to evaluate whether additional
10 changes are appropriate or needed and if they are, to
11 propose those changes in a draft revised Guidebook.

12 Should I continue with the second resolution?

13 CHAIRMAN WEISENMILLER: Let's deal with the first
14 issue and get comments on that and then have the Commission
15 conversation. Then let's go on to the second one after
16 that. There are two distinct issues.

17 So we do have at least two comments on this first
18 issue I believe. One is PG&E's in the room. And again I'm
19 assuming that you're issue is with A and not B?

20 MR. BENGTSSON: That's correct.

21 CHAIRMAN WEISENMILLER: Okay.

22 MR. BENGTSSON: Good morning Commissioners,
23 Nathan Bengtsson, Pacific Gas and Electric Company. Thank
24 you very much for the opportunity to comment on the
25 proposed changes, references 4A here.

1 As we indicated in our written comments, the
2 proposal represents a substantial change to one of
3 California's marquis climate change reduction programs.
4 And we oppose the adoption of these changes today and
5 recommend consideration of this proposal to be deferred to
6 the RPS Guidebook update process.

7 The reason is that usually changes compliance
8 mechanisms are reviewed through a robust public review
9 process. And stakeholders expect that any changes to the
10 guidebook will be discussed in workshops and addressed
11 through comments, as I'm sure they will, when this process
12 begins in March.

13 In this case, no public workshops were held. A
14 notice was issued on February 26th with comments due on
15 March 4th. And obviously it's up for a possible adoption
16 today. Any substantial change to the CEC's RPS Guidelines
17 and Compliance Rules deserve to be considered for longer
18 than the bare legal minimum.

19 Moreover, we note there are issues with this
20 proposal that could have been worked out if there was a
21 more robust public process. Namely, we note that these
22 changes only apply to publicly owned utilities. There's
23 really no reason for disparate treatment of load-serving
24 entities under this rule.

25 If it is adopted, it should apply to all LSEs to

1 avoid undermining the integrity of the RPS Program by
2 creating different rules for different load-serving
3 entities.

4 Additionally, if you do choose to adopt this
5 proposal today it should not apply retroactively. Changing
6 the compliance rules after the fact for a subset of parties
7 that are required to comply with this program provides no
8 confidence that compliance is measured in a transparent and
9 public way. And it represents an end-run around the due
10 process. We've all been following the rules all along.

11 So in summary, this proposal is fundamentally
12 flawed for the reasons I just explained. And there's been
13 insufficient public consideration of the proposed changes.
14 We ask that you not act on this proposal today and defer
15 consideration of this issue to the RPS Guidebook proceeding
16 where it can be adequately vetted and comment upon.

17 And I'd like to add that it seems a little
18 disingenuous that this change would be made today and then
19 we would be talking about it after the fact, which seems to
20 imply that either we plan to keep what are disparate rules
21 for different load-serving entities, or is it an
22 acknowledgement that there are issues with this proposal
23 that need to be worked out later. And that for scheduling
24 reason we're applying a band aid? That seems problematic.
25 Thank you very much.

1 CHAIRMAN WEISENMILLER: Thank you. I believe we
2 have LADWP line. First, is there anyone else in the room
3 that wants to comment on this?

4 (No audible response.)

5 Great, then let's go to LADWP who's on the line,
6 John Dennis?

7 MR. DENNIS: Thank you, and good morning to the
8 Commission. This is John Dennis from the Los Angeles
9 Department of Water and Power. LADWP appreciates the
10 opportunity to comment on the CEC's proposed changes to the
11 RPS Guidebook and the additional attention to Compliance
12 Period One.

13 First off, we just believe that the Energy
14 Commission should postpone adoption of any proposed changes
15 since the stakeholders, as was just previously noted, only
16 had five working days to review the changes that are being
17 considered for adoption today and submit written comments.

18 We also just request that the Energy Commission
19 hold a workshop to discuss the reasoning behind and
20 possible implications of the proposed RPS Guideline
21 changes. And stakeholders should be given more time to
22 completely review and assess the impacts of the proposed
23 changes before the Commission considers adoption. So we
24 certainly appreciate this opportunity today to comment.

25 LADWP believes a new process to redistribute

1 surplus retired RECs from one compliance period to another
2 compliance period is a great idea, and it creates
3 flexibility for meeting the RPS goals. LADWP has a few
4 additional suggestions to improve the process and ensure
5 that a utility has the opportunity to make a good faith
6 effort to comply as well as not leave any RECs behind.

7 In addition to having the ability to transfer
8 surplus retired RECs, utilities should have the ability to
9 transfer additional retired RECs to a compliance period,
10 due to shortfalls that may be discovered during the CEC's
11 verification process. A load-serving entity's RPS targets
12 could change and result in either a shortfall or excess
13 retirement of RECs during the verification process.

14 The RPS compliance process should be likened to
15 paying taxes. You pay throughout the year and there's a
16 true-up when you file your taxes. And at that point, you
17 have the opportunity to either get a refund or amend your
18 taxes. Upward and downward REC adjustments currently
19 doesn't exist, but we believe that the utility should have
20 the ability to use surplus RECs in any compliance period to
21 remedy the shortfalls discovered during the verification
22 process and the compliance period.

23 LADWP also believe that a utility should not be
24 limited to one transfer request per RPS compliance period
25 to withdraw or retire additional RECs during the

1 verification process, since this could unintentionally
2 strand RECs over some time.

3 We thank you for the opportunity to provide these
4 comments today.

5 CHAIRMAN WEISENMILLER: Okay, any other comments?

6 All right, I'll ask the staff then to address
7 basically the four issues that have been raised. One is
8 adequate noticing, the other is parity between the various
9 LOCs, the retroactive nature of the change, and then the
10 process questions.

11 MS. GREEN: So Commissioners, I believe PG&E's
12 and LADWP's comments are the same as what they have
13 provided in writing. And so staff had addressed those
14 concerns or comments.

15 CHAIRMAN WEISENMILLER: Yeah, why don't you go
16 on.

17 MS. GREEN: Okay.

18 CHAIRMAN WEISENMILLER: I think that'd be better.
19 Let's start with Notice, Gabe?

20 MR. HERRERA: Yeah, so a couple of the points on
21 deferring consideration.

22 I mean, one of the reasons staff wants to move
23 forward quickly through this resolution process, which is
24 extraordinary as Lynette pointed out -- is because of the
25 timing with the verification process. And making sure you

1 have the data and that at least POU's are allowed to make
2 those adjustments, so that they can be verified. And
3 Verification Report can be finalized.

4 I mean, that's why staff is moving forward
5 quickly now rather than postponing this until later this
6 year when the Guidebook could be revised and there's a more
7 robust public process. That public process is part of the
8 Guidebook revision process. It won't happen until after
9 staff anticipates completion of the Verification Report,
10 which means it will come too late in order to correct some
11 of the procurement claims by some of the POU's.

12 We recognize that there is this disparity between
13 some of the load-serving entities. We tell sellers like
14 PG&E and POU's -- and sometimes different rules are required
15 because the entities are different.

16 In this case we're up against a situation where
17 there hasn't been confirmation with the CPUC that they are
18 willing to extend this same type of process to retail
19 sellers. And so we're hoping to engage them, assuming this
20 resolution gets passed today, here in the near future. And
21 then if the CPUC agrees we can make adjustments that would
22 apply these criteria, this process, to all load-serving
23 entities, including retail sellers.

24 Regarding LA's comments about having the
25 flexibility to move surplus RECs, either up or down in any

1 compliance period. One of the problems we're up against
2 are the statutory limitations in the law, dealing with the
3 RPS. Those laws are implemented through the Energy
4 Commission's regulations. And the regulations reflect the
5 limitations in the law, including limitations that the
6 Legislature established allowing RECs to be used to satisfy
7 certain procurement obligations in making sure that when
8 those RECs are retired, they comply with rules like excess
9 procurement that the Legislature established. And other
10 rules dealing with cost limitations and delayed for timely
11 compliance.

12 So we want to make sure that this process doesn't
13 run afoul of those statutory limitations. And so we
14 carefully considered this process to make sure it fit
15 within the statutory constraints. But we'll certainly
16 consider LA's comments as we move into another rulemaking
17 to amend the POU regs to implement SB 350.

18 CHAIRMAN WEISENMILLER: I think PG&Es other
19 allegation was that the process was flawed because of the
20 retroactive nature. Do you want to comment on that or I
21 assume they were saying -- meant legally flawed.

22 MR. HERRERA: Right, so what this is allowing a
23 POU to do is to go back and to adjust its accounting of its
24 procurement to satisfy its procurement obligations.

25 In this case, we're aware of at least one POU

1 that has overstated its retail sales, so when you elevate
2 your retail sales than your procurement obligation goes up,
3 right? If you've now retired RECs to address that and its
4 more than you actually need to satisfy your obligation,
5 then you have these RECs that could have been used for a
6 different compliance period.

7 What the Commission is doing here is not
8 different than what we've done before in other aspects of
9 the guidelines where we've allowed POUs to -- excuse me --
10 where we've gone back and we've revised the guidelines to
11 allow, for example, an extension of application deadline,
12 to allow the use of the interim tracking system, rather
13 than WREGIS.

14 So I think its inline with that. I don't see it
15 as a retroactive application or something that violates
16 state or constitutional law.

17 CHAIRMAN WEISENMILLER: Thanks, that helps.

18 Commissioner, do you want to lead the discussion?

19 COMMISSIONER HOCHSCHILD: Yeah, sure. Well let
20 me just thank first of all PG&E and LADWP for your
21 comments. Your points are well taken. And it is a little
22 bit unusual to do this on an accelerated basis. Normally
23 we're criticized for acting too slowly, so this is unusual
24 because whereas we were acting.

25 But in this case I did personally review this

1 with staff yesterday. And in this case, because this
2 potential problem could affect multiple POUs, I actually
3 would ask my colleagues that we go ahead and move forward
4 with this, but encourage all the stakeholders who are here
5 and interested, to participate in the March 17th workshop
6 to address other potential changes around this.

7 This is just one step. There are many more
8 elements potentially to be done. So I do, in this case,
9 consider the balance of all the issues at stake or just to
10 move ahead with this.

11 COMMISSIONER MCALLISTER: I have a question. So
12 it seems to me this type of conversation has happened a
13 number of times over different issues. And it's framed as
14 a IOU/POU issue. But it's really a size issue in my view.

15 So we have the largest POU and arguably the
16 largest size IOU, depending on how you count, saying they
17 don't think it's a good idea to do it now. "We'd rather
18 defer and do it a little bit later and talk it through a
19 little more at least for very, very different reasons."

20 But the issue really -- your noise and
21 procurement as you've kind of implied, really is much, much
22 bigger as a percentage of sales for a small utility versus
23 a large utility whether or not it's a POU or an IOU.

24 So I'm wondering -- I'm assuming, you know,
25 obviously Commissioner Hochschild has looked at this in

1 depth, and maybe the group of POU's that this might effect
2 is all small POU's, I don't know. You know at least most
3 directly. And so I guess I'm wondering do we know what,
4 how the RPS applies and is implemented to small IOU's like
5 Bear Valley or something like that? I mean, are they
6 treated like PG&E as well?

7 I mean this issue of like whether there should be
8 exactly sort of the same rules applied to all utilities,
9 gosh darn it. I think goes to size more than structure.
10 And we deal with the POU's and the CPC deals with the IOU's.
11 But basically, Bear Valley and Corona might be much more
12 alike in most ways than PG&E and Corona. So do we know
13 sort of how that fleshes out in a smaller POU realm -- or
14 smaller IOU rather?

15 MR. HERRERA: So I can't speak to that point,
16 Commissioner McAllister. I think the CPUC has done a good
17 job of developing rules that are consistent with respect to
18 all retail sellers, but they also have rules I believe that
19 treat some of the smaller retail sellers differently. I
20 can't cite any specifics there.

21 COMMISSIONER MCALLISTER: Even with PacifiCorp,
22 I mean we do have a line both sort of larger and smaller
23 now that 350 has gone through. And I wonder if we can
24 revisit some of that discussion? I don't know if the Chair
25 has --

1 CHAIRMAN WEISENMILLER: No, no. Well, one of the
2 issues that certainly came up in 350 was the difference.
3 Of all the load serving entities that the PUC regulates,
4 there's not just the IOUs that we're all familiar with,
5 there's also potentially CCAs, Community Choice
6 Aggregation; there's also the direct access or energy
7 service providers; and there are also smaller IOU -- as you
8 said Pacific Corp, etcetera; some ski lifts that are
9 somehow utilities that at least historically the staff used
10 to love going up for the rate cases, the QC staff and the
11 Commissioners.

12 But anyway having said that, they've got a whole
13 group -- my impression was that a lot of the focus is more
14 on the IOU part. And one of the things they're struggling
15 with is what does it mean for CCAs, for direct access, for
16 the smaller ones? So that's certainly a question, but as
17 you know, this legislation unlike the more recent 350
18 doesn't distinguish across the size of POU's.

19 So of the 43 or 44 --

20 UNIDENTIFIED SPEAKER: 43.

21 COMMISSIONER MCALLISTER: -- 43, they're all
22 treated identically even though circumstances could be much
23 different for the smaller ones than for the larger ones.

24 COMMISSIONER SCOTT: So I just wanted to raise
25 that as the public member on the Commission I do find that

1 calls for the process to be quite compelling. But I got a
2 great briefing from Lynette and the team earlier in the
3 week. I listened closely to her presentation. I listened
4 closely, Commissioner Hochschild, to what you said.

5 And my understanding is that this is a relatively
6 limited change that needs to be made with some urgency.
7 And so maybe Lynette or Commissioner Hochschild, if you
8 could give us maybe an example, just so that the public
9 kind of understands why the urgency is here. I think that
10 would be helpful just to understand the balance between
11 kind of the process and the urgency.

12 MS. GREEN: So to address the urgency concern is
13 the reason why we wanted this to be approved now is
14 because, as I mentioned earlier, the Verification Report is
15 being completed and its anticipated for Commission adoption
16 for POE verification in August.

17 So if approved now we could potentially -- any
18 POU that could apply for this process, once approved by the
19 Executive Director, we could make those adjustments now
20 prior to the adoption of the POE Verification Report. So
21 that's the main reason.

22 CHAIRMAN WEISENMILLER: I guess the thing I'd
23 like to understand a little bit better from either
24 Commissioner Hochschild or the staff, is so you've got this
25 change. You have a process that's opening up, which may

35

1 well come out with other changes. And so what happens if
2 there are other changes, other than this, that we want to
3 do? I assume they would also be reflected in the
4 Verification Report. How does that -- just to understand,
5 is this the only one that could possibly be reflected in
6 the Verification Report?

7 COMMISSIONER HOCHSCHILD: That's a good point.

8 Gabe, do you want to speak to that?

9 MR. HERRERA: So Chair, when you talk about other
10 changes, I mean what could potentially happen if this
11 change doesn't go forward today, and in fact it's rolled
12 into the Guidebook process, is you could have a
13 Verification Report that has some asterisks in it with some
14 unconfirmed numbers or some adjustments.

15 So if the Commission then approved that report
16 ahead of the Guidebook changes right, then it would do so
17 knowing that certain data in the report would then have to
18 be adjusted later, after the Guidebook is adopted, assuming
19 the Commission does adopt it and adopts this process.

20 So I guess that's the risk.

21 CHAIRMAN WEISENMILLER: Yeah, although again I
22 was just trying to understand if what you're saying is that
23 this is the only change that could affect the Verification
24 Report or as you start this process, are there other
25 changes that might come up. And if so, is the intent

1 either to not reflect them or just how would that work?
2 Again, not that I have a specific other change in mind, but
3 just the other issues that are raised.

4 MR. HERRERA: There was a notice that went out
5 for the staff workshop a couple weeks ago, and it
6 identified primarily Senate Bill 350 and some of the
7 changes in law that would be required by that bill, and
8 also areas of clarification.

9 But as I'm sitting now I don't think there were
10 any other topics that were identified in that notice that
11 had any bearing on the Verification Report. They dealt
12 with other matters. So if those changes were made to the
13 Guidebook, they wouldn't affect the Verification Report.

14 MS. GREEN: Right, as far we know, this is the
15 only change that would affect the Verification Report right
16 now.

17 CHAIRMAN WEISENMILLER: Okay. Well, I know your
18 office is always trying to make sure that there was sort of
19 a list of what the complaints were on the Guidebook. And
20 presumably, what you're saying is this is the only one that
21 could affect it or do you know?

22 COMMISSIONER HOCHSCHILD: To my knowledge. I
23 mean, and again we've structured the Guidebook process so
24 we're doing it once a year annually, and this is the one
25 coming up.

1 And let me just reiterate, it's not optimal the
2 way this is happening. But I think it's actually the right
3 decision given the number of POUs that potentially could be
4 affected.

5 COMMISSIONER MCALLISTER: Can I ask a quick
6 question, just another clarification?

7 So sort of building on what the Chair was saying,
8 so we're in March. And I guess I'd like a better
9 appreciation of sort what would happen if we allowed a
10 little bit more public process and appended this topic onto
11 the March 17th workshop and then came back next month, if
12 there's a meeting. Is that a killer timeline change for
13 this change?

14 MS. GREEN: It could delay the adoption of the
15 POE Verification Report and the RPS Guidebook. The problem
16 with not adopting now, let's say if the Commission decides
17 not to approve, is those RECs would be stranded so they
18 can't do anything with those RECs. If they decide to
19 proceed with adopting the POU Verification -- if they
20 decide to wait then it would obviously delay the POU
21 Verification Report.

22 MR. HERRERA: It could. I mean, right so this is
23 information that if the process is approved would help a
24 POU to make adjustments to its procurement claims. Those
25 would be reflected in a Verification Report. You delay it

1 a month for example, Commissioner McAlister, then that
2 would just push the schedule back on the Verification
3 Report back a little bit. How it would affect the ultimate
4 adoption date I don't know, but if you push it back a month
5 it probably affects the schedule.

6 MS. GREEN: And the Guidebook is not anticipated
7 to be adopted until September of 2016, so that could also
8 delay application.

9 COMMISSIONER MCALLISTER: Because I was just
10 suggesting that -- if part of the issue was public process
11 that people have an issue -- and without commenting on the
12 substance here then maybe we can kind of have it both ways
13 where we have that discussion in a workshop that people are
14 paying attention to, but not sort of explicitly necessarily
15 within the guideline process itself to get to another one-
16 off decision.

17 But I guess I'm just kind of looking for sort of
18 how we can satisfy some of the disquiet, without throwing a
19 huge wrench into the process and everything.

20 COMMISSIONER HOCHSCHILD: So no, that was
21 precisely my question when I went over this with staff.
22 And the conclusion is that we do place it in jeopardy. So
23 this is as I said not optimal, but I think the right
24 decision to move forward with this.

25 I mean that's where I am personally with it.

1 COMMISSIONER MCALLISTER: Have we heard from like
2 all the -- I don't know, it seems like in my experience
3 there historically has been some passion around -- not just
4 coming from PG&E and IOUs, but from others in the
5 Legislature etcetera -- about sort of the treatment of POUs
6 versus IOUs. I guess I'm just sort of wondering if
7 interference has been run on that.

8 COMMISSIONER HOCHSCHILD: And your question is
9 who else have we heard from on this?

10 COMMISSIONER MCALLISTER: Well, yeah. Just sort
11 of how hot a button this in terms of who's going to chime
12 in and --

13 COMMISSIONER HOCHSCHILD: I haven't heard any
14 comments from any legislators on this at all.

15 COMMISSIONER MCALLISTER: Okay.

16 COMMISSIONER HOCHSCHILD: Or other parties we've
17 talked to besides the POUs and the stakeholders, but okay.

18 MS. GREEN: I haven't heard from anybody but
19 PG&E.

20 CHAIRMAN WEISENMILLER: I think the thing we're
21 struggling with, and I think this as Commissioner
22 Hochschild said, the reality is this whole thing is behind
23 where we'd like to be now on the POU compliance.

24 We have new software, which will hopefully speed
25 this up. And in many respects we're dealing with a number

1 of issues that are in character for this first impression.
2 It's not like this is the fourth time we've done it and
3 everything is sort of worked through. And so it is sort of
4 a messy process where you're trying to trade off timing,
5 which is not good, with the public process, right?

6 COMMISSIONER DOUGLAS: So I'll just chime in
7 briefly here. I also benefited from both looking at the
8 written comments submitted on this and getting a briefing
9 from staff. I would be reluctant to embark on a path that
10 would delay the Verification Report. I think it's really
11 important that we get that done. And I think that's a lot
12 of the motivation behind the proposal before us.

13 And I'm also sensitive to the fact -- I think
14 Commissioner McAlister pointed this out earlier -- that
15 this affects the small POU's probably disproportionately.
16 And I've got some reluctance to strand the RECs that they
17 might have over-allocated to this, in part because this
18 program is new to us and it's new to them. And not
19 everyone is going to be perfectly accurate in forecasting
20 their retail sales anyway.

21 So I think there's a significant difference
22 between potentially overpaying, in a sense, for compliance
23 and then truing that up, versus the issue that DWP was
24 raising in its comments with regard to essentially
25 borrowing against the future and under-complying. And that

41

1 difference is reflected in the statute in the guidelines as
2 well.

3 But I think those are very fundamentally
4 different issues. And I'm much more interested in showing
5 flexibility with regard to the entities that might have
6 actually over-allocated RECs to compliance in the first
7 compliance period. So those were at least some thoughts as
8 I listen to the discussion.

9 COMMISSIONER HOCHSCHILD: Did you want a motion
10 or do you want to consider the Item B before we go to vote?

11 CHAIRMAN WEISENMILLER: I was going to say why
12 don't we just do the motion on this and we'll do Item B as
13 another -- yeah.

14 COMMISSIONER HOCHSCHILD: Okay. I would move
15 Item 4A.

16 COMMISSIONER DOUGLAS: I'll second it.

17 CHAIRMAN WEISENMILLER: Okay. All those in
18 favor?

19 (Ayes.)

20 CHAIRMAN WEISENMILLER: All those opposed?

21 (silence)

22 CHAIRMAN WEISENMILLER: So this passes 5-0.
23 Let's go on to B now, please Lynette?

24 MS. GREEN: So the second resolution, 16-0309-04B
25 updates the appeal process in Section VII.C of the RPS

1 Eligibility Guidebook, Eighth Edition.

2 This appeal process requires an applicant to show
3 that factors other than those described in the RPS
4 Eligibility Guidebook were applied by Commission staff in
5 denying or revoking RPS certification.

6 The first level of appeal, under Section VII.C,
7 is for the applicant to file a petition for reconsideration
8 with the Executive Director.

9 If the applicant disagrees with the Executive
10 Director's decision on the petition, the applicant may
11 pursue the second level of appeal by filing a letter of
12 appeal with the Commission. Section VII.C requires the
13 letter of appeal to be processed as a request for
14 investigation pursuant to the Commission's regulations for
15 complaints and investigations in Title 20 of the California
16 Code of Regulations.

17 The regulations for complaints and investigations
18 were recently amended by the Commission. The amendments
19 clarified the actions the Executive Director may take in
20 response to a request for investigation, as well as the
21 actions the Chair may take in responding to an appeal to
22 the Executive Director's dismissal of a request for an
23 investigation.

24 The amendments were adopted by the Commission on
25 September 9th, 2015 and took effect on January 1st, 2016.

1 The second resolution would update the appeal
2 process in Section VII.C of the RPS Guidebook to reflect
3 amendments to the Title 20 Regulations. Section VII.C
4 references the complaint and investigation process in the
5 Title 20 Regulations, so it is appropriate to update
6 Section VII.C now, now that the amendments of the
7 regulations have taken affect.

8 Similar to the previous resolution if this
9 resolution is approved, the amendments would be implemented
10 immediately and be incorporated into the next edition of
11 the RPS Guidebook.

12 Staff received three sets of written comments
13 regarding the appeal process from LADWP, SCPPA and CMUA.

14 LADWP states that the proposed revisions to the
15 appeal sections make the appeal process unnecessarily
16 restrictive and forces disputes to be settled in the
17 courts. They also stated that revisions to the appeal
18 process should only apply prospectively.

19 Additionally, LADWP requests to change the
20 current appeal process such that if the Executive Director
21 or the Chair does not provide a response within a specified
22 number of days, or if no decision is provided to an
23 applicant within a year of filing, the petition or appeal
24 is automatically approved.

25 LADWP also states that the revised appeal process

1 no longer accommodates administrative appeals regarding the
2 revocation of the RPS certification.

3 SCAPPA's comments echo and support the
4 recommendations offered by LADWP.

5 Staff clarifies that this resolution is not
6 proposing anything outside of the changes in the Title 20
7 Regulations that were adopted in September 2015 and took
8 effect in January 2016, and is simply making the appeal
9 process in the RPS Guidebook consistent with those
10 regulations.

11 With regard to the revisions applying
12 prospectively, although the amendments to the Title 20
13 Regulations took effect on January 1st, 2016, the updates
14 to the appeal process in Section VII.C will only apply on a
15 going forward basis. Any pending appeals will be continue
16 to be considered under the current appeal process in
17 Section VII.C.

18 Staff disagrees with LADWP's comments that the
19 proposed revisions to the appeals section make the appeal
20 process unnecessarily restrictive and forces the disputes
21 to be settled in the courts. The Commission purposely
22 limited the scope of the appeal process in Section VII.C.
23 This appeal process is intended to address only the RPS
24 certification of facilities, and is available to applicants
25 only upon a showing that factors other than those described

1 in the RPS Guidebook were applied by the Commission staff
2 in denying or revoking RPS certification.

3 For this reason, applicants must claim that
4 Commission staff misapplied the eligibility rules or
5 criteria in the RPS Guidebook, or applied rules or criteria
6 different from those specified in the RPS Guidebook.
7 Section VII.C does not establish a process for challenging
8 the eligibility rules themselves. It establishes an appeal
9 process to allow the Executive Director and Chair to
10 evaluate whether Commission staff applied the Commission's
11 adopted RPS Certification Rules correctly.

12 Staff also disagrees with LADWP's recommendations
13 that the appeal process in Section VII.C be changed, so
14 that a petition for reconsideration or an appeal is
15 automatically approved in the applicant's favor if the
16 Executive Director or Chair fails to act on the petition or
17 appeal within the timeframe specified in Section VII.C.

18 Petitions for reconsideration and appeals should
19 be evaluated and considered based on their merit, and not
20 automatically approved based on the timeframe for a
21 response. If the latter was allowed it could result in the
22 RPS certification of a facility that does not meet the
23 statutory requirements for RPS eligibility.

24 Staff also disagrees with LADWP regarding
25 administrative appeals for the revocation of RPS

1 certification. The proposed revisions to the appeal
2 process in Section VII.C do not affect an applicant's
3 ability to file a petition for reconsideration or appeal to
4 challenge the revocation of a facility's RPS certification.
5 The proposed revisions to the appeal process do not strike
6 any language in Section VII.C related to the revocation of
7 RPS certification.

8 Additionally, it is worth noting that the
9 proposed revisions to the appeal process in Section VII.C
10 do not change the timeframes for the applicant to file a
11 petition for reconsideration or appeal.

12 Currently, an applicant has 30 days to file a
13 petition for reconsideration, to challenge the denial of an
14 application for RPS certification or revocation of RPS
15 certification, and 30 days from the denial of a petition
16 for reconsideration to file an appeal. This timeframe does
17 not change under the proposed resolution.

18 CMUA supports the proposed revisions to the
19 appeal process and provides non-substantive changes to the
20 language.

21 Staff believes that its proposed language
22 provides the appropriate level of clarity to the appeal
23 process and that additional changes are not needed. Staff
24 therefore requests that the Commission approve Resolution
25 Number 16-0309-04B adopting the proposed revisions to the

1 appeal process in Section VII.C of the RPS Eligibility
2 Guidebook.

3 That ends my presentation.

4 CHAIRMAN WEISENMILLER: Thank you. Thank you, so
5 let's first see is there anyone in the room who wants to
6 comment on this item?

7 Then let's also check on the phone lines?

8 Okay. So let me ask one question, was if there
9 happened to be a pending appeal how does this change in our
10 process affect that pending appeal?

11 Gabe?

12 MR. HERRERA: Yeah, it doesn't affect the pending
13 appeal. So any of the pending appeals that were filed
14 under the current version of Section VII.C of the Guidebook
15 would still be processed and handled according to that
16 process.

17 CHAIRMAN WEISENMILLER: Thanks for the
18 clarification. Ms. Vaccaro?

19 MS. VACCARO: Thank you, Chair, I'll just add to
20 that. I think Gabe's absolutely right, but there's an
21 additional overlay, which has to do with the power set
22 forth in Title 20 for the Chair. And that's to whom the
23 appeal goes in the first instance to exercise powers
24 granted by Title 20 to supplement and complement when there
25 is ambiguity.

1 And there would be some level of ambiguity if an
2 appeal came in today, because the new regulations took
3 effect January 1st. And we're trying to get the Guidebook
4 to catch up. So if anything came in, hypothetically or
5 actually between January 1st and today, there is arguably
6 some ambiguity as to how exactly the RPS Guidebook language
7 would apply.

8 CHAIRMAN WEISENMILLER: Thank you. Thanks for
9 that clarification.

10 Mr. Hochschild?

11 COMMISSIONER HOCHSCHILD: So I support this
12 reform, including the limitations to the reform in not
13 making appeals to the Executive Director be excessively
14 broad. I think it makes sense.

15 So unless there's other comments on this I'd move
16 the item.

17 COMMISSIONER MCALLISTER: I second.

18 CHAIRMAN WEISENMILLER: All those in favor?

19 (Ayes.)

20 CHAIRMAN WEISENMILLER: Thank you. This passes
21 5-0 also.

22 Let's go on to Item 5, East Contra Costa Transit
23 Authority. Shahid Chaudhry, please?

24 MR. CHAUDHRY: Good morning, Commissioners. I'm
25 Shahid Chaudhry with the Local Assistance and Financing

1 Office of the Energy Efficiency Division.

2 I'm here to request your approval for a 1,355,000
3 ECCA loan at 1 percent to the Eastern Contra Costa Transit
4 Authority. The Authority will use these funds to install
5 372-kilowatt PV panels on the roof and parking structure of
6 its facilities. The total cost of the project is
7 \$1,581,000. And the Authority will use its own resources
8 to fund the balance of the project cost.

9 On completion, the proposed project will reduce
10 approximately 520,400 kilowatt hours of grid electricity
11 every year, saving the Authority about \$79,700. The
12 project will also reduce 179 tons of Co2 equivalent
13 greenhouse gas emissions each year.

14 The payback on this loan is approximately 17
15 years. The loan request is in compliance with the terms
16 and conditions of the ECCA Loan Program. I therefore
17 request your approval of this loan.

18 CHAIRMAN WEISENMILLER: Thank you.

19 Any comments from anyone in the room, or online
20 on this item?

21 (No audible response.)

22 Then Commissioners?

23 COMMISSIONER HOCHSCHILD: Are they planning to do
24 EV charging when we do the solar in parking lots? Is that
25 the long-term plan?

1 MR. CHAUDHRY: No, just the solar panels.

2 There's no EV charging.

3 COMMISSIONER HOCHSCHILD: Okay. And then do you
4 know are they taking advantage of the ITC as part of this?
5 I mean a 17-year payback is really long.

6 MR. CHAUDHRY: The 17 years payback is based on
7 the loan amount. They are requesting more funding, but the
8 payback doesn't support that. So we have reduced the loan
9 request from \$1,581,000 to \$1,355,000 so the loan is in
10 compliance with the guidelines.

11 COMMISSIONER HOCHSCHILD: Right. So I'm
12 presuming they're not taking advantage of the Federal Solar
13 Tax Credit?

14 MR. CHAUDHRY: No, they're not eligible for that,
15 because this is not a private entity.

16 COMMISSIONER HOCHSCHILD: Yeah, right.

17 COMMISSIONER MCALLISTER: So this is just a
18 straight purchase of the system by them?

19 MR. CHAUDHRY: That's correct.

20 COMMISSIONER MCALLISTER: This is a straight
21 purchase by them. There's no third-party involved?

22 MR. CHAUDHRY: Probably they will consult with
23 someone. So they have already consulted with -- hired a
24 consultant who prepared this feasibility report and came up
25 with the recommendations to implement this project.

1 COMMISSIONER MCALLISTER: I guess you're thinking
2 this (indiscernible) to the process?

3 COMMISSIONER HOCHSCHILD: Yeah, I mean
4 Commissioner McAllister you may have looked at this more
5 closely, but I mean I just want our ECAA dollars to go as
6 far as they possibly can. And if you can structure it as
7 part of a deal, so that -- and if they can take advantage
8 of the ITC, doing it and you get more kilowatts per ECCA
9 dollar.

10 COMMISSIONER MCALLISTER: Yeah. So, you know, as
11 a general rule I definitely obviously agree, but they bring
12 the project they want to bring. And if they don't for some
13 reason want to, then it's the local decision for whatever
14 reason if they want to go ownership and not have a third-
15 party involved. But they do sacrifice the 30 percent,
16 right?

17 So I am very familiar with the vetting process
18 that ECCA uses. And the local assistance financing office
19 really is very rigorous in bringing these projects to us.
20 And I think really that probably is more of an outreach
21 task to sort of educate, "Okay. You know local entity,
22 maybe you could think creatively about how to engage with a
23 project or something, which maybe something we and our
24 partners could focus a little bit more on to make sure the
25 right structure comes to each project."

1 But I'm not saying it doesn't to this project,
2 just agree with effective use of our resources. So but
3 obviously it's a good project that's got an acceptable
4 payback for the applicant.

5 COMMISSIONER HOCHSCHILD: Yeah, I think that
6 would be interesting exercise if there's ECCA project to be
7 funded for public projects like this one, but that have
8 been able to find a way to do it where they can take
9 advantage ITC to facilitate some dialogue with other
10 applicants. I mean, I think it would be to everyone's
11 benefit.

12 COMMISSIONER MCALLISTER: Yeah. That's a great
13 idea actually, like a sort of a -- I mean, some of the most
14 productive and low cost uses of public funds. In fact,
15 like DOE has gotten a lot of success on this by bringing
16 cities together to talk about their -- and you convene a
17 meeting where people who've been working on the same issues
18 kind of can talk about it and learn from each other. And
19 that actually has a really nice multiplicative effect.

20 So maybe we can talk with some partners about
21 making that happen.

22 CHAIRMAN WEISENMILLER: Yeah, that'd be good. I
23 think we've had some others where basically the school
24 district wants to own the project all the way through as
25 opposed to going through a third-party and then at the end

1 of the lease have to do fair market. So again, it's a
2 tradeoff, but it is certainly good that they know the
3 variations of options.

4 COMMISSIONER MCALLISTER: For sure, so I'll move
5 this item. Or are there any other -- sorry, I didn't want
6 to cut anybody off.

7 CHAIRMAN WEISENMILLER: Okay.

8 COMMISSIONER HOCHSCHILD: Second.

9 CHAIRMAN WEISENMILLER: Okay. All in favor
10 (Ayes.)

11 CHAIRMAN WEISENMILLER: This passes 5-0. Thank
12 you.

13 MR. CHAUDHRY: Thank you, Commissioners.

14 CHAIRMAN WEISENMILLER: Let's go on to Soledad
15 Unified School District. Amir, please.

16 MR. EHYAI: Thank you, Chairman. Good morning,
17 Commissioners. My name is Amir Ehyai with the Efficiency
18 Division. And Soledad Unified School District is
19 requesting an Energy Commission loan to construct a solar
20 PV project at Soledad High School.

21 The District will use the funding to build a
22 parking lot structure PV arrays with a total name plate
23 capacity of 463 KW. The project is estimated to generate
24 approximately 745,000 kilowatt hours of electricity
25 annually and save the district 100,000 utility costs. The

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1 project cost is estimated at \$2 million and will be fully
2 funded by the Energy Commission loan at 0 percent interest
3 rate.

4 I'm happy to answer any questions you may have.

5 CHAIRMAN WEISENMILLER: Is there any public
6 comment?

7 (No audible response.)

8 Then Commissioners?

9 COMMISSIONER MCALLISTER: Sort of the same set of
10 questions as the last project. But I guess the 20 versus
11 17, I understood from the last project that the loan amount
12 was tailored to make that exactly sort of the necessary
13 level of cost effectiveness. And yet this is longer by
14 three years, so is this 0 versus 1 percent, or what's the
15 issue there?

16 MR. EHYAI: Exactly, that is the case. These
17 loans need to be paid back within 20 years. And with an
18 interest rate at 0 percent then we can fully fund the
19 project with a simple payback of 20 years. At 1 percent,
20 then we need to cut it back to 17.

21 COMMISSIONER MCALLISTER: You need to cut it
22 back, yeah. Okay. That's what I thought.

23 MR. EHYAI: If I may, Commissioner Hochschild,
24 these public entities are not entering into a power
25 purchase agreement, which perhaps then they would be able

1 to take advantage of the solar tax credit. And also, the
2 equipment, under the ECCA program, the equipment needs to
3 be owned and operated by the entity, the borrower itself.

4 And so I wonder if that would affect the question
5 that you have?

6 COMMISSIONER HOCHSCHILD: So you're just saying
7 by definition? There's not even a way to use a PPA or to
8 have a --

9 MR. EHYAI: Not a PPA for an ECAA loan. We may
10 discuss this thing further. I am interested to find out if
11 there is an opportunity, because I'd like to then educate
12 our potential borrowers about that.

13 COMMISSIONER HOCHSCHILD: Yeah, I would just say
14 we have the 30 percent ITC. It was a surprise to me that
15 it got extended, right? Most of the people in the industry
16 and in the clean energy community were not terribly
17 optimistic about either the Wind or the Solar ITC getting
18 extended. It happened, we got it for another five years.

19 And to the greatest extent possible, we should be
20 trying to make use of that. Our money will go further if
21 we can find ways to do it. I mean, so if there's any
22 particular restrictions that could be lifted or ways we
23 could facilitate the applicants to ECCA for these projects,
24 taking advantage of the ITC we'll get more -- our dollars
25 will go further, you know?

1 That would be my hope if there's a way to help
2 advance that. I don't know the particular restrictions.

3 MR. EHYAI: Sure. I would be happy to work with
4 your staff, and yourself, and explore these opportunities
5 and then we can take it on further.

6 COMMISSIONER HOCHSCHILD: Yeah. And Commissioner
7 McAllister has delved much deeper into this, I'm sure.

8 COMMISSIONER MCALLISTER: Yeah. I actually want
9 to -- for sure, yes.

10 So we'd had a similar conversation to this in the
11 Prop 39 context for the grant funds that come out of Prop
12 39. And so, I think maybe some cross-pollination between
13 ECCA-Ed, which this money comes from the large Prop 39 pot,
14 but it's a separate kind of activity.

15 But maybe you could sort of tune into that
16 conversation that happened. And there's a lot of nuance to
17 it and sort of some policy content as well. So I think
18 it's important to kind of unpack the issues in a
19 substantive way, but certainly we'd love to have that
20 conversation.

21 MR. EHYAI: Will do, thank you.

22 COMMISSIONER MCALLISTER: So I will move this
23 item.

24 COMMISSIONER HOCHSCHILD: Second.

25 CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.)

2 CHAIRMAN WEISENMILLER: This passes 5-0.

3 Let's go on to Item 7, City of Petaluma.

4 Chi-Chung Tsao?

5 MR. TSAO: Thank you, Chairman. Good morning,
6 Commissioners. My name is Chi-Chung Tsao, from Emerging
7 Fuels and Technology Office of the Fuel and Transportation
8 Division.

9 So this project is with the City of Petaluma who
10 will utilize \$3 million in funding provided by the Energy
11 Commission's Alternative and Renewable Fuel and Vehicle
12 Technology Programs, to design, construct, and operate a
13 anaerobic digestion system at Ellis Water Recycling
14 Facility.

15 The city will produce at least 150,000 gasoline
16 gallon equivalents of renewable natural gas per year. The
17 City of Petaluma will provide over \$12 million in match.
18 Under the agreement, the city will construct one anaerobic
19 digester, a biogas purification unit, a CNG fueling
20 station, and a waste treatment facility.

21 The city intends to produce biomethane from the
22 waste of the food and the beverage productions, and to fuel
23 its current CNG vehicles from waste collections.

24 The project, as a closed-loop system for energy
25 and the materials, will be a scalable model for all the

1 communities with the goal of the waste recovery, cutting
2 dependence of fossil fuels and the reducing greenhouse gas
3 emissions. The entire project will reduce greenhouse gas
4 emissions by roughly 3,000 metric tons of Co2 equivalents
5 per year.

6 In addition to the displacement of the fossil
7 fuels, the projects will eliminate long-haul for waste-
8 collections vehicles, significantly reducing the cost and
9 emissions from the transportation of the waste.

10 Additionally, the projects will recycle
11 processing water for irrigation of crops. And the
12 byproducts of the process, including liquid fertilizer and
13 the solid residues, will be used for agricultural
14 enhancement.

15 In accordance with the California Environmental
16 Quality Act Guidelines, staff has reviewed the City of
17 Petaluma's Environmental Impact Report, Mitigation
18 Monitoring Program Plan, Revised Mitigations Monitoring
19 Plan in the 2016 year. Then the staff has no information
20 indicating that the environmental documentation is
21 inadequate and has considered this information in deciding
22 whether to recommend approval of the proposed project, and
23 recommend that the Commission finds that the proposed
24 project presents no significant environmental impacts.

25 So today staff is seeking that the Commission

1 make a CEQA finding that the project's potential
2 environmental impacts will be less than significant. And
3 second, the staff seeks Commission approval of the proposed
4 Grant Award ARV-15-054.

5 Thank you for your consideration of this item,
6 and I am available for any question you may have.

7 CHAIRMAN WEISENMILLER: Thank you.

8 Is there anyone in the room or on the line who
9 wanted to speak about this item? Please come forward and
10 introduce yourself.

11 MR. ST. JOHN: Good morning Chairman,
12 Commissioners. My name is Dan St. John. I'm the Director
13 of Public Works and Utilities for the City of Petaluma.

14 We very much appreciate the opportunity to move
15 this project ahead in partnership with your program. We
16 feel that the City is a unique opportunity in that we have
17 the wastewater treatment plan. And we also have
18 responsibilities for transit, garbage collection, and many
19 things that consume diesel and gasoline. So we have that
20 opportunity to -- on top of that we are a community of food
21 processing with high-strength waste.

22 And you put it all together and you have a
23 project like this that we have the ability to pursue, again
24 with your support. So we want to extend our appreciation
25 to the Commission and to the staff for this opportunity for

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1 the City of Petaluma. Thank you.

2 CHAIRMAN WEISENMILLER: Thank you. Thanks for
3 being here.

4 COMMISSIONER SCOTT: And I would echo that.
5 Thank you, Mr. St. John, so much for being here and working
6 in partnership on this project with the Energy Commission.

7 One of the things that I would note for you all,
8 my fellow Commissioners, is that it's going to be -- the
9 fuel for this could also go into the waste-collection
10 vehicles, which is pretty exciting as it is a nice loop
11 together.

12 There is a low NOx engine that the Energy
13 Commission helped fund with SoCalGas and the South Coast
14 Air Quality Management District, that the current standard
15 is 0.2 grams per brake horsepower hour of NOx. That engine
16 can do 0.01. It's been certified at Air Resources Board.
17 So when you combine that with the renewable natural gas,
18 it's pretty exciting in a space where fuel cells and
19 batteries aren't quite there yet. So I think this is an
20 exciting project.

21 I know we have another natural gas engine coming
22 up a little bit later today, so I would commend it to you
23 all.

24 I will, if there's no other questions, I move
25 approval of Item 7.

1 COMMISSIONER MCALLISTER: Awesome, I'll second.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes.)

4 CHAIRMAN WEISENMILLER: This item passes 5-0.

5 Thank you.

6 MR. TSAO: Thank you

7 CHAIRMAN WEISENMILLER: Let's go on to Item

8 Number 8, Gas Technology Institute.

9 MS. MAGANA: Good morning, Chair and

10 Commissioners. I'm Pilar Magana with the Research and

11 Development Division. And I'm here to present to you for

12 consideration, an agreement with Gas Technology Institute.

13 This agreement was selected under GFO-15-503 for the

14 integration and on-road demonstration of natural gas engine

15 suitable for liter heavy-duty to medium heavy-duty vehicle

16 applications.

17 The Energy Commission received two proposals

18 under this solicitation and is recommending one for

19 consideration. This project with Gas Technology Institute

20 is for \$1 million for the vehicle integration and on-road

21 demonstration of Cummins Westport, Inc.'s advanced high

22 efficiency 6.7 liter natural gas engine.

23 This builds on previous work for initial engine

24 development under a separate agreement, and serves as a

25 critical step for the successful deployment of this engine

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1 into the market. This engine targets the light heavy-duty
2 to medium heavy-duty vehicle market, which is a market
3 sector that currently lacks a natural gas engine option
4 capable of exceeding current emission standards.

5 The advanced engines that are developed will be
6 utilized in real-world operation and validated over a
7 variety of duty cycles applicable to those vehicles.

8 The performance and emissions will be measured
9 including on-road testing as well as in-lab testing. This
10 will provide information on emission and performance
11 benefits associated with the use of natural gas in light
12 heavy-duty and medium heavy-duty vehicles for the future
13 commercialization of a natural gas engine in this sector.

14 Cummins Westport, Inc. will be targeting a NOx
15 emission reduction goal of at least 50 percent below
16 existing 2010 Emission Standards, which is currently the
17 CARB low NOx optional standard.

18 This will also provide a pathway to eventual and
19 near zero 90 percent emission reductions for NOx.

20 Providing a natural gas engine option will
21 support efforts to reduce emissions in a market sector that
22 includes vehicles operating throughout California on a
23 daily basis. This engine is suitable for vehicle
24 applications such as pickup and delivery trucks, utility
25 trucks, school buses, shuttle buses, yard tractors, and

1 specialized municipal works vehicles such as street
2 sweepers. Through this agreement, additional work will
3 also be completed for application-specific adjustments due
4 to specific configurations for both street sweepers and
5 shuttle buses to enable use in these vehicles.

6 This engine will be deployed in up to 18 vehicles
7 in multiple applications including school buses. And
8 Thomas Built school buses has already expressed interest in
9 using this engine.

10 For this demonstration CWI will utilize existing
11 end users of the existing diesel version of this engine.
12 And also those that may currently be using the diesel
13 version of the engine and are considering converting to
14 natural gas. Additional emission reductions can also be
15 recognized through the future use of renewable natural gas,
16 providing additional benefits.

17 Cummins Westport is the subcontractor for this
18 agreement and match funding is approximately \$1.64 million
19 with both CWI and Southern California Gas Company providing
20 match funding.

21 I'd be happy to answer any questions.

22 CHAIRMAN WEISENMILLER: Thank you.

23 Any comments from anyone in the room or on the
24 line?

25 (No audible response.)

1 Okay. Then I'm the lead Commissioner on R&D.
2 This, as was said before, this is really breakthrough
3 technology in terms as we deal with -- I think I always
4 tell people, I mean goods moved is like 20 percent of the
5 economy in Southern California, which is sort of ground
6 zero and then San Joaquin, on air quality issues.

7 And so finding a way to really make substantial
8 progress is critical. So yeah?

9 COMMISSIONER HOCHSCHILD: Can I just say is this
10 the -- by the way, is this PIER Natural Gas Funding and
11 we're going to continue to use the PIER name even with the
12 EPIC? So it's just that's a separate 20 million a year?

13 CHAIRMAN WEISENMILLER: Well, it's a separate
14 source of funding.

15 COMMISSIONER HOCHSCHILD: Yeah, so we continue to
16 call it --

17 CHAIRMAN WEISENMILLER: Yes, it's still bid --
18 that's where the money comes from.

19 COMMISSIONER HOCHSCHILD: Yes, so what fraction
20 of that money roughly goes to transportation?

21 CHAIRMAN WEISENMILLER: Yeah, that part I'm not
22 as familiar with. Certainly post-San Bruno, they have sort
23 of really stepped up on safety, gas safety.

24 COMMISSIONER HOCHSCHILD: Yeah, that was what I
25 thought (indiscernible) funding, yeah.

1 CHAIRMAN WEISENMILLER: Yeah, and that's
2 obviously. And there's always been a lot on energy, you
3 know, this follows the loading order.

4 COMMISSIONER HOCHSCHILD: Yeah.

5 CHAIRMAN WEISENMILLER: As much of it is there's
6 a lot in the area of energy efficiency. And now at this
7 point, obviously it's a sort of (indiscernible) each
8 questions.

9 COMMISSIONER HOCHSCHILD: Yeah.

10 CHAIRMAN WEISENMILLER: But we do an annual
11 report. I think it's pretty close to what's going in. But
12 looking at Laurie, you can fill in the numbers. Go ahead.

13 MS. TEN HOPE: I'm Laurie ten Hope. I believe
14 the number is about 10 percent of the natural gas funding
15 goes to transportation.

16 COMMISSIONER SCOTT: Well, I'll move approval of
17 Item 8.

18 COMMISSIONER HOCHSCHILD: Second.

19 CHAIRMAN WEISENMILLER: All those in favor?

20 (Ayes.)

21 CHAIRMAN WEISENMILLER: This item passes 5-0.

22 Let's go on to Number 9, 2015 Industrial and
23 Natural Gas Energy Efficiency Grants.

24 Rajesh, I guess we had a correction too, right?

25 MR. KAPOOR: Yes. Good morning, Commissioners.

1 I am Rajesh Kapoor from the Energy Efficiency Research
2 Office.

3 I would like to bring your attention to an error
4 on Item 9c. The demonstration will only be conducted in
5 San Joaquin Valley.

6 Staff is recommending approval of four agreements
7 totaling \$4,292,421. These agreements are the result of
8 competitive solicitation to demonstrate pre-commercial or
9 emerging energy efficiency technologies that can directly
10 reduce natural gas use in California's industrial sectors.

11 Project Number 1 is "Demonstration of Radiative
12 Recuperator with Secondary Emitters technology, also called
13 RRSE technology, for melting aluminum to significantly
14 reduce its natural gas use." The recipient is Gas
15 Technology Institute and the demonstration site is
16 California Die Casting near Los Angeles.

17 This project will demonstrate an advanced
18 technology to preheat the combustion air with heat from the
19 furnace exhaust gas. The hot air ultra-low NOx burners
20 will be installed and operated with air preheated to as
21 high as 1200 degrees Fahrenheit in RRSE Recuperator.
22 Further natural gas savings are anticipated by using the
23 exhaust gas leaving the RRSE to preheat scrap on its way to
24 the furnace.

25 This advanced heat recovery technology to be

1 demonstrated in this project can provide natural gas
2 savings for furnaces in multiple sectors in multiple
3 sectors including metals, glass, cement, chemicals,
4 petroleum, pulp and paper.

5 It is estimated that 10 percent of industrial
6 natural gas is consumed in furnaces that can benefit from
7 this technology.

8 For this project the Energy Commission will
9 provide \$1,299,285 Gas Technology Institute will provide
10 \$325,000 in match funding.

11 Project Number 2 is "Conversion of Low Value Heat
12 Waste into High Value Energy Savings." The recipient is
13 Joseph Gallo Farms and the demonstration site is near
14 Merced, Ca.

15 This project will demonstrate a new innovative
16 system that takes waste heat from biogas generators and
17 transfers the energy to an ammonia-water absorption
18 chiller, ThermoSorber, for heating and chilling purposes
19 within the facility.

20 This system could lower energy costs and reduce
21 natural gas and electricity used for food processing.

22 For this project, the Energy Commission will
23 provide \$1,207,136. Joseph Gallo Company will provide
24 \$402,379.

25 Project Number 3 is "Industrial Steam Boiler Heat

1 Recovery for High Efficiency Water Heating." The recipient
2 is Gas Technology Institute and demonstration site is
3 Central Valley Meats near Hanford, California.

4 This project will demonstrate the benefits of and
5 emerging heat recovery technology originally designed for
6 hot water boilers. The heat recovery system called
7 "SideKick" will be installed and tested in a new
8 application -- industrial steam boilers -- that offers the
9 opportunity for substantial waste heat recovery resulting
10 in increased fuel efficiency and greenhouse gas emission
11 reductions.

12 A unique feature of this technology is it uses
13 predesigned modules and exclusive software that determines
14 size and flow requirements for precise sizing. The
15 resulting reductions in application engineering and heat
16 recovery hardware costs lead to lower installation costs,
17 improved cost effectiveness, and increase increased
18 potential for market adoption.

19 The technology is anticipated to achieve an
20 average efficiency gain of more than 8 percent.

21 For this project, the Energy Commission will
22 provide \$585,300 and Gas Technology Institute will provide
23 \$255,000 in match funding.

24 Project Number 4 is "Integration of Advanced
25 Solar Thermal Technology into Industrial Processes." The

1 recipient is ergSol and the demonstration site is J.G.
2 Boswell, food processing, Company near Hanford, California.

3 This project is the commercial demonstration of
4 an integrated high-efficiency solar thermal system with
5 high-performance evacuated tube collectors for industrial
6 food processes at a California food processing facility.
7 The innovative system design will maximize the utilization
8 of waste heat and solar thermal heat for the site's water
9 heating needs.

10 Solar thermal systems are clean and
11 environmentally-friendly technologies replacing natural
12 gas. Among industries with high thermal energy demands,
13 food processing industries are on the top of the list.

14 For this project, the Energy Commission will
15 provide \$1,200,000 and ergSol will provide \$300,000 in
16 match funding.

17 If you have any questions, I'm happy to answer
18 them.

19 CHAIRMAN WEISENMILLER: Thank you.

20 First any comments from anyone in the room or on
21 the line?

22 I was going to say again as the lead in this
23 area, I've gone through these, they're good projects. So
24 obviously as we go forward trying to -- this is the energy
25 efficiency part of the Loading Order for the Gas R&D. And

1 again, trying to really do some innovative technologies, so
2 anyway, anyone else have questions or comments?

3 COMMISSIONER MCALLISTER: Good stuff, I'll move
4 Item 9.

5 COMMISSIONER DOUGLAS: Second.

6 CHAIRMAN WEISENMILLER: All those in favor?

7 (Ayes.)

8 CHAIRMAN WEISENMILLER: This passes 5-0.

9 Thank you.

10 MR. KAPOOR: Thank you, Commissioners.

11 CHAIRMAN WEISENMILLER: Let's go to Clean Energy
12 Research Center for Water and Energy Technologies.

13 So yes, Sonya, please?

14 MS. ZIAJA: Thank you, Chair. Good morning,
15 Commissioners.

16 Staff is requesting approval for funding three
17 interagency agreements with the University of California
18 campuses Merced, Irvine and Los Angeles. These campuses in
19 partnership with Lawrence Berkeley National Laboratory and
20 UC Berkeley were selected by the U.S. Department of Energy
21 to administer a research program, the U.S. China Clean
22 Energy Research Center for Water and Energy Technologies,
23 also called CERC-WET.

24 This is to advance water, energy science and
25 technology that increases water and energy efficiency while

1 promoting climate change adaptation and mitigation.

2 The Energy Commission's \$2.5 million cost share
3 funding will be directed to supplemental projects as UC Los
4 Angeles, UC Irvine and UC Merced that will address
5 California's water and energy challenges. The proposed
6 research focuses on improving the hydropower operations in
7 California and developing technologies and systems to
8 improve recycled water use in California's energy system.

9 Staff proposes the following funding allotments:

10 \$650,000 to UC Merced to improve optimization
11 models for hydropower operations and environmental
12 protection under future climate change conditions;

13 \$720,000 to UC Irvine to improve the accuracy of
14 near real-time remotely sensed stream flow information.
15 This project will enhance the short-term forecasts to
16 improve the accuracy and reliability of hydropower
17 generation estimations;

18 \$1,130,000 to UCLA that will fund research that
19 will reduce the stress on current water infrastructure and
20 supply for the energy system in California. Research here
21 includes developing efficient high-water recovery
22 desalinization processes for nontraditional water,
23 characterizing the potential for nontraditional water use
24 in California, the development of recycled water, energy
25 use scenarios, electricity scenarios and improving the

1 characterization of California snowpack for hydropower
2 operations.

3 A sole source letter was sent to the Joint and
4 Legislative Budget Committee. The deadline for comments
5 from that Committee was February 22nd and no comments were
6 received.

7 Staff recommends approval of these projects and
8 I'm happy to answer any questions you may have. Thank you.

9 CHAIRMAN WEISENMILLER: Thank you. I believe we
10 have a visitor. Ashok, do you want to come up, please?

11 MR. GADGIL: Commissioner Weisenmiller and
12 Commissioners, good morning. My name is Ashok Gadgil.
13 Now, I am here to represent a consortium of six
14 institutions of the University of California added with one
15 small nonprofit from Massachusetts called CERC-WET.

16 And I wish to first of all, express the gratitude
17 from the entire consortium for your considering supporting
18 the proposed item. This really did leverage a very large
19 amount of funding coming to California to stay on top of
20 the research and innovation that is market-oriented, that
21 is relevant, that addresses the most serious two challenges
22 facing -- one, which is energy and water combined together.
23 And in a way seeds the State of California's intellectual
24 leadership of technology and policy for addressing and
25 energy water coupled challenges.

1 I would like to describe very briefly two
2 projects. One is funded out of the CEC funds, which is at
3 UCLA led by Professor DeShazo, which would look at how to
4 climate proof or drought proof California's electric grid
5 system under a variety of scenarios with extreme water
6 conservation and extreme recycling. But taking into
7 account three different frameworks, all of which have to
8 permit the electrical system to work for using that water
9 for cooling.

10 And the three frameworks are very different. One
11 is technology, the second is economics, and the third is
12 (indiscernible) regulatory. And their overlap needs to be
13 considered to see how we could actually keep our electrical
14 system resilient and growing in terms of increased demand.
15 And that's funded by CEC at UCLA.

16 A second project funded with federal funds at
17 Berkeley is figuring out how to desalinate brackish waters
18 using non-membrane technologies. So that we use a lot less
19 electricity for desalination than the current best nod,
20 which is RO. And at the same time substantially reduce the
21 reject stream of water, which currently amounts to more
22 than half of water which has to be rejected in the
23 concentration. We think we can bring it down to just 20
24 percent or less.

25 So these are just two examples. I'd be happy to

1 answer questions.

2 CHAIRMAN WEISENMILLER: Yeah, thank you very much
3 for being here. We appreciate that.

4 I certainly appreciate your creativeness in
5 getting -- well I think a lot of us have interacted with
6 the China Group at LBL and obviously this moving it from
7 energy to water -- or LBL's activities I should say, from
8 energy to water -- is a competitive process. And
9 eventually the issue became matching funds.

10 And I have to compliment the staff too, for being
11 creative, for coming up with ways for us to patch into your
12 proposal and work with the Legislature to get this through.

13 So again, I was back in D.C. last week meeting
14 with the Secretary, and some of his staff asked me where we
15 were on this. We keep hearing from D.C., "Where is the
16 Energy Commission money, so this can go forward?" So
17 anyway I encourage everyone to vote for it.

18 COMMISSIONER MCALLISTER: No pressure.

19 CHAIRMAN WEISENMILLER: Right.

20 Any other questions or comments?

21 COMMISSIONER MCALLISTER: Thanks for being here,
22 Ashok. And I'm glad to show our appreciation for
23 plurality. You know, Massachusetts and California are
24 neck-and-neck in the energy efficiency number one spot.
25 But we're not above collaborating with them, it's really

1 terrific. So thanks for making that happen.

2 Okay. I'll move Item 10.

3 COMMISSIONER SCOTT: Second.

4 CHAIRMAN WEISENMILLER: All those in favor?

5 (Ayes.)

6 CHAIRMAN WEISENMILLER: This passes 5-0. Again,
7 thank you.

8 (Commissioner McAllister exited the room.)

9 Okay. So Commissioner McAllister is now leaving
10 the room, let's go on to Item Number 11, California Clean
11 Energy Fund, CalCEF Ventures. Joshua Croft, please?

12 MR. CROFT: Good morning, Chair Weisenmiller and
13 Commissioners, my name is Josh Croft with the Energy
14 Deployment and Market Facilitation Office. I'm seeking
15 Commission approval today for Resolution 16-0309-11 for a
16 \$33 million contract with the California Clean Energy Fund,
17 also known as CalCEF, to develop and manage the California
18 Sustainable Energy Entrepreneur Development Initiative.

19 This contract was the result of a competitive
20 solicitation that received seven applications. Today we
21 are recommending funding for the top range proposal team.

22 The CalSEED Initiative will help develop
23 California's next generation of clean energy entrepreneurs
24 providing SEED funding as well as mentoring, technical
25 consulting and business development services to support

1 energy entrepreneurs and research teams in their quest to
2 develop breakthrough solutions that will benefit electric
3 ratepayers and Pacific Gas and Electric, Southern
4 California Edison, and San Diego Gas and Electric service
5 territories.

6 This contract addresses a critical gap in the
7 early technology development phase where small amounts of
8 funding can have a significant impact in bringing new
9 ratepayer beneficial innovations to market.

10 The CalSEED Initiative has the following goals
11 and objectives. First, to establish the technical merits
12 and commercial potential of promising early stage energy
13 technology concepts that provide the greatest benefits to
14 electric ratepayers in the IOU service territories.

15 Second, attract private sector interest and
16 capital to clean energy innovations supported through the
17 CalSEED Initiative.

18 Third, encourage broad and diverse participation
19 in the CalSEED Initiative from entrepreneurs and
20 researchers throughout California.

21 And fourth, ensure a fair, simplified,
22 streamlined, and transparent process for identifying
23 entrepreneurs and researchers through SEED support from the
24 CalSEED Initiative.

25 The CalSEED Initiative will provide over \$24

1 million in SEED funding over a seven-year period with at
2 least \$4 million going to entrepreneurs from
3 underrepresented groups including disabled veteran, women,
4 minority and LGBT-owned businesses. And businesses in
5 disadvantaged communities.

6 CalCEF will direct the CalSEED Initiative in
7 collaboration with Berkeley Lab, Energy Excelerator, The
8 Cleantech Open, Grant Farm, Greenlining Institute, UC Davis
9 Energy Efficiency Center, UC San Diego Jacobs School of
10 Engineering, Center for Sustainable Energy and Google X.

11 On enhancing feature of this contract is the two
12 subcommittees that will advise CalSEED's Technical Advisory
13 Committee. The Investor Subcommittee chaired by Google X
14 will focus on developing strategies for Series A and Series
15 B awardees to connect with additional Angel, venture and
16 external private funding.

17 The Equity Subcommittee chaired by Greenlining
18 Institute will focus on meeting diversity objectives,
19 expanding outreach and communication to underrepresented
20 communities, and ensuring technological benefits to low-
21 income communities.

22 A representative from CalCEF and a representative
23 from Greenlining Institute are here to provide comments.
24 Staff respectfully requests approval of this resolution. I
25 am happy to answer any questions.

1 CHAIRMAN WEISENMILLER: Thank you. So let's talk
2 public comments, please?

3 MR. KENNEDY: Thank you. Thanks Joshua and thank
4 you Chair Weisenmiller, it's a great honor to be here
5 today. My name's Danny Kennedy. I'm the Managing Director
6 of the California Clean Energy Fund and we want to thank
7 you firstly for the opportunity and hopefully for the
8 support to serve the State and the future with
9 administration of the Sustainable Energy Entrepreneur
10 Development Initiative.

11 We're really excited to be serving in this role
12 to do this, particularly the part about bringing in new
13 voices and communities that aren't classically considered
14 to be where the entrepreneurs are coming from in this great
15 energy transition that the CEC has helped drive. So we're
16 happy to be doing that.

17 As far as comments go, I really hope you have a
18 chance to read the full proposal, which is quite a body of
19 work about how we're going to do this over the years to
20 come. And I want to introduce the team that's going to
21 make it happen, because I think the proposal team is really
22 what's special about this.

23 Here in the room, if I may just get folks to
24 stand from first of all the California Clean Energy Fund,
25 our staff that will be administering the grants. But also

1 I should introduce Energy Excelerator, who are one of the
2 nation's better known incubator and accelerators out of
3 Hawaii that we're partnering with, who have DOE and Navy
4 funding. Grant Farm who are here in Sacramento, and are
5 going to help us with the ongoing work of raising capital
6 and connecting folk in the emerging concepts to more funds.
7 The Berkeley Lab team of course, CleanTech Open, which are
8 going to help us with the Series A through Series B
9 Business Plan competition and the Greenlining Institute,
10 who will speak in a moment.

11 As well as that actually, just to prove that
12 we're going to connect folk to private interests and
13 further funding and venture capital. One of those funds --
14 Energy Food and Water -- one of the better known venture
15 capital funds also turned up. Charles Finney from AFW
16 Partners, which is one of the better known in leading VCs
17 in this space, just to start to learn about the whole
18 program as it emerges from today.

19 And there are other team members that aren't here
20 today, but are listed including as was mentioned the Center
21 for Sustainable Energy, Google X who will chair this
22 Investment Committee, UC Davis and UC San Diego, and Umberg
23 Zipser, a Orange County-based diversity DWBE law firm.

24 So I just wanted to make sure you knew what a
25 great group up and down the State will be out there,

1 seeking the best and brightest, and ensuing that we do
2 indeed bring you the best emerging concepts to advance the
3 ratepayers' interests here in California while also
4 advancing clean energy.

5 It's our honor to administer this program for
6 you. We look forward to working with the next generation
7 of California companies who are going to lead the energy
8 transition while building the prosperity of California in
9 the 21st Century, especially amongst those who haven't
10 always been expected to come up with these solutions and
11 who are typically not supported by the system to be
12 entrepreneurial in this transition.

13 Thank you for the honor.

14 CHAIRMAN WEISENMILLER: Thank you. Thank you and
15 your whole team for being here today. That represents a
16 strong commitment across all the elements, so thanks.

17 Okay, Sekita.

18 MS. GRANT: Hi, good morning, Commissioners,
19 Chair Weisenmiller, it's great to be here following on
20 Danny's remarks, Sekita Grant, Legal Counsel with the
21 Greenlining Institute. I'm really pleased to be a part of
22 this amazing team. I'm excited about all the great work
23 we're going to do.

24 I wanted to highlight two particular reasons
25 we're really excited about this project, the first being

1 that the project really leads with equity. When Danny
2 first approached Greenlining about this project it was very
3 clear that there was a commitment to creating a project
4 that prioritizes underserved communities, disadvantaged
5 communities, and in that you see that reflected in the
6 proposal itself with the Equity Work Group that we will be
7 leading. We're going to have an Equity Fellow and interns
8 that will help develop these projects in working with
9 disabled veterans. And there's really a clear focus from
10 the beginning, which is great on that objective.

11 The other really important piece for us is that
12 this project really has a unique ability to impact
13 injustices in ways that are oftentimes out of reach of
14 traditional policy making. So really looking at innovation
15 as we're moving to this clean energy economy, how do we
16 ensure that it's as inclusive as possible?

17 And you all know that as Commissioners, and have
18 really supported through AB 865 and your own internal
19 initiatives, the being more inclusive in terms of how we
20 transition to a clean air economy. And I think this
21 project is going to do a great job to kind of follow in
22 line with those objectives.

23 So I just want to thank staff and the
24 Commissioners for support and we're really excited for this
25 project. Thank you.

1 CHAIRMAN WEISENMILLER: Well, thank you. Thanks
2 for being here. And again, I think certainly that's a key
3 part of the proposal is the Greenlining commitment and
4 piece to really make sure that we offer benefits to all
5 Californians, particularly in disadvantaged areas.

6 I was just going to say briefly I was at RPE last
7 week with other staff. And it was pretty interesting in
8 the sense that one of the transitions from our PIER
9 Electric Program to the EPIC Program is more of an emphasis
10 on market transformation. And which means somewhat less of
11 an emphasis on PIER research.

12 But again it was pretty interesting, I think, for
13 all of us. RPE which oddly enough is further back in new
14 research space, looking for much more innovative earth-
15 shattering things has always had a strong focus on
16 technology transfer. And again, I think part of it was one
17 way to make sure it isn't just locked in a lab at the end,
18 is to build that in even though as I said it was very lab-
19 oriented.

20 But it was interesting that we had a session
21 involving a lot of other states, and sort of the state
22 programs. And also while we were there we had the
23 opportunity to meet with like Hawaii, with Massachusetts,
24 with New York, basically talk to other states. And again,
25 it was good to start understanding some of their lessons

1 learned on this sort of tech transfer type of program,
2 because as we move forward, as I said, we're moving in a
3 much bigger way in this area than before.

4 I mean, before we had the Small Grants Program,
5 but again it's good to build off of others lessons learned
6 as we go forward. So yeah, I think we've got a great team
7 and certainly would recommend it to the Commissioners for
8 approval.

9 Any questions or comments?

10 COMMISSIONER HOCHSCHILD: Yeah, I just had -- you
11 know, I just read a recent article pointing out that
12 California has now more clean tech venture capital
13 investments in our state than Europe and China combined.

14 And I think that is a really exciting thing. We
15 should all be proud of it. This is, you know, going to
16 help create the next generation of hopefully success
17 stories.

18 And they're not all going to be success stories
19 and that's the other thing is there's as a state we have to
20 be comfortable with some level of risk. And I think we are
21 all comfortable with that, because at the end of the day
22 you don't make gains without taking some bold bets. And I
23 think we've shown that this is paying off.

24 I mean, just looking at how many of the clean
25 energy success stories are in the State have their roots in

1 early funding from the Energy Commission. It's a very
2 proud part of our story here, so I want to congratulate
3 you.

4 And also just say I was very pleased, Danny, to
5 see the team you've assembled to help folks once they get
6 the award, because I think it's not totally a meritocracy.
7 A lot depends on once an award's been given, the
8 relationships and the support structure you can create
9 around an entrepreneur that can be a difference maker. So
10 I was glad to see you be attentive to that and I wish you
11 well.

12 COMMISSIONER SCOTT: I thought he was going to
13 move the item. I will move the item.

14 COMMISSIONER HOCHSCHILD: Second.

15 CHAIRMAN WEISENMILLER: All those in favor?

16 (Ayes.)

17 CHAIRMAN WEISENMILLER: So this passes 4-0 with
18 Commissioner McAllister abstaining.

19 Okay. Let's go on to Item Number 12. Good, he's
20 coming back.

21 (Commissioner McAllister returns to the room)

22 CHAIRMAN WEISENMILLER: Okay. I was just
23 reminded to make sure that it's clear, Commissioner
24 McAllister, was not only abstained, but was out of the room
25 and did not participate.

1 Okay. So let's go on now to 12.

2 MR. VILLANUEVA: Hello, Commissioners. I am
3 Felix Villanueva with the Energy Efficiency Research
4 Office.

5 Today staff is recommending approval of six
6 agreements for projects totaling more than \$8.2 million in
7 EPIC funding under GFO-15-3010, developing a portfolio of
8 advanced efficiency solutions phase II: plug-load
9 technologies and approaches for buildings. Additional
10 agreements under this solicitation will be re-posed at
11 future Business Meetings.

12 The purpose of this solicitation is to fund
13 applied research and development projects on next-
14 generation plug load efficiency technologies and strategies
15 for California buildings.

16 Plug load is energy used by devices that plug
17 into a building's electrical system. Electricity used
18 associated with plug loads is on the rise, and plug loads
19 in commercial and residential buildings are now the
20 fastest-growing end uses of energy.

21 The projects I am presenting today are the result
22 of a competitive solicitation in which we received 19
23 proposals. The projects emphasize emerging plug load
24 technologies and improvements to processes and operations.
25 Projects fall within one of the two following funding

1 groups. Funding Group A is develop next-generation plug
2 load devices and technologies. And Funding Group B is
3 develop integrated plug load strategies.

4 Staff proposes funding for the following advanced
5 plug load projects. From Funding Group A, the first
6 project is Mobile Efficiency for Plug Loads with AGGIOS for
7 \$1,996,999. The recipient will develop energy-efficient
8 plug load devices such as set-top boxes, TVs, computes and
9 game consoles by using mobile design practices, hardware
10 components, and energy management software.

11 The potential energy savings from the different
12 plug load devices range from 20 to 50 percent. This
13 project will additionally accelerate deployment of mobile
14 efficiency technologies across products, categories
15 influencing a variety of policy mechanisms. Over \$6
16 million in match funding will be provided.

17 Project partners include ARM, Freescale,
18 International Rectifier, Keysight Mentor, NRDC, Synopsys
19 and ZoneX. (phonetic)

20 The second project is Power Management User
21 Interface with the University of California Irvine for
22 \$785,124. The recipient will develop a user interface to
23 encourage greater utilization of Computer Power
24 Management's features.

25 The primary goal is to facilitate and encourage

1 more users to utilize power saving capabilities of desktop
2 computers. Users who adopt more positive power management
3 behaviors can reduce power consumption of their desktops by
4 more than 50 percent or more with savings between 139 to
5 321 kilowatt hours per year.

6 The third project is gaming system energy
7 efficiency without performance compromises with Lawrence
8 Berkeley National Lab for \$1,386,530. The recipient will
9 demonstrate the next generation of gaming systems and help
10 capture the gaming energy savings potential.

11 This project generates contextual information by
12 estimating the energy use through a combination of improved
13 hardware, firmware, and software and behavioral
14 adaptations. The results from this project will bring more
15 efficient offerings to the market, identify promising
16 avenues for policy, and lower energy costs required for
17 digital gaming.

18 Project partners include Telltale Games, ENERGY
19 STAR, PCPartPicker and Jon Peddie Research.

20 The fourth project is efficient and ZNE-ready
21 plug loads with Lawrence Berkeley National Lab for \$1.6
22 million. The recipient will develop plug-load devices such
23 as zero standby plug loads, direct DC-powered devices, and
24 strategies for specialty security and medical equipment.

25 This project has a conservative estimate of

1 saving 5,501 gigawatt hours per year. The innovations
2 developed under this project will enable more California
3 buildings to achieve ZNE and near-zero energy use reducing
4 and lowering carbon emissions.

5 \$495,000 of match funding will be provided.

6 Project partners include University of California Berkeley
7 and Belkin International.

8 The fifth project is the plug load reduction
9 RYPL, which stands for "Reduce Your Plug Loads" with Home
10 Energy Analytics for \$884,100.

11 The recipient will develop an app called the
12 RYPL, which stands "Reduce Your Plug Loads" for smart
13 devices that will allow the user to measure their home idle
14 loads via smart meter data.

15 The user can identify the standby load of devices
16 in their home, it will help prioritize which loads to
17 tackle, and encourages them to do so. This tool engages
18 users by focusing and providing meaningful actions and then
19 follow-up quickly with information on the effectiveness of
20 those actions.

21 This project has a potential to lower energy
22 bills by reducing idle loads, through low or no cost
23 actions on the part of the user.

24 \$350,000 will be provided in match funding.

25 Project partner is Enervee Corporation.

1 And lastly, from Funding Group B we have
2 unlocking plug load savings through energy reporting with
3 Lawrence Berkeley National Lab for \$1,630,699.

4 The recipient will develop technologies that
5 enable plug load devices to transmit operating information
6 such as identity, power consumption, and functional state
7 through a communications network to alert building owners
8 and operators of wasteful device use. And provide them
9 with actionable advice.

10 The project has the potential to conservatively
11 reduce plug load energy by 10 percent. The project
12 provides valuable data for use by consumers and
13 manufacturers and policy makers. \$94,318 will be provided
14 in match funding. Project partners include Energy
15 Solutions International, ARM, ENERGY STAR, WattStopper,
16 Belkin, USNAP, Home Energy and the NRDC.

17 Staff recommends approval of these projects and
18 is available to answer any questions. Thank you.

19 CHAIRMAN WEISENMILLER: Thank you. I think we
20 have comment, two commenters in the room. Let's start with
21 Lisa Schmidt.

22 MS. SCHMIDT: Hello, my name is Lisa Schmidt and
23 I'm President of Home Energy Analytics and I just want to
24 thank you for this opportunity. We're very excited. We
25 hope we bring a new perspective on engaging consumers and

1 encouraging them to reduce their plug loads. And we're
2 excited to get started.

3 And I also want to take a moment to say how much
4 we appreciate the process for getting this award.
5 Communication has been excellent. Once we received notice
6 the process has moved faster than promised. Staff has been
7 so supportive and proactive of getting this done it's just
8 been a real pleasure. So we really want to thank Jackson
9 and Adeel for doing this and thank you. We look forward to
10 it.

11 CHAIRMAN WEISENMILLER: Thank you.

12 Alan Meier?

13 MR. MEYER: Good morning. My name is Alan Meier,
14 I'm a researcher, staff scientist, at Lawrence Berkeley
15 National Lab. And I wanted to first of all express my
16 pleasure and excitement with this project that I hope
17 you're going to approve today.

18 In fact, as you can see there are five projects
19 dealing with plug loads or is it six? But it's a
20 significant number, and so the first thing I wanted to just
21 remind you is how large a fraction of energy consumption
22 now is in this plug load concept.

23 And Felix already mentioned that, but all of you
24 can go to your own websites and look at your own smart
25 meters and see that if you look at the electricity

1 consumption at 3:00 in the morning, you'll see that your
2 energy consumption -- that your principally electricity
3 consumption is really high and sometimes it doesn't really
4 change between 3:00 in the morning and 3:00 in the
5 afternoon. And that's one of the targets of our research.

6 And not just my research, but all of these
7 projects together. And I think that in California we have
8 perhaps the largest fraction of electricity use going to
9 plug loads. So it's only fitting that we devote
10 significant research resources to that area.

11 At the risk of volunteering to do work for free I
12 think we should also look at this and say California is now
13 perhaps the leader in research in this area. And two
14 things come of that.

15 First of all, I think we should figure out ways
16 to make our research stronger than -- make the sum of the
17 parts larger than the individual research topics. And we
18 need to figure out a way to get all of these excellent
19 research proposals and researchers together to get stronger
20 results.

21 And I think we also need to plug into a lot of
22 the research technology, the high technology firms that are
23 in California. And Commissioner Hochschild mentioned that,
24 that we are the high-tech center and I hope we're going to
25 be the high-tech center of dealing with this plug loads

1 area.

2 So I look forward to doing this research and
3 reporting on some of the results in the future. Thank you.

4 CHAIRMAN WEISENMILLER: Thank you both for being
5 here. Anyone else have comments?

6 I mean, you know as sort of the lead in this area
7 certainly have gone through this. And I concur with Alan,
8 obviously as move more towards ZNE plug loads are going to
9 be very important.

10 Obviously we are precluded in many areas, from
11 the standards. And even if we weren't just the
12 proliferation of devices would make it hard to deal with
13 that, you know?

14 I would note back in the '80s all the utilities
15 used to complain about phantom appliances that weren't in
16 our forecast. And now I look at things like gamers going,
17 "Yeah, well yeah I guess that's true." But anyway we're
18 trying to deal with that issue, so again it's really
19 important to get our arms around this now. And I think
20 there's a variety of things.

21 And again, certainly that one would hope with the
22 technology in California that we can not only produce more
23 devices to scatter throughout your homes -- I guess we --
24 was it a few years ago, Karen and I discovered there was
25 like 11 battery chargers in every house at that time?

1 COMMISSIONER DOUGLAS: Yeah.

2 CHAIRMAN WEISENMILLER: God knows what it is now,
3 but I don't know -- nor how many gamers there are in each
4 house. But anyways, so some part of this.

5 Commissioner McAllister, a few words?

6 COMMISSIONER MCALLISTER: Do you want to go or
7 sorry --

8 COMMISSIONER SCOTT: I'm sorry.

9 COMMISSIONER MCALLISTER: -- I'm going to talk a
10 little bit more than probably everybody else, but go ahead.

11 COMMISSIONER SCOTT: Okay. Mine is relatively
12 short. I was just going to say I appreciate really the
13 excitement and the enthusiasm that I'm hearing for
14 addressing and looking for solutions to the plug load
15 challenge. And also to Ms. Schmidt, thank you for your
16 nice compliments to our very hard-working staff. I know
17 they're excited about these projects as well and work hard
18 to put the contracts in place and everything. So I
19 appreciate that too.

20 Go ahead.

21 COMMISSIONER MCALLISTER: Go ahead.

22 COMMISSIONER HOCHSCHILD: I just wanted to
23 acknowledge the work of my adviser, Ken Rider, in
24 supporting the team on this. And I agree with the Chair,
25 this is certainly a growing area of load that we need to be

94

1 very attentive to. So I'm really glad to see us take this
2 step today.

3 COMMISSIONER MCALLISTER: So yeah, great. I have
4 obviously as the lead on energy efficiency, lots of
5 interest in this one. And a long-long history of looking
6 at standby and actually back with Alan, way back in the
7 day, when we both had more hair that was not as grey.

8 And in the Home Energy Magazine context, talking
9 about this issue and then Alex Farrell and I wrote a paper
10 about battery charges. And it ended up basically
11 quantifying that somewhere between half a power plant and a
12 power plant were due to cordless telephones sitting there
13 all the time being plugged in, in people's homes. And I
14 won't go into all the details of that particular graduate
15 student project. It was very labor intensive, I'll just
16 say that.

17 But I think it's just mind-boggling, both -- well
18 so the Chair mentioned this -- that we're preempted on a
19 lot of stuff in terms of going after individual loads with
20 regulations. But also just the proliferation and the
21 variability, jut the diversity of plug loads, right? And
22 so we have certain cover loads that we do through the
23 building standards and we can target some on the appliance
24 standards.

25 And our challenge going forward is really

1 multiple in terms of figuring out what common technologies
2 are across many, many different device types. So that
3 maybe we can focus on where the energy's actually being
4 consumed in a way that's productive and doesn't get in the
5 way of the marketplace etcetera, etcetera.

6 But I am ecstatic about this group of projects,
7 because it's really -- they're diverse. They're going to
8 bring a lot of knowledge in different areas and they're
9 attacking the right things. There's a lot of fundamental
10 research to be done her. There's also behavior and sort of
11 big analytics.

12 Certainly the gaming piece, the PI on that
13 project I think a year or so ago, wrote a paper about
14 gaming being 2 percent of the desktops out there, but 20
15 percent of the energy consumption of desk tops. And so
16 that's clearly a huge opportunity that is very -- you have
17 to deal with the market. You have to figure out how to
18 attack that productively.

19 You know, this is really the next frontier. I
20 mean, this is where we need to go for our savings. And the
21 technology socializing this with users and manufacturers
22 and then automating it where possible. Just electronics
23 enable a lot of these issues and yet it's very modern.
24 It's very current sets of issues and so there's just so
25 much innovation in VC and just lots of interest in getting

1 to how to save energy here.

2 So anyway congratulations to everybody. I mean,
3 Alan, you're the lion of this standby/Lopomo/whatever --
4 there've been many monikers for this throughout the
5 decades. But it's only growing and really something we
6 have to engage in at the policy level. And whereas we, as
7 Californians, have the most kind of at stake in terms of
8 reaching our goals for energy efficiency and carbon
9 reduction more broadly, so super supportive of this.

10 Thanks, so I'll --

11 CHAIRMAN WEISENMILLER: I need a motion, yeah.

12 COMMISSIONER HOCHSCHILD: All right, I'll move
13 the item.

14 COMMISSIONER MCALLISTER: I'll second.

15 CHAIRMAN WEISENMILLER: All those in favor?

16 (Ayes.)

17 CHAIRMAN WEISENMILLER: This passes 5-0.

18 All right, thank you.

19 MR. VILLANUEVA: Thank you.

20 CHAIRMAN WEISENMILLER: All right, Let's go on to
21 Item 13, University of California Davis, please?

22 MS. MOHNEY: Good afternoon, I'm Leah Mohney with
23 the Energy Efficiency Office and I'm standing in for
24 Heather Bird today.

25 Today we're seeking approval of the low-cost,

1 large diameter, shallow ground loops for ground-coupled
2 heat pumps project with UC Davis's Western Cooling
3 Efficiency Center. This project is the result of a
4 competitive solicitation, PON-13-301 Amended NOPA, due to
5 the availability of additional funding.

6 Ground-coupled heat pumps have been proven to
7 deliver heating and cooling at a much higher efficiency
8 than air-source air-conditioners and heat pumps. However,
9 their practicality for use in mild climates like California
10 is limited by the high cost of installation of conventional
11 ground heat exchangers.

12 This project focuses on optimizing an existing
13 low-cost shallow 20-to-30 feet deep large-diameter 2-to-3
14 foot helical ground heat exchanger. Heat exchangers such
15 as these have been shown to reduce ground-source heat pump
16 system costs by a factor of 6 or more.

17 The project team will develop computer models,
18 validate them with field data from two existing helical
19 ground heat exchanger sites. And they will identify an
20 optimal design and demonstrate it, then develop modeling
21 methods that can be adapted for use with Title 24 Standards
22 compliance tools.

23 The proposed project will improve market
24 conditions for ground-source heat pumps in California by
25 facilitating their commercialization. Ratepayer benefits

1 include lower utility costs for heating and cooling, lower
2 maintenance costs, improved system reliability, and
3 improved comfort. The outcome will contribute to meeting
4 the State's 2020 and 2030 Zero Net Energy Goals for
5 residential and commercial buildings.

6 We request approval of this project. The
7 recipient, Theresa Pistoichini, is present. And we are
8 available to answer any questions you may have. Thank you.

9 MS. PISTOCHINI: Hi. I'm Theresa Pistoichini, the
10 Engineering Manager at the Western Cooling Efficiency
11 Center. I think Leah represented our project very well,
12 and so I just wanted to thank you for having me to here
13 today. And we're excited to begin this project.

14 CHAIRMAN WEISENMILLER: Great, thanks for being
15 here.

16 Questions, again questions or comments?

17 COMMISSIONER MCALLISTER: I'll move Item 13.

18 COMMISSIONER DOUGLAS: Second.

19 CHAIRMAN WEISENMILLER: Okay. All those in
20 favor?

21 (Ayes.)

22 CHAIRMAN WEISENMILLER: So let's go on to Item
23 14, which started as Item 1d. Staff?

24 MR. YOUNIS: Good morning, Commissioners, Chair.
25 My name is Laith Younis with the Existing Buildings Unit.

1 We are seeking approval for a contract with CoStar Reality
2 Information for an amount of \$59,124 to procure building
3 characteristic data for nonresidential and multifamily
4 buildings in California.

5 CoStar offers a subscription-based web service to
6 access public property records, verified and enhanced
7 through their field surveys and interviews about existing
8 commercial and multifamily properties. Costar's tool has
9 an advanced search functionality in filtering by fields
10 like utility territory, building type, size and tenant
11 information.

12 This data will be used by both the Efficiency
13 Division and the Energy Assessments Division to better
14 understand California building stock. The Efficiency
15 Division will develop building benchmarking regulations,
16 mandated under Assembly Bill 802 while the Energy
17 Assessments Division will better understand specific
18 building information prior to the commercial end-use survey
19 site visits.

20 It will also be a potential source for a new
21 commercial square-footage model to inform the Energy
22 Commission's Energy Demand Analysis in forecasting work
23 necessary for the Integrated Energy Policy Report.

24 Staff requests your approval for Resolution and
25 Agreement 400-15-10 with CoStar Realty Information. Thank

100

1 you.

2 CHAIRMAN WEISENMILLER: Thank you. I don't think
3 we have any comments in the room, but one on the line. So
4 Mr. Walsh?

5 MR. WALSH: Good afternoon, Randy Walsh from San
6 Diego Energy Desk. Thank you for the opportunity to speak
7 today and to voice opposition to Agenda Item 14.

8 In my experience Commissioner McAllister and the
9 CEC have proven to be unreliable business partners. And
10 for that reason alone, I request the CEC not move forward
11 with the proposed contract agreement with CoStar Realty.

12 Additionally, before considering any financial
13 expenditure for energy use disclosure programming and
14 research or development, the Commission should first make
15 financial reparations to the small businesses blindsided by
16 their repeal of AB 1103. And to financially recompense
17 those compliant commercial real estate owners who have
18 experienced direct and quantifiable reductions in
19 investment returns and property values, as a result of the
20 Commission's inability to deliver to the marketplace viable
21 energy use disclosure regulations.

22 I think anyone with interest in this topic would
23 agree that the unmeasured cannot be effectively managed in
24 the absence of data or the demonstration of fact-based
25 decision making. Or complete transparency of the efforts

1 of the CEC to ensure access to data by commercial real
2 estate owners, in order to facilitate fact-based decision
3 making. So that we can compare building performance and so
4 you can require market transparency through public
5 disclosure.

6 I can rely only on persuasion, empirical
7 evidence, and subjective evaluation of process to affect
8 change.

9 Based on the results of my extensive research
10 over the past six months into the process and the repeal of
11 AB 1103 as a citizen, taxpayer, ratepayer, small business
12 owner that was a key stakeholder for many years in the
13 development of California's Commercial Building and Energy
14 Disclosure Program, I feel compelled to again put forth my
15 complete opposition to the repeal of AB 1103.

16 I register my grave concern about the actions and
17 decisions by Commissioner McAllister on behalf of the CEC,
18 resulting in the repeal of AB 1103. And causing immediate
19 and continued economic hardships to a number of small
20 business owners across the State of California.

21 I express my vote of no confidence in the ability
22 of CEC to effectively, efficiently and productively manage
23 any further attempts at developing the viable Energy Use
24 Disclosure Program. And finally request the immediate
25 dismantling of any internal organizational structures

1 devoted to energy use disclosure programming and the
2 immediate resignation of Commissioner McAllister.

3 California has never stopped being great, but
4 with your immediate and decisive action, we can make
5 California great again. I stand ready to move forward and
6 achieve these goals, and implement the number of additional
7 recommendations outlined in the (indiscernible)
8 correspondence, hopefully that's afternoon.

9 And hope to do so with the full support of the
10 California Energy Commission. Thank you.

11 CHAIRMAN WEISENMILLER: Thank you. Let me tell
12 you that we are following the law in this state, and I
13 certainly do not expect or want Commissioner McAllister to
14 resign. I think your charges are unwarranted and we
15 appreciate your ability to talk, but you've had your three
16 minutes. We're moving on to this item, thank you.

17 COMMISSIONER MCALLISTER: So thank you, Chair.
18 I'm not going to deign to dignify those comments or
19 characterize Mr. Walsh's participation in our various
20 rulemakings, invite him to bring productive and forward-
21 thinking participation to rulemaking. This was a
22 legislative process and this is not the forum to have that
23 discussion.

24 So certainly everyone else who knows about policy
25 understands what a momentous positive change 802 is. And

1 I'm just going to leave it at that and move Item 14.

2 COMMISSIONER DOUGLAS: Second.

3 CHAIRMAN WEISENMILLER: All those in favor?

4 (Ayes.)

5 CHAIRMAN WEISENMILLER: This passes 5-0. Thank
6 you.

7 MR. YOUNIS: Thank you.

8 CHAIRMAN WEISENMILLER: Let's go on to the
9 Minutes.

10 COMMISSIONER DOUGLAS: Move the Minutes.

11 COMMISSIONER SCOTT: Second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.)

14 CHAIRMAN WEISENMILLER: The Minutes pass 5-0.

15 Let's go on to Lead Commissioner and Presiding
16 Member Reports. Commissioner Scott?

17 COMMISSIONER SCOTT: I have a couple of reports
18 for you all.

19 Most recently I am returned from the Plug-in
20 Vehicle Collaborative Meeting from yesterday. I think I
21 may have mentioned this to you before, but we are looking
22 for ways for that group to become more proactive in helping
23 accelerate the sales of zero emission vehicles and plug-ins
24 especially, because it's a plug-in vehicle collaborative.

25 And we had a really great brainstorming session

1 yesterday that was facilitated by an outside facilitator
2 and really just had a chance to think through some key
3 policy-type things and regulatory-type things that could be
4 done. But also to think through what an interesting
5 marketing, advertising, how do you just get the word out
6 about zero emission vehicles, so that people know that
7 they're fun. And so that they love them, and that they
8 want to drive them, because most folks actually don't know
9 that that's an option right now.

10 And it just was really great and we're looking to
11 transform the organization to be a bit more proactive in
12 that space. So stay tuned for additional changes and
13 information to come there.

14 I wanted to update you on our Ports
15 Collaborative. So the Energy Commission had an in-person
16 meeting with our Ports Collaborative. We've been modeling
17 this after the Department of Defense partnership that
18 Assistant Secretary McGinn and Chair Weisenmiller have put
19 together for us.

20 We are participating with starting down south,
21 Port of San Diego, Port of Long Beach, Port of L.A., Port
22 of Hueneme, Port of Oakland and Port of Stockton is
23 interested in joining as well.

24 And what we've tried to do is identify energy-
25 related topics that are of mutual interest to both the

1 ports and to the Energy Commission. Some of that relates
2 back to sustainable freight, but some of it is looking at
3 micro grids and storage to help with their Joint Command
4 and Control Center in terms of security down at Port of
5 L.A. and Long Beach.

6 Or when one of the ports was lucky enough to get
7 some of our ECCA funding, and is going to be able to change
8 out all of their high-mast lights to become LED. And I
9 can't remember the monetary number for the payback, but
10 once they get all of those light bulbs in it'll be \$41,000
11 a year that they'll be saving on their energy bills.

12 And so we're looking at things like that, that we
13 can partner with the ports that will hopefully then become
14 either scalable or replicable across the ports the same way
15 that we're doing with Department of Defense.

16 Commissioner Merrifield at the Port of San Diego
17 was a wonderful host, and so I just wanted to note that
18 here. The Port of San Diego did a great job, they had a
19 lot of enthusiasm for this. They put together a tour of
20 the Port, but they and also invited members from all across
21 the San Diego community from the City Council to key
22 environmental groups. And so we just had a really great
23 opportunity to engage with a lot of the movers and shakers
24 in San Diego. So that was a nice update, I think, for our
25 Ports Collaborative.

1 Rob was there with us too; maybe he wants to add
2 something or not?

3 MR. OGLESBY: Well no, I think this is an example
4 of really concrete, tangible actions that we've been able
5 to tap into, to collaborate and have a partnership with the
6 ports. And just yesterday, the Port of Long Beach, which
7 was up here with representatives to visit elected officials
8 and others, stopped by and extended their appreciation for
9 the process. And acknowledged the progress that's been
10 made.

11 COMMISSIONER SCOTT: Oh, great. That's great to
12 hear.

13 We did, and I'll probably leave -- I don't see
14 Alana in the room, but I'll leave this for Alana to provide
15 most of the updates for you.

16 A couple of Fridays ago, maybe it was just last
17 Friday, the Empower California Workshop. Cesar Anda came
18 from Assemblymember Alejo's staff and helped me kick off
19 that workshop.

20 So that's looking, as you all know, at how to
21 increase diversity within our programs. And kind of it has
22 actually a pretty broad task in terms of increasing
23 diversity in energy across California. But we want to
24 focus on the things that the Energy Commission can do.

25 So we had a terrific chance to highlight the

1 Chair's commitment that he made on EPIC. The commitment
2 that I followed up on with the AB 118 Program then the
3 resolution that all of us put in place for our Commission.
4 And how do we kind of take that and run with it, pull
5 together a taskforce, and really start thinking about how
6 to bring in a more diverse set of Californians on all of
7 the energy-related issues that impact us all.

8 So those are a couple of highlights of what I've
9 been doing. And then I'm sure Alana will come back, but if
10 not I can provide more details on the 802 Workshop --
11 sorry, 865 Workshop.

12 COMMISSIONER MCALLISTER: Great. So let's see, I
13 called in for the last Business Meeting from the NASEO
14 Policy Annual Meeting. And that was a great one, again
15 lots of diversity in the State so about many, many
16 different issues. I've talked to some of you and staff
17 about sort of debriefing and bringing home points from that
18 conversation.

19 I guess right after that we did the 3N Meeting,
20 (phonetic) which is a mix of the clean air agencies, the
21 PUCs, and the utility commissions and the state energy
22 offices. And that was quite an interesting meeting coming
23 the day after the Supreme Court stay for the Clean Power
24 Plan. So a very lively discussion about that and obviously
25 widely variable opinions about that, for those states that

1 are moving forward regardless.

2 It doesn't have a lot of immediate impacts at
3 sort of a state level, but obviously we know it's a bad
4 signal, no reason to throw cold water onto the
5 implementation of the Clean Power Plan. But obviously 27
6 of the states were on the other side of that issue, so I
7 think the ones that are less inclined to move forward, that
8 are relatively opposed, are doing all sorts of different
9 things. A lot of diversity about how they're responding to
10 this as you might imagine.

11 But certainly, Administrator McCarthy from the
12 EPA, was steadfast and very forthright, I think, as was
13 Secretary Moniz when he spoke to the group. So we have the
14 leadership there at the federal level, we just don't have
15 the participation in some of the states. So hopefully
16 we'll see positive developments there.

17 And then I also, just the second trip I made was
18 down to Pueblo at Mexico, in Mexico City, to an event about
19 energy efficiency in cities. And the context was -- it was
20 organized by the Governor of Mexico and the World Bank, in
21 a context more or less, of a large loan the World Bank is
22 making to Mexico for efficiency -- \$100 million I think it
23 is.

24 So that's a great development and I think it's
25 helping incorporate distributed energy issues and demand

1 site issues into the discussions around the restructuring
2 of Mexico, which I think is great.

3 And then the day after, I met with Conway, the
4 energy efficiency agency, sort of our counterpart in Mexico
5 more or less. And we started to brainstorm about what
6 concrete things we might work on together to help them, or
7 to sort of help them think about how they can structure the
8 energy efficiency enterprise in the most productive way for
9 them.

10 So and Emilio's been great on that, Commissioner
11 Hochschild's adviser, who has been facilitating a lot of
12 those discussions. And my adviser, Hazel, also was helpful
13 on that in getting prepared for that trip.

14 So a lot of familiar issues, having worked in
15 Latin America for more than a decade at so many different
16 points of my life, but also really nice to sort of
17 contextualize it in Mexico. And I think there's a lot of
18 optimism. There's not many resources right now
19 unfortunately there, but there's a lot of optimism about
20 change. So that was great.

21 The last thing I want to say is I want to sort of
22 thank my adviser, Hazel Miranda, who I probably should have
23 asked her to come down here but I didn't. We had a tea
24 party basically yesterday -- not that kind of tea party --
25 but an actual tea party yesterday where people could give

1 her a good sendoff.

2 But she's really been an incredible ally and a
3 colleague and adviser for me in this town, certainly just
4 facilitating lots of conversations with many different
5 stakeholders with all sorts of different opinions in a way
6 that just always -- the door open and a positive attitude.
7 And really effective communication, and that's from really
8 every stakeholder we have, but in particular in the
9 Legislature and with the PUC.

10 So she's going over to be the Director of the
11 Office of Governmental Affairs at the PUC. So I think
12 certainly a little bit of a pressure cooker and I have no
13 doubt that she's prepared for it and will do a great job on
14 what's going to be a tough task. But it's really, I think,
15 an acknowledgement of her great work at the Commission.
16 And her overall effectiveness at looking for solutions and
17 really driving towards them.

18 So I want to just thank her for her three or so
19 years of dedication to me and my office, and to the
20 Commission. So today is actually her last day, so we all
21 wish her the best.

22 COMMISSIONER DOUGLAS: So briefly, since the last
23 Business Meeting, I've done a number of trips mainly for
24 speaking engagements at the Technical Workshop for Clean
25 Energy across the border, for example, standing in for the

1 Chair. And that was a really good discussion and a really
2 good follow-up on some of the California-Mexico
3 collaboration with a focus on opportunities in the Imperial
4 Valley in Baja, California.

5 I had an opportunity to speak at the annual
6 Market Development Forum on storage in Berkeley, the UC
7 Riverside Solar Conference, and later today I'll be on my
8 way back to Holtville in Imperial County to speak at the
9 Imperial Valley Renewable Energy Summit.

10 COMMISSIONER HOCHSCHILD: Yeah, well first I just
11 want to say, Andrew, to Hazel's departure even when we lose
12 talented people like Hazel they tend to end up in places
13 where the relationship can bring some good things --
14 certainly Jay, as an example, going to the Senate Energy
15 Committee, as an example. So I look forward to her
16 contributions in her new role.

17 A couple of highlights for me, and one question.

18 By the way Laurie, I'm glad you stayed, because I
19 did have a question for the Chair where you might -- and
20 I'll just pose that now and maybe you can address it with a
21 remark.

22 Just I'm curious with what's happened with Aliso
23 Canyon and the sort of epic event that that's become, how
24 that's shaped your thinking on how we focus on natural gas.
25 I know after San Bruno that was kind of a defining thing,

1 and I'll leave it to, when I finish my comments but just
2 I'd like to hear your thinking on that.

3 A couple of highlights for me, I just spoke at
4 the LED Conference last week in Silicon Valley, about 500
5 folks in the LED community and actually got some great
6 feedback from folks in the LED industry about our
7 standards, that I want to pass on particularly to
8 Commissioner McAllister.

9 And I took Ken Rider with me, and we ended up
10 visiting a California LED factory, Finelite, 250 employees
11 -- scaling quickly. They just reminded me the commercial
12 LED market, it's only 1 percent of commercial lighting, we
13 have a long way to go. But that was a good reminder, but
14 also just a sense of what the possibilities are.

15 A few of the highlights, I met with Paul Jacobs
16 in our Enforcement Division. I have not had a chance to
17 really sit down and visit with him since he started a few
18 months ago. And I just wanted to say I'm really excited
19 about what he can do for us.

20 And Rob, I want to compliment you on reaching out
21 to get talent like that. I mean, he comes to the Energy
22 Commission with 28 years of experience, having built a very
23 successful team at ARB.

24 And you look at enforcement in general, we
25 basically did very little in terms of real enforcement

1 authority until recently. And now taking on the RPS and
2 Title 20 and siting and it even turns out there's a little
3 bit to be done on the Power Content Label. We're doing a
4 proceeding on that. So that was very rewarding.

5 I also want to put out, I did do the -- ISO had
6 this tour for the clutch technology, a fact finding tour,
7 for a couple of PUC Commissioners. Rob attended, Roger
8 Johnson, and Matt Layton from the CEC Siting Division.
9 Very fruitful, we got to actually see what a clutch looks
10 like. It's roughly the size of this desk. It does change
11 the footprint of the plant.

12 Their report, at this facility, it basically had
13 a two-to-four-year payback and I think one of the things
14 that's clear for a vertically-integrated utility like
15 LADWP, it is kind of a no-brainer, but for other scenarios
16 where that's not the case there is a real question about
17 the remuneration. How does that work, because you're
18 asking them to actually produce less energy, but provide
19 more benefits and so that's, I think, a question that's got
20 to be dealt with.

21 But I do want to thank our colleagues at the ISO
22 for creating that opportunity to learn.

23 And then finally, I did get invited -- I got
24 flown out to Australia and Sydney for a conference there
25 ten days ago or so. And while Australia is still 80

1 percent coal, and actually an exporter of coal -- shipping
2 coal to China -- there is enormous excitement about what's
3 happening in California on renewables. And a couple of the
4 territories including Australia capitals of Victoria and
5 New South Wales are doing some very bold things. And in
6 fact, hiring California companies to do the installations,
7 which is really good to see that.

8 And, of course, the story in a nutshell with
9 Australia is they had a carbon tax implemented by Julia
10 Gillard. She was then put out of office, her successor,
11 Abbott, undid that and now he's been booted and there's a
12 new Prime Minister, Malcolm Turnbull, who people are I
13 think optimistic he will want to get back on.

14 But I did share with them the Governor's Under 2
15 MOU, I know the Chair's done a great job with getting
16 signatories in Mexico and elsewhere. And I think we have
17 127 signatories to that now, so they were looking at that.

18 And I did also meet one of their top leaders on
19 water, Stuart White, who is professor there. And Australia
20 had the same water use per person, per day as California
21 back in 2000. They had a 13-year drought, cut water use in
22 half. And he's going to come in as a guest speaker later
23 this spring.

24 His main message was appliance efficiency made a
25 difference. And there, 90 percent of the population of

1 Australia is in these five cities, so it's very urban.
2 They don't have as big an agriculture sector, but his main
3 message was appliance efficiency, go really aggressive on
4 that and be careful not to overspend on desal. They
5 invested in a lot of desal plants that are not in use.

6 Anyways, I think that was it on mine.

7 CHAIRMAN WEISENMILLER: Well, Felicia's observed
8 that maybe if we spend billions on desal it'll rain. And
9 so it may be a good insurance policy in that sense, but
10 anyway.

11 Let's start with the following up with Karen for
12 a second on Imperial, where again hats off to Emilio and
13 Laurie's (phonetic) staff on that. Where after the
14 Governor's MOU with Mexico, in trying to help them on the -
15 - work with them on the energy stuff I should say -- part
16 of it is sort of tech transfer for it.

17 So we had an event at UC San Diego that was very
18 research oriented, you know? Energy efficiency, renewable
19 integration. The event in Imperial was really framed much
20 more as development focused. And Imperial's a nice like
21 location although it's slightly bigger than people thought,
22 but you can go out and kick the tires. "Here's your wind
23 project. Here's your solar project. Here's your
24 geothermal project." And see a variety of technologies and
25 see how they work.

1 And so obviously the boundary between California
2 and Baja, Imperial and Baja, is just sort of an artificial
3 political boundary. And the resources just continue their
4 merry ways back and forth along with everything else. So
5 that was an attempt to really get some projects moving.

6 Obviously an issue is that I'm sure our renewable
7 people in Imperial would love to sell power to Mexico.
8 Obviously, the Mexicans would love to sell power to
9 California, both renewable in nature. And part of it is
10 just how that works, but there's hopefully a lot of
11 potential synergy there as we go forward. So again, hats
12 off to all these folks: to Emilio, Alana, for making that
13 happen.

14 So on Aliso, again I just at this stage I was
15 back in DC last week. Started out at RPE, I talked a
16 little bit about the tech to market side and obviously
17 they're fairly glitzy. I mean, again our folks would love
18 to have the ability to have something in the convention
19 center with the big videos, and with someone from Bloomberg
20 interviewing Al Gore as part of the event, to call people
21 in. You know, that's sort of the high visibility part.

22 But it was also good -- I was there three years
23 ago. And at the same time, they've moved to the point
24 where there are some technologies which are now actually
25 becoming real, and companies and investment capital. And

1 not just let's have some work, let's see video and
2 scientists to talk about some of the advances they've done.

3 So I think again it's really good to see how that
4 organization is maturing. And it now has its third
5 director although I hadn't realized apparently the
6 directorship there is a pleasure appointment. So Ellen
7 (phonetic) might -- she might have just a year in that
8 role, but anyway I think it took a year to get her
9 confirmed. So yeah, just it really is a public service
10 back there.

11 There was one of the sessions, which was sort of
12 an obvious thing. But they were talking about basically
13 bioenergy. And it was one of the most depressing groups
14 I've ever seen, because they were saying how obviously
15 whenever alternate -- oil and gas prices go down, obviously
16 the competitiveness of bioenergy gets worse. And so they
17 were all bemoaning their fate in life trying to push
18 projects, which was sort of -- so anyway that was not a
19 cheery group by any means.

20 And then I did a tour duty on Aliso and had ten
21 meetings on Wednesday and about as many on Thursday. Met
22 with the delegation, different Congressional folks, met
23 with the Department of Energy, various folks there, met
24 with FERC, met with the Energy -- my voice was giving out,
25 obviously, somewhere along the line there.

1 And part of it was starting to talk about the
2 reliability questions. There's been a letter from myself,
3 Picker and Berberich. We've been tasked by the Governor to
4 ensure reliability. We're doing an assessment, developing
5 an action plan, basically just start to spread the message
6 on we have concerns on reliability this summer and why.

7 It's a good chance to march through with
8 Department of Energy, EIA, FERC and all and sort of get
9 some degree of thinking on that.

10 I would say that on some of the meetings I would
11 have to start explaining that I was not really with DOGGR
12 and I was not really with the PUC, but I am the Energy
13 Commission. But anyway, that was less than fun, parts of
14 those discussions.

15 On your question, at this point my first concern
16 is keep the lights on this summer, frankly. My second
17 concern is keep the lights on or keep the heat on next
18 winter. Longer term those are issues we're going to think
19 about, and again I keep saying it, the threshold issues are
20 safety and leakage. And I mean god bless biogas if we
21 can't deal with safety, it's not going to do us any good,
22 right? I mean, it presumably can be as spectacular as
23 what happened perhaps in Seattle.

24 So longer term, I think this year's IEPR will
25 really have a strong reliability focus. And I think next

1 year we'll look at some of the longer term issues, but
2 again the Governor's Order said reliability we'll try to
3 reduce our dependence on Aliso. And then think on some of
4 the longer term issues associated with gas.

5 But again, I think in terms of this year it's a
6 concerning situation, I guess, is as far as I'll go at this
7 point. And we're sort of framing up a workshop in early
8 April that will -- down by Porter Ranch -- that really
9 focuses on the risk, but also the action plans being taken.

10 I would note that Marcie Edwards, we've been
11 working very closely: California ISO, Energy Commission,
12 PUC and LADWP and Marcie gave a report to her Board last
13 Tuesday, I believe it was, that was certainly very
14 consistent with our assessments. And again, I think at the
15 April workshop there will be basically a slide deck labeled
16 with not just Energy Commission, ISO and PUC, but also
17 LADWP. And there will be a joint presentation by staff on
18 all four of those groups.

19 So again, Aliso -- you know, I obviously wasn't
20 in Imperial Valley, but was at the event where basically
21 DOGGR declared the leak sealed and we then went through --
22 Frankly one of the issues we need to do a better job of
23 communicating is that the Governor's Executive Order, and
24 certainly the working team's, is very broad across the
25 relevant pieces of state service.

1 And so in terms of again trying to talk about the
2 confusion between Energy Commission, PUC and DOGGR that's
3 not even getting into Health Services, OES. I mean,
4 there's a whole group of actions that are being taken in a
5 very coordinated fashion. And I think certainly the DOGGR
6 websites have some list of that. The Governor's Order has
7 some list. But I don't think we've done a particularly
8 good job conveying to people how all the pieces fit
9 together. But it's taken a lot of work to, in fact, have
10 all the pieces fitting together.

11 I think we've had people on almost daily calls
12 throughout the leak period. But having said that it's one
13 thing for Rob or Albert or Drew to be on a call, DOGGR had
14 people down at the site every single day 24 by 7, you know?
15 Think about it, through holidays, it's a very miserable
16 site in terms of high winds, pretty exposed. So again it's
17 been a pretty substantial state effort there.

18 COMMISSIONER HOCHSCHILD: You mentioned safety
19 and leakage and I think in some cases actually doing the
20 first helps with the second, right?

21 CHAIRMAN WEISENMILLER: Right, sure.

22 COMMISSIONER HOCHSCHILD: And so that's a good
23 thing, but I would just say for me the skill of the Aliso
24 Canyon leak just highlighted how far backwards we can go in
25 such a short period of time.

1 I asked Ken Rider to do the math on how many
2 years of our Title 24 Building Code savings were undone by
3 Alisa Canyon and it's 12 years, basically.

4 CHAIRMAN WEISENMILLER: Yeah, but again I would
5 note that they have committed to mitigate all the impacts.
6 And indeed, the Governor has directed them. Mary's coming
7 up with the program, Mary Nichols obviously I should say,
8 to mitigate those. And not surprisingly, most of the
9 methane emissions in the state are not from oil and gas,
10 but the majority of it is agricultural landfill.

11 COMMISSIONER HOCHSCHILD: Oh, yeah.

12 CHAIRMAN WEISENMILLER: And so at this point
13 actually the Governor's orders are clear, but much of their
14 focus is again on how do we do the short-lived climate
15 pollutants from agriculture and landfills? Because again,
16 it's like 70 percent as compared to the pipeline, so god
17 knows how many fat tail events have been at either of
18 those.

19 COMMISSIONER HOCHSCHILD: Did we have even enough
20 ability to measure? I know there was these flyovers and so
21 forth. I mean, how --

22 CHAIRMAN WEISENMILLER: Yeah, I mean yes and no.

23 I mean, actually it's interesting. One of the
24 things at RPE is they have spent a lot of money on
25 measuring technology. And in fact, one of the ones which

1 was interesting, because I haven't heard about it -- so the
2 thing they were really pitching is this particular device.
3 So, of course I go to look at it, and the poster board on
4 the bottom right-hand side says that for the first
5 generation of it, funding came from the Energy Commission
6 to do the test at basically PG&E's storage field.

7 And so then this next step is to make it more
8 from sort of as big as your binder, at least flat, to more
9 of a drone size. You know, RPE likes the sort of spiffy
10 drone type of stuff.

11 And in Aliso itself -- although again the Air
12 Board will come up with an estimate and Richard Cory's been
13 very careful to say whenever he comes up with an estimate,
14 six months later he regrets he said it when the real final
15 numbers are done -- but there is in place a measurement
16 system in Los Angeles.

17 Now, part of the story there though is, you know,
18 is it the landfill? Is it the -- you know, I mean there's
19 all kinds of sources in that vicinity that they were
20 needing to try to untangle. We did the over-flight. There
21 was also a satellite. There was also -- the Air Board
22 moved in more permanent monitors. And so by piecing all
23 that together --

24 Now, of course it varied over time, as they went
25 along. I remember after like the first over-flight or

1 second over-flight some of our scientists said, "Are they
2 doing anything on the site, because it's different?" And I
3 said, "Well, shit they have had 100 people working for a
4 week on the site, I hope something's different." You know,
5 right? (Laughter.)

6 But so you've got that satellite, so the Air
7 Board is trying to piece all that together. In some
8 respects, I mean if they had their druthers they would have
9 that continuous monitoring everywhere as opposed to, "Oh,
10 there's a plane today." But by piecing it together the
11 plane certainly helps to untangle from the other sources.

12 COMMISSIONER HOCHSCHILD: Right, right.

13 CHAIRMAN WEISENMILLER: But it's certainly in the
14 area where again the technology? I mean we're certainly
15 going to require -- well, I think DOGGR has required --
16 some degree of measurement stuff going forward or
17 monitoring stuff at the storage fields, because that's not
18 our only storage field in California. But at the same time
19 what's the best technology is still something that's being
20 worked out. I mean, different proponents will say, "You
21 should do this, you should do that or whatever."

22 I've also said when I talked to Secretary Moniz
23 that there is a Boxer-Feinstein language to them to set up
24 a taskforce. And they're looking more nationally. I mean,
25 this is the fifth largest storage field in the country, so

1 the first thing you have to wonder is what about the bigger
2 four?

3 And they're certainly going through, in their
4 last quarter-annual QER they looked a lot at issues of
5 infrastructure, reliability, aging infrastructure -- what
6 that means in reliability, particular climate changes.
7 They gave no consideration to gas storage fields. And
8 that's pretty safe to assume that in the next QER there'll
9 be a lot more examination of that. We talked some about
10 trying to figure out a criteria on which ones they should
11 focus on.

12 COMMISSIONER MCALLISTER: Yeah, so I was going to
13 actually ask sort of the national federal implications of
14 this and resources from DOE to help sort of -- I mean, this
15 one well down there is not the only one that's going to
16 have aging infrastructure and a lot of in and out every
17 day. And it sort of seems like there's a bigger problem
18 there.

19 CHAIRMAN WEISENMILLER: Well, yeah the thing that
20 DOE has been very, very, very helpful on in this exercise,
21 is that the question becomes how do you do the risk
22 assessment on the individual, because there's 115 wells,
23 right? And many are very old, 60-plus years, so again
24 that's sort of how do you do this?

25 And basically DOGGR is being tasked with doing a

1 risk assessment of each of those wells as part of the
2 moving towards reinjection for the winter. And so the
3 question is how do you do the risk assessment for those
4 wells? And so the national labs, basically Sandia,
5 Livermore, and Berkeley and the scientists who were
6 involved in the Gulf Spill, who had been involved in
7 advising DOGGR on the six tests they should do to
8 demonstrate the integrity of the specific wells going
9 forward.

10 COMMISSIONER MCALLISTER: Yeah, pressurize the
11 well without the gas down there every (indiscernible)

12 CHAIRMAN WEISENMILLER: Yeah, well anyway and
13 just we're not going to -- safety first, we're not going to
14 do any re-injections until we're comfortable on the field
15 that it's safe. And so that certainly has reliability
16 implications, particularly not -- certainly for the summer
17 and certainly for next winter.

18 COMMISSIONER MCALLISTER: I was on a call this
19 morning actually about the QER Scope and I've been very
20 supportive of it being electricity, you know? So I don't
21 think there are rumblings quite yet of refocusing on
22 natural gas, but I guess it's certainly possible to hijack
23 a chapter or something of it to look at that.

24 CHAIRMAN WEISENMILLER: Well, again this is the
25 second time. I mean, some of them haven't been here that

1 long that we had sort of a major piece of infrastructure
2 fail and then discover that it's a pretty critical piece of
3 infrastructure. I mean, first it was San Onofre and now
4 with Aliso.

5 COMMISSIONER MCALLISTER: Thanks for your both
6 hands on deck among all the other hands that are on this,
7 but it's really been huge for us. Thank you.

8 CHAIRMAN WEISENMILLER: Yeah, so let's go to
9 Chief Counsel's Report.

10 (No audible response.)

11 Executive Director Report?

12 MR. OGLESBY: I can pass today. Thank you.

13 CHAIRMAN WEISENMILLER: Public Adviser Report?

14 MS. MATHEWS: I have a brief report, because I
15 would like to thank all of those staff members who helped
16 make our first implementation of AB 865, the Empower
17 California Workshop, a success. We had a little over 130
18 participants from throughout the State of California who
19 attended. And we had four breakout sessions that focus on
20 each of our major funding programs and each session was
21 attended.

22 So I wanted to say thank you to Rachel Grant
23 Kiley, Pablo Gutierrez, Cheryl Closson, Elizabeth Hutchison
24 Tami Haas, Jacob Orenberg, Lorraine Gonzalez, Nelson Pena,
25 Ryan Nelson as well as Yee Xiong who got our website up.

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1 Jerome Lee and Ari Guillermo, they gave us IT support
2 during the workshop. Of course, I couldn't have done this
3 without Shawn Pittard and Laura Murphy from the Public
4 Adviser's Office and Eric Amamy (phonetic) who is our
5 student intern. And a special thank you to Sekita Grant
6 and Greenlining Institute for helping us.

7 Again, just to highlight that workshop, we had
8 opening remarks from Commissioner Scott. And we were able
9 to get a representative from Assemblymember Alejo's Office
10 who actually authored the legislation to come, and also
11 offer remarks and provide some information.

12 Then we had an overview the funding process. As
13 we know it's now electronic, so we had an opportunity for
14 business owners, diverse business enterprises, to have an
15 overview of that. And then learn more about each funding
16 program and have a question and answer session.

17 Next, I just wanted to highlight that we will
18 have a diversity career fair on April 29th here at the
19 Energy Commission. And so that's in line with our
20 diversity commitment and goals.

21 And I wanted to highlight now if you go to our
22 website -- there are about three different ways where you
23 can get to this, but you can see here we have a diversity
24 commitment. And that will take you to our page that kind
25 of highlights everything that we're doing. So in

1 accordance with AB 865 we have information available to the
2 public. Funding opportunities is available for anyone
3 who's interested including our current solicitations.

4 We have a disadvantaged community section, which
5 highlights Energy Commission programs, projects that we
6 have benefitting, and it's separated by each division.

7 We also will connect people who visit this site
8 to CalEnviroScreen and the tools available, because a lot
9 of times our funding proposals have additional points or a
10 priority if you include a project in that community. So we
11 have that listed. And then the different career options,
12 this is featured in this section.

13 And we also have our docket, so with the Empower
14 California AB 865 we have our outreach program, which will
15 consist of the workshops. And then we have the proposed
16 Diversity Taskforce that we introduced at our workshop and
17 are now accepting comments on the proposed process that we
18 have for the Diversity Taskforce.

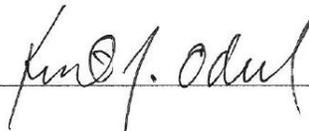
19 And the last thing that I wanted to highlight, I
20 did have an opportunity to go to the CPUC to speak to their
21 Low Income Oversight Board regarding what the Energy
22 Commission plans for SB 350 Barriers Report implementation.
23 And at the end of the month, I will be attending a workshop
24 with ARB where they are starting their kickoff efforts with
25 that.

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IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of March, 2016.



Kent Odell
CER**00548

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Myra Severtson
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