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BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
) 16-BUSMTG-01
 Business Meeting)
)
 _____)

CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
ART ROSENFELD HEARING ROOM - FIRST FLOOR
SACRAMENTO, CALIFORNIA 95814
WEDNESDAY, JULY 13, 2016
10:00 A.M.

Reported by
Peter Petty

APPEARANCESCOMMISSIONERS

Robert B. Weisenmiller

Karen Douglas, Vice Chair

David Hochschild

Andrew McAllister

Janea Scott

Staff Present:

Rob Oglesby, Executive Director

Kourtney Vaccaro, Chief Counsel

Alana Mathews, Public Advisor

Cody Goldthrite, Secretariat

Retiring Honorees

Suzanne Korosec

Roger Johnson

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P R O C E E D I N G S

JULY 13, 2016

10:09 A.M.

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

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

CHAIR WEISENMILLER: Last week was horrible in a lot of ways, so I thought we'd start with a minute of silence.

(Whereupon, one minute of silence was observed.)

Okay, let's start the business meeting. Actually, there'll be three occasions to start with.

First with the summer institute. So Alana, why don't you bring your students up. Katie, come forward. Let's have a photo of that. Alana, why don't you actually explain who they are. Yeah, that's good, okay.

MS. MATHEWS: Good morning. These are our students for the 2016 Summer Institute in Energy Law and Policy, so they engage in a very two-week intensive curriculum to learn about the business of the Energy Commission as well as different key policy stakeholders that deal with energy issues

1 around the state. They've had an opportunity to
2 visit the Governor's Office and talk to his key
3 policy advisers. They've also done a tour of CISO.
4 They've gone over and had a tour of Cal EPA and got
5 to speak to Arsenio Mataka and learn about
6 environmental justice issues, and a whole host of
7 speakers here within the Energy Commission, and most
8 recently this morning our very own Executive
9 Director Rob Oglesby.

10 So now is an opportunity. They are going to
11 have a presentation this Friday in this room at two
12 o'clock to do a presentation on everything that
13 they've learned about renewables and siting and
14 fuels and transportation and energy efficiency, and
15 they will be unveiling their very new exciting plan
16 about SB350, and I'll leave that up to them to
17 reveal, I won't spoil the surprise.

18 And with them is their two teachers, Carlos
19 Garcia and Mr. Benny Rich, and I'd like to present
20 the students and have a photo opportunity with all
21 the Commissioners.

22 CHAIR WEISENMILLER: Thank you.

23 (Pause in proceedings.)

24 Next, we want to honor a couple of our very
25 valued employees who are retiring. Let's start with

1 Suzanne.

2 David?

3 COMMISSIONER HOCHSCHILD: Well, this is a
4 momentous month because we are going to be saying
5 goodbye to a real hero of the Energy Commission for
6 many, many moons, Suzanne Korosec, and I'll read her
7 Resolution in a moment, but let me just first thank
8 Suzanne for her many roles as an adviser and the
9 lead on the IEPR and the lead at the Renewables
10 Division, and for bringing a lot of integrity as
11 well as a lot of spirit to the job.

12 And I'll just share one story, which is she
13 always had her team at the Renewables Division take
14 Halloween very seriously, and I think it's won the
15 prize on a number of occasions. And we had a meeting
16 on the day of Halloween and, you know, I forget who
17 it was but it was some group that was quite serious
18 a group of men who came in. And my team, they show
19 up and one of them has like an axe, you know, in
20 their head with blood, and Suzanne had, I think it
21 was Edgar Allen Poe with like a crow on her
22 shoulder, and having this quite serious enforcement
23 discussion, I think about the RPS.

24 So it's been a delight, Suzanne, and I do
25 just sincerely want to thank you on behalf of all of

1 us. And with that I'll just read the Resolution we
2 have.

3 Whereas, Suzanne Korosec began working with
4 the State of California on September 19th, 1985, at
5 the California Public Employees Retirement System,
6 less than a year later joined the California Energy
7 Commission on June 1st, 1986;

8 And whereas, Suzanne utilized the Energy
9 Commission's upward mobility program to become an
10 energy analyst on January 4th, 1993;

11 And whereas, in 2006 Commissioner John
12 Geesman noticed Suzanne's brilliance and exceptional
13 work ethic and invited her to be his adviser, a
14 position she held until 2008. And she also advised
15 Commissioner Karen Douglas in 2008;

16 And whereas, Suzanne contributed to the
17 Integrated Energy Policy Report from 2005 to 2007,
18 and later became program manager, also known as the
19 IEPR Queen, for the biennial IEPR and IEPR updates
20 between 2008 and 2013 while holding the title of
21 Assistant Executive Director for Policy Development;

22 And whereas, Suzanne became the Deputy
23 Director for the Renewable Energy Division in 2013
24 where she worked until her retirement in 2016;

25 And whereas, Suzanne has been the primary

1 author of over 30 Commission reports and a
2 contributing author to over 170 reports, she has
3 presented over 100 times to foreign delegations, has
4 participated in 248 IEPR workshops -- there's got to
5 be a medal for that -- and hearings, and nearly 100
6 business meetings -- God bless you -- has
7 represented the commission on the Clean Energy
8 State's Alliance board of directors, the Underwriter
9 Laboratories Renewable Energy Council, and the
10 Western Renewable Energy Generation Information
11 System WREGIS governing board, and received
12 recognition from past and present commissioners for
13 her outstanding work;

14 Whereas, Suzanne will be remembered for her
15 dedication to her staff and the Commission at large
16 through her organization of morale building
17 activities such as the annual picnic for 15 years,
18 various celebrations for staff such as birthdays and
19 retirements, over 90 blood drives, our Promise
20 campaigns, as well as the Commission's 30th and 40th
21 anniversary celebrations -- we're going to call you
22 back for the 50th;

23 And whereas, Suzanne was the master of a
24 ghoulish and humorous Halloween costumes from the
25 Cat Lady to Uncle Fester to Edgar Allen Poe;

1 She has a love, knowledge, and appreciation
2 of books, music, and art, which was demonstrated in
3 her paintings, participation in art classes, and her
4 collection of notebook doodles created in numerous
5 lengthy Energy Commission meetings throughout the
6 years;

7 Therefore, be it resolved that the
8 California Energy Commission recognizes and thanks
9 Suzanne Korosec.

10 Will you all join me and please stand and
11 congratulate Suzanne.

12 (Applause.)

13 MS. KOROSEC: I won't provide a business
14 card to the court reporter for this.

15 So thank you for the opportunity to say a
16 few words, and I'll keep this short so that we can
17 move on to our other retiree for today.

18 First, I would like to thank Rob and Drew
19 for all the time, thought, and effort you put into
20 preparing the Resolution for me. I think it really
21 shows how much they value what I've given to the
22 agency over the last 30 years, so thank you both
23 very much, I appreciate that.

24 The world has changed a lot in the 30 years
25 that I've been here. When I started in 1986, there

1 were no cell phones, there was no email, there was
2 no Outlook calendar.

3 There was not even personal computers. At
4 that time you wrote your reports in longhand and a
5 secretary, which when I started happened to be me,
6 would type the report up for you on a typewriter or
7 on this massive beast of a word processing machine
8 that used 12-inch floppy disks.

9 In 1986 our electricity mix was less than 8
10 percent renewables and we were still unsure about
11 how many renewable power plants that had PURPA
12 contracts would actually even get built.

13 Our alternative transportation fuel program
14 was based around methanol.

15 The Diablo Canyon Nuclear Power Plant had
16 just pulled up to full power.

17 And global warming was just starting to
18 become a political issue.

19 It's a very different world today.

20 I feel very lucky to have been part of the
21 amazing changes in the energy world over the last
22 three decades, and working here has been a really
23 wonderful experience with so many great
24 opportunities to learn and to influence and support
25 state energy policies, and it's been incredibly

1 exciting to see the progress that we've made in
2 really fundamentally changing the way energy is
3 produced and used in the state to help support our
4 environmental and climate change goals.

5 But I have to say something that I've heard
6 many other people say when they retire, which is
7 when I leave here it's not the job that I'm going to
8 miss, it's the people. Working here has been a joy.
9 I've spent more than half of my life working here,
10 and I can honestly say that most of the people that
11 I've worked here have been among the hardest
12 working, brightest, and most dedicated people I've
13 ever had the pleasure of knowing.

14 I was also very lucky during my earlier
15 years to have worked under some really spectacular
16 managers, most of whom are gone now. Chuck Mizutani,
17 Marwan Massry, Jim Hoffsis, and Melissa Jones whose
18 still here. They taught me by their example what
19 makes a good public servant, and how treating people
20 with trust and respect brings out the best in your
21 staff.

22 And those were lessons that really served me
23 well when I was fortunate enough to be given the
24 opportunity to manage the Renewable Energy Division
25 where I worked with more amazing people who

1 consistently give their all to support the Energy
2 Commission's mission despite many challenges and who
3 never fail to make me look really good. And I'll
4 thank them for their hard work and for making my job
5 so much easier.

6 There's so much going on in the energy world
7 right now, although I'm moving on to other things, I
8 really look forward to checking in from time to time
9 to see the progress on all the important activities
10 that the agency is involved in, and I hope to be
11 lucky enough to make it to 2050 when I'll be 90
12 years old so I can celebrate meeting our greenhouse
13 gas emission reduction targets that I've worked
14 toward for my entire career.

15 So I will miss you all very much. Thank you.

16 (Applause.)

17 COMMISSIONER DOUGLAS: Well, as Suzanne
18 mentioned, we have two retirements today to
19 celebrate, because we really wish Suzanne and Roger
20 very, very well and we will miss them very, very
21 much, and so it's my privilege to present the Energy
22 Commission Resolution to Roger Johnson.

23 As I think virtually everyone here knows,
24 Roger has been our deputy director for the STEP
25 Division, the Siting, Environmental Protection and

1 Transmission Division of the Energy Commission for
2 many years, and he has actually been at the Energy
3 Commission for 33 years.

4 I've had the privilege of working really
5 closely with Roger through, you know, trips to the
6 desert and visits to power plants and power plant
7 siting cases all over the state. He's been a
8 tremendous pleasure to work with. It's been a
9 wonderful set of years working together with him.
10 and so with that, I will read his Resolution.

11 Whereas, Roger Johnson started working for
12 the State of California on September 4th, 1979, as a
13 graduate student assistant with the California
14 Energy Commission -- so students take note;

15 And Whereas, Roger left the Energy
16 Commission in September 1981 to be a water quality
17 biologist at the Department of Fish and Game, only
18 to return to the Energy Commission's Facility Siting
19 Division in March, 1985;

20 And Whereas, during his 33 years at the
21 Energy Commission Roger willingly took on
22 increasingly responsible assignments and leadership
23 appointments, including project manager, supervisor
24 of several siting division staff units, siting
25 office manager, and deputy director;

1 And Whereas, Roger is responsible for the
2 original version of
3 [http://www.enerby.ca.gov/sitingcases/all_projects.ht](http://www.enerby.ca.gov/sitingcases/all_projects.html)
4 [ml](http://www.enerby.ca.gov/sitingcases/all_projects.html) which has been a reliable World Wide Web
5 information source for many years;

6 And Whereas, Roger developed and managed the
7 Energy Peaker Permitting Program during the 2000-
8 2001 energy crisis, which led to seven natural gas
9 peakers being built in 2001 and two in early 2002.
10 These nine peakers which contributed a combined 684
11 megawatts to the electricity grid are still
12 operating as reliable facilities;

13 And Whereas, Roger contributed to the
14 development of the electric transmissions corridor
15 designation concept which resulted in the passage of
16 SB1058 in 2006 and was a precursor to the State's
17 landscape scale planning efforts that reduced the
18 environmental impacts associated with renewable
19 energy resources development;

20 And Whereas, Roger recognized the importance
21 of state and federal agency collaboration in
22 expediting the environmental analysis and permitting
23 processes for the numerous renewable generation
24 facilities proposed under the auspices of the
25 American Recovery and Reinvestment Act of 2009;

1 And during 2009 and 2010 Roger was a key
2 Energy Commission staff person leading this
3 collaborative effort via the Renewable Energy Action
4 Team involving the Energy Commission, California
5 Department of Fish and Game, the U.S. Bureau of Land
6 Management and the U.S. Fish and Wildlife Service;

7 And Whereas, Roger recognized the value of
8 broad regional landscape and energy planning for
9 addressing climate change issues in California with
10 this planning approach exemplified by the
11 State/Federal Desert Renewable Energy Conservation
12 Plan Process;

13 As a STEP Division deputy director, Roger
14 oversaw the work of the commission's DRECP Team and
15 supported STEP Division staff in identifying low
16 impact areas for potential renewable energy
17 generation development in the San Joaquin Valley;

18 And Whereas, Roger is recognized as a
19 talented and creative athlete. He was a frequent
20 finalist in the STEP Division Olympic games such as
21 the egg toss, the event he developed and nurtured,
22 and the now world famous event, Towel Volleyball.
23 His years as a runner by now include at least
24 several thousand lunchtime laps around Southside
25 Park;

1 And Whereas, Roger Johnson will be missed
2 for his institutional knowledge, exceptional work
3 habits, pleasant demeanor, positive attitude,
4 remarkable editing skills, and most of all, the
5 infamous green pen;

6 Now Therefore Be It Resolved that the
7 management and staff of the California Energy
8 Commission recognize and commend Roger Johnson for
9 his leadership, dedication, and significant
10 contributions to all areas of the California Energy
11 Commission.

12 So Roger, this is for you.

13 (Applause.)

14 MR. JOHNSON: Thank you very much. I'll just
15 say a few words. Suzanne said it all. We were here
16 about the same time and I remember all those
17 modernizations that we've gone through here. How did
18 we ever do it with just typewriters? I don't know.

19 Thank you for your thoughtful recognition;
20 that was pretty amazing. A good flashback of all
21 those years.

22 It's been truly a privilege to work here. I
23 consider this just one of the best agencies in the
24 state. It's been amazing to work with such a
25 professional and dedicated staff. And the management

1 here has been excellent throughout the years, and
2 this Commission is one of the best, if not the best
3 set of commissioners that I can remember, so Thank
4 you very much for all your support and efforts that
5 you give to the commission.

6 But this has all been possible because of
7 the great staff that we have here. The staff that I
8 worked with and that I've been able to supervise and
9 eventually have in the division. They're all
10 talented, they're all dedicated, and we couldn't do
11 it without the staff, so Thank you very much.

12 (Applause.)

13 CHAIR WEISENMILLER: Okay. Let's start with
14 the consent calendar.

15 COMMISSIONER DOUGLAS: Move consent.

16 COMMISSIONER MCALLISTER: Second.

17 CHAIR WEISENMILLER: All those in favor?

18 IN UNISON: Aye.

19 CHAIR WEISENMILLER: Consent calendar is
20 approved five to zero.

21 Item 2 we're past.

22 Item 3. Joe Douglas, come on.

23 MR. DOUGLAS: Good morning Commissioners, my
24 name is Joseph Douglas and I am the Compliance
25 Project Manager for the Orange Grove Energy Power

1 Project. With me this morning is Senior Staff
2 Counsel Kevin Bell. We also have members of Orange
3 Grove Energy here as well.

4 The Orange Grove Energy Power Project is a
5 96-megawatt facility that was certified by the
6 Energy Commission on April 8, 2009, and began
7 operation on June 17, 2010. The facility is located
8 in the unincorporated area of Pala, in San Diego
9 County, California.

10 On April 12, 2016, Energy Commission staff
11 docketed a petition to amend on behalf of Orange
12 Grove Energy, L.P. requesting to modify the Final
13 Decision for the Orange Grove Energy Power Project.

14 The petition seeks to add and revise several
15 Air Quality conditions of certification to allow the
16 project to restore worn parts of the emission
17 control systems, and to optimize the design of
18 system components using like-kind part replacement
19 where needed to improve resistance to wear and long-
20 term reliability, and to improve emission control
21 performance.

22 Staff concludes that with the adoption of
23 the new and revised conditions of certification, the
24 modified project would continue to comply with
25 applicable federal, state, and San Diego Air

1 Pollution Control District air quality laws,
2 ordinances, regulations and standards. The proposed
3 modifications would not result in significant air
4 quality or greenhouse gas related impacts.

5 The District added two new conditions to
6 ensure compliance with permitted emission limits
7 after the completion of the maintenance and repair
8 work. The District also made some administrative
9 changes to other conditions.

10 In addition, staff found some
11 inconsistencies between the Energy Commission
12 approved conditions of certification and the
13 District approved conditions. There, staff proposes
14 to revise the conditions of certification to provide
15 consistency with the current District requirements.

16 A Notice of Receipt was docketed and mailed
17 to the post certification mail list On May 13, 2016.

18 The Staff Analysis was docketed and mailed
19 to the post certification mail list with a 30 day
20 comment period On June 9, 2016. No comments were
21 received during the comment period.

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

1 approval of Orange Grove Air Quality petition.

2 CHAIR WEISENMILLER: Thank you.

3 Orange Grove, applicant, you want to come
4 forward?

5 MR. KIEFER: My name's Jim Kiefer. I'm the
6 Vice-President of Market Analytics and Business
7 Development for J-Power USA, the owner of Orange
8 Grove.

9 We feel very strongly that we are an
10 efficient, safe, and environmentally responsible
11 operator, and the time to do projects like this is
12 prior to their time of need.

13 We think that the cycling that these plants
14 have are adding -- plants were never meant to cycle
15 and ramp as our plant is being required to do to
16 make market loads, and it's causing some issues and
17 we'd like to fix it sooner rather than later.

18 Thank you.

19 CHAIR WEISENMILLER: Yeah. Anyone else in
20 the audience or on the phone have a comment on this?

21 Okay. Then commissioners?

22 COMMISSIONER DOUGLAS: I've got some brief
23 comments on this, and you're welcome to sit down
24 here at the table in Celebrity Spotlight
25 Entertainment there are questions or in the

1 audience; it's up to you. I don't have questions for
2 the applicant but others might.

3 So in short, today's amendment proposes the
4 following sorts of changes.

5 There's some modifications and
6 administrative cleanup of some conditions of
7 certification, particularly in order to look at just
8 ensuring that there's consistency with, for example,
9 current administrative requirements from the Air
10 District because we like to have that kind of
11 consistency, it adds a lot of clarity for project
12 owners.

13 We are proposing to allow for the
14 installation of like kind replacement of some
15 components of the emission control systems, as the
16 applicant noted, to restore worn parts and optimize
17 the design of system components where needed to
18 improve resistance to wear and tear and add to long
19 term reliability.

20 And I would agree with you that the time to
21 come in and do that is when you're beginning to see
22 issues that you want to get in front of and address.

23 I wanted to make a comment that's not so
24 much about this proposal but generally about how we
25 handle these kinds of amendments, because in my role

1 as the lead Commissioner for siting, one of the
2 things that I've been working with staff on for well
3 over a year and a half now and it's beginning to
4 come to fruition now, is an effort to find ways to
5 process amendments more efficiently, looking at a
6 range of things that we can do to gain that
7 efficiency from our own internal processes or how we
8 handle issues at business meetings to possibly some
9 rulemaking language where we see regulations that
10 might make sense to adjust or modify in some way.

11 And so in this instance we have a tradition
12 and practice of always bringing siting related
13 amendments to the business meeting and not putting
14 them on the consent calendar but always having them
15 up for presentation and discussion, even where we're
16 looking at pretty modest changes that have really
17 virtually no or really no environmental impact, and
18 yet we have a real interest in ensuring that our
19 conditions are up to date and that we are able to
20 efficiently accommodate this kind of request where
21 the applicant comes to us and says we'd like to make
22 some modernizing like kind of changes in our plant
23 operations.

24 So one thing that I have suggested to staff
25 is that some kinds of amendments, particularly those

1 where the project will remain in compliance with all
2 applicable laws, ordinances, regulations and
3 standards, the request to change will very clearly
4 and obviously not cause the project to result in any
5 significant environmental impact. No additional
6 mitigation of offsets would be required as a result
7 of the change. No existing daily, quarterly or
8 annual permit limit will be exceeded as a result of
9 the change. There will be no increase in any daily,
10 quarterly or annual permit limit needed as a result
11 of the change. You know, that these would be the
12 sort of items that we might put on the consent
13 calendar, an obviously, as is our usual practice, if
14 there's any desire by one of us or a public comment
15 that leads us to think that -- or a comment by the
16 applicant, for example, that might want to raise an
17 issue with a condition or whatever it might be, of
18 course we would take it off the consent calendar.

19 It's a relatively small efficiency but these
20 things do matter because the time and preparation to
21 put together the business meeting presentation, the
22 time that you all spend, especially my colleagues,
23 who will need to review the packet in order to
24 ascertain what kind of change this is, there is some
25 efficiency to be gained in some of these

1 circumstances. So I wanted to just bring that to
2 your attention in an open meeting and we can have
3 some discussion on that if you have views on that,
4 but this is an example of the kind of proposal that
5 I think could be reasonably handled that way.

6 CHAIR WEISENMILLER: No, I think it makes a
7 lot of sense. Again, as you know, these are
8 conforming.

9 Obviously our standard is to look at whether
10 there's any significant environmental impact from
11 the change. And to the extent that it is a relative
12 pro forma change, particularly conforming with the
13 local APCD, it would seem like that well could be a
14 consent item issue item unless either a Commissioner
15 has a question or we get a public comment.

16 COMMISSIONER DOUGLAS: Um-hmm.

17 CHAIR WEISENMILLER: So that makes a lot of
18 sense.

19 I just want to note on the comment on the
20 plants. Remember when Edison basically divested of
21 its power plants, one of the VPs had called the
22 unions and just pointed out that before they used to
23 have six startups a year and in San Diego things
24 were going to change. I think you probably see in
25 this type of plant more like six startups a week.

1 COMMISSIONER DOUGLAS: Alright, great. Well,
2 with that, then, I'll move approval of this
3 amendment.

4 COMMISSIONER SCOTT: Second.

5 CHAIR WEISENMILLER: All those in favor?

6 IN UNISON: Aye.

7 CHAIR WEISENMILLER: This item passes five
8 to zero. Thank you.

9 MR. KIEFER: Thank you so much.

10 CHAIR WEISENMILLER: Okay.

11 Let's go on to Item 4, which is Palmdale.

12 MR. VEERKAMP: Good morning, Honorable
13 commissioners, member of the audience. My name is
14 Eric Veerkamp and I am the Compliance Project
15 Manager for the Palmdale Energy Project. And I
16 believe we do have an owner's representative here as
17 well. Oh yes, there he is.

18 CHAIR WEISENMILLER: Okay.

19 MR. VEERKAMP: I didn't see you earlier,
20 Scott.

21 MR. GALATI: I'm sneaky like that.

22 MR. VEERKAMP: The Petition to Amend for
23 consideration before the Commission is to extend the
24 construction start date for the Palmdale Energy
25 Project for approximately 9 months, from August 10,

1 2016, to June 1, 2017.

2 The petitioner is seeking to ensure adequate
3 time for the Energy Commission to issue a decision
4 on the July 20, 2015 Petition to Amend, which
5 proposes several revisions to the licensed Palmdale
6 Hybrid Power Project, including increasing the
7 nominal capacity to 700 megawatts, and eliminating
8 the solar component, as well as requesting to change
9 the name of the facility to the Palmdale Energy
10 Project, or PEP. The PEP would be located on the
11 same site as the hybrid project, approximately 60
12 miles north of downtown Los Angeles, in the
13 northernmost portion of the city of Palmdale at 950
14 East Avenue M.

15 Staff reviewed the petition and concludes
16 that good cause exists to extend the construction
17 deadline for the Palmdale Energy Project from August
18 10, 2016 to June 1, 2017. In staff's view, the three
19 factors previously articulated by the Energy
20 Commission as important to determining whether good
21 cause exists have been met. These factors are:

22 Has the project owner been diligent in
23 seeking to begin construction and in seeking the
24 extension?

25 Number two, whether factors beyond the

1 project owner's control have prevented success.

2 And number three, a comparison of the amount
3 of time and resources that would have to be spent in
4 processing any amendments to the license if the
5 extension is granted with the amount of time and
6 resources that would be spent in processing a new
7 Application for Certification if the extension were
8 denied.

9 A Notice of Receipt was mailed to the
10 project post-certification mail list, docketed, and
11 posted to the web on June 3, 2016.

12 Staff's analysis was docketed on June 16,
13 and it was mailed to the project post-certification
14 mail list on June 17, 2016.

15 No comments have been received.

16 In light of reaching a decision in the
17 positive that good cause has been demonstrated by
18 the petition, staff recommends the Energy Commission
19 approve the request to extend the deadline to
20 commence construction from August 10, 2016 to June
21 1, 2017.

22 And that concludes my presentation. I'd be
23 happy to take any questions you have.

24 CHAIR WEISENMILLER: Thank you.

25 Applicant's replied?

1 MR. GALATI: Scott Galati on behalf of
2 Palmdale Energy LLC. We're strongly in support of
3 the petition.

4 Just for the rest of the commissioners that
5 are not working on the siting committee, the project
6 has had its preliminary staff assessment and a
7 preliminary staff assessment workshop, and is likely
8 to get the final staff assessment probably within 45
9 days. We're waiting for the final determination of
10 compliance to come out of the Air District, which
11 they're working on. So we are close to being able to
12 go to evidentiary hearing and conclude the project,
13 so we ask for the extension.

14 Thank you.

15 CHAIR WEISENMILLER: Thank you. Any public
16 comment either from anyone in the room or anyone on
17 the phone?

18 Okay, let's transition to commissioners.

19 COMMISSIONER DOUGLAS: Yeah, I'll just
20 briefly comment.

21 As Mr. Galati notes, we are in the middle of
22 a proceeding on this power plant right now and so
23 the extension is necessary to ensure that the
24 license does not expire during the proceeding, so
25 I'll move approval of this item.

1 COMMISSIONER HOCHSCHILD: Second.

2 CHAIR WEISENMILLER: All those in favor?

3 IN UNISON: Aye.

4 CHAIR WEISENMILLER: This item passes five
5 to zero. Thank you.

6 MR. GALATI: Thank you.

7 CHAIR WEISENMILLER: Let's go on to Item 5,
8 which is Campbell Cogen Project.

9 MS. DYAS: Good morning, Commissioners. My
10 name is Mary Dyas and I'm the compliance project
11 manager for the Campbell Cogeneration Project. With
12 me this morning is Kevin Bell, senior staff
13 attorney.

14 The 158-megawatt Campbell Cogeneration
15 Project was certified by the Energy Commission on
16 November 30, 1994, and began commercial operation in
17 1997. The facility is located in the city of
18 Sacramento.

19 On November 24, 2015, Sacramento Power
20 Authority filed a petition to amend the Campbell
21 Cogeneration Project requesting to provide an option
22 to replace the use of potable water with recycled
23 water in the cooling tower when available in
24 suitable quantities and quality, to construct
25 additional water treatment facilities, and to

1 increase discharge amounts to the city's sanitary
2 sewer system resulting from the use of recycled
3 water.

4 An addendum to the petition was filed on May
5 19, 2016, to provide additional information on the
6 likely location and depth of the recycled water
7 line, the air quality impacts from the construction
8 equipment, and to modify the project description to
9 address the addition of a small metering building
10 near the cooling tower.

11 The Sacramento Power Authority voluntarily
12 filed this petition to convert from fresh water to
13 recycled water use for wet cooling of their steam
14 cycle. The use of recycled water will substantially
15 reduce the project's fresh water use while providing
16 a dependable supply that will be drought resistant.

17 This project not only demonstrates
18 significant compliance with Energy Commission water
19 policy, but it will also provide for area wide
20 distribution of recycled water for other users.

21 On November 30, 2015, a Notice of Receipt
22 was mailed to the project's post-certification mail
23 list, docketed and posted to the web.

24 On June 9, 2016, staff's analysis was mailed
25 to the project's post-certification mail list,

1 docketed and posted to the web with a comment period
2 ending on July 11, 2016.

3 Technical staff in the areas of air quality,
4 geology, and Paleontology, public health, and soil
5 and water resources proposes the modification,
6 addition and/or deletion of a number of conditions
7 of certification to ensure the proposed changes
8 would not have a significant impact on the
9 environment and that the project continues to comply
10 with laws, ordinances, regulations and standards.

11 The Sacramento Metropolitan Air quality
12 Management District provided specific conditions for
13 the use of recycled water at the Campbell facility.
14 Staff reviewed the conditions and recommend they be
15 incorporated into the decision. The air quality
16 conditions of certifications in the proposed order
17 will reflect the District's conditions.

18 For all other technical areas, staff has
19 determined that the modified project would continue
20 to comply with applicable laws, ordinances,
21 regulations and standards, and no changes to any
22 existing conditions of certification are necessary
23 to ensure impacts remain less than significant.

24 On July 5, 2016, the Sacramento Power
25 Authority filed comments on staff's analysis. The

1 comments are mainly to provide minor errata and to
2 further clarify requirements in the technical areas
3 of air quality, geology and Paleontology, and soil
4 and water resources. No other comments have been
5 received.

6 Staff has acknowledged the Sacramento Power
7 Authority's comments and prepared a letter of
8 response that was docketed and posted to the web on
9 July 8, 2016. The changes that staff has proposed to
10 conditions of certification will be shown in the
11 final order.

12 Staff has determined that the changes
13 proposed in the amendment and supplementary
14 materials comply with the requirements of Title 20,
15 Section 1769(a) of the California Code of
16 Regulations, and recommends approval of the project
17 modifications and associated revisions of the air
18 quality, geology and Paleontology, public health,
19 and soil and water resources conditions of
20 certification.

21 Thank you.

22 CHAIR WEISENMILLER: Applicant?

23 MR. GOULD: Good morning, Commissioners. My
24 name is Ross Gould, I'm the Director of Power
25 Generation for SMUD and authorized representative

1 for the Sacramento Power Authority.

2 We would like to thank staff for their
3 review of our petition. We agree with their
4 analysis, the findings, and the revisions to the
5 conditions of certification that they've presented
6 in the proposed order.

7 This is an important project for our
8 community as it reduces the amount of potable water
9 that's being used for power generation in
10 Sacramento, and at the same time helps the
11 Sacramento Regional County Sanitation District in
12 their efforts to develop an infrastructure for
13 distributing reclaimed water throughout the south
14 end of Sacramento County in support of their Eco
15 Water Project.

16 We are hopeful that the Commissioners will
17 consider approval of this petition. Thank you for
18 your consideration.

19 CHAIR WEISENMILLER: Thank you. Any comments
20 from anyone in the room or on the line?

21 Let's transition to commissioners.

22 COMMISSIONER DOUGLAS: Just as a brief
23 comment, this change obviously is a very welcome
24 change and very much in line with the Energy
25 Commission's water policy. We really support the use

1 of recycled water and it looks like this has had
2 both -- or will have a benefit both for the project
3 itself in terms of drought resiliency, but also the
4 Region in terms of being able to make use of
5 recycled water and expand the use of recycled water,
6 so it's a very welcome change and it's great to see.

7 I don't know, are there any questions? I'm
8 happy to move the item. I'll go ahead and move
9 approval of this item.

10 COMMISSIONER HOCHSCHILD: Second.

11 CHAIR WEISENMILLER: All those in favor?

12 IN UNISON: Aye.

13 CHAIR WEISENMILLER: This item passes five
14 to zero. Thank you.

15 Let's go on to Item 6, Proposition 39.

16 (Begin slide presentation.)

17 MS. SHIRAKH: Good morning Commissioners. I
18 am Elizabeth Shirakh from the Local Assistance and
19 Financing Office of the Energy Efficiency Division.
20 I am the Program Lead for the Proposition 39 K-12
21 Program.

22 For your consideration and possible
23 adoption, I will present an overview of the proposed
24 substantive changes to the Prop 39: California Clean
25 Energy Jobs Act - 2016 Program Implementation

1 Guidelines.

2 Excuse me, my slide presentation should be
3 at the beginning. There we go. Let me back up.

4 For your consideration and possible
5 adoption, I will present an overview of the proposed
6 substantive changes to the Prop 39: California Clean
7 Energy Jobs Act - 2016 Program Implementation
8 Guidelines, referred to as the "Guidelines" from
9 this point forward in my presentation.

10 The Guidelines define how the State of
11 California implements the Proposition 39 program,
12 with the majority of the Guidelines outlining the
13 Local Educational Agency K-12 award program that
14 provides energy efficiency projects and clean energy
15 installation grant funding to Local Educational
16 Agencies, known as LEAs. LEAs are defined as county
17 offices of education, school districts, charter
18 schools, and state special schools.

19 (Next Slide)

20 On November 6, 2012, in the statewide
21 general election, California voters passed
22 Proposition 39, the California Clean Energy Jobs
23 Act. The initiative made statutory changes to the
24 Corporate Income Tax Code and transfers up to \$550
25 million annually in projected revenue from the

1 General Fund to the Job Creation Fund for five
2 fiscal years, beginning with fiscal year 2013-14.

3 In June 2013, Senate Bill 73 became law and
4 codified the Energy Commission as the lead agency
5 for the K-12 school portion of the Clean Energy Jobs
6 Act program.

7 (Next Slide)

8 As the lead agency, the Energy Commission is
9 responsible for establishing guidelines and
10 accepting, reviewing and approving Prop 39 K-12
11 Energy Expenditure Plan applications. Once
12 applications are approved, the California Department
13 of Education distributes the approved allocations to
14 the LEAs.

15 The total four year appropriation for the
16 Prop 39 K-12 Program is nearly \$1.4 billion. But as
17 you can see from this slide, the total Proposition
18 39 annual appropriations are less than the original
19 projected revenue of \$550 million per year.

20 (Next Slide)

21 Now, I'd like to provide a brief background
22 on the Prop 39 K-12 program and report on
23 accomplishments.

24 Immediately after SB 73 become law, the
25 Energy Commission began a comprehensive process to

1 gain input for the draft Guidelines. And in just
2 six months, on December 19, 2013, the Energy
3 Commission adopted the Proposition 39: California
4 Clean Energy Jobs Act - 2013 Program Implementation
5 Guidelines.

6 Continuing on this expedited program
7 implementation path, in January 2014, the Energy
8 Commission launched the Proposition 39 K-12 program
9 and released the energy expenditure plan application
10 and handbook, established an electronic submission
11 process, trained Energy Commission staff, provided
12 webinars and training seminars reaching over 800
13 LEAs and established a Prop 39 K-12 Hotline.

14 Over the past two years we have continued to
15 streamline and improve the program. Since December
16 2013, the Guidelines have been revised two times:
17 once in June 2014 and again in December 2014.

18 The Energy Commission also developed an
19 online energy expenditure plan application system
20 and an online reporting module.

21 And finally, just last month, the Prop 39
22 publicly searchable database was deployed and posted
23 on our webpage. This includes school specific
24 information on all Prop 39 K-12 approved and
25 completed energy projects.

1 (Next Slide)

2 We have accomplished a tremendous amount in
3 three years and next I'd like to report on funding
4 milestones.

5 As of July 1, 2016, Energy Commission staff
6 had approved 983 energy expenditure plans, which is
7 86 percent of the plans submitted, totaling \$677
8 million. This funding provides energy projects for
9 nearly 3,500 school sites.

10 In addition, LEAs have also requested \$154
11 million for energy planning activities.

12 Therefore, to date, \$831 million has been
13 approved for energy projects and planning
14 activities. This represents 85 percent of the \$973
15 million available for the first three fiscal years
16 of funding.

17 (Next Slide)

18 The Energy Commission has continuously
19 provided extensive program outreach and education
20 through webinars, workshops, conference
21 presentations, press releases, blog posts, listserv
22 announcements, direct phone calls and mail, and
23 public meetings. Through this widespread effort we
24 have facilitated increased LEAs participation, yet
25 challenges do remain.

1 The program is now more than halfway through
2 the funding period, yet fewer than half of eligible
3 2,136 LEAs have requested energy project funding. If
4 this trend continues, there will be funds remaining
5 at the end of the program encumbrance date of June
6 30, 2018.

7 (Next Slide)

8 This brings us to the Proposition 39 program
9 proposed Guideline revisions which I present today.

10 Following the same public process as previously
11 Guideline revisions, this third update was an
12 iterative public process. Program staff worked with
13 LEAs, actively listening to their concerns and
14 listening to their suggestions to further improve
15 the program.

16 Taking that information, on April 27, 2016,
17 proposed Guideline revisions were posted for public
18 review and comment. The Energy Commission held two
19 public webinar meetings to present draft Guidelines
20 revisions, receive comments and answer questions.
21 The Energy Commission also opened a docket and
22 received 14 submittals.

23 On June 27, 2016, the Energy Commission
24 docketed and posted the notice of the July 13th
25 business meeting and a second revised draft

1 Guidelines, including a summary of changes made
2 between April 27 and June 27.

3 (Next Slide)

4 At this time, I'd like to highlight the
5 major substantive changes to the Guidelines. These
6 revisions focus on changes to the cost effectiveness
7 criteria, an alternative electric rate for LEAs with
8 First Preference power rates, revisions for LEAs
9 with zero-net-energy schools, revisions to Appendix
10 E that list the effective useful life for energy
11 efficiency measures in years, and revisions to
12 Appendix F: Power Purchase Agreement SIR Calculation
13 and Conditions.

14 (Next Slide)

15 The Public Resources Code requires that all
16 projects shall be cost effective and that the Energy
17 Commission establish the cost-effective
18 determination. Therefore, the Commission
19 established the Savings-to-Investment Ratio, or SIR.

20 The SIR is the total net present value of savings
21 over the total project installation cost. This ratio
22 compares the investment the LEA will make now with
23 the energy cost savings the LEA will achieve over
24 time.

25 Some LEAs have struggled to meet the cost-

1 effectiveness criteria due to several reasons,
2 including previously implemented energy efficiency
3 measures, low electric rates, small facilities with
4 low energy cost, or prioritized energy measures such
5 as heating ventilation air conditioning, HVAC, that
6 cannot meet the cost-effective criteria.

7 There are two proposed major changes that
8 apply to the SIR. The first is reducing the minimum
9 SIR from 1.05 to 1.01. An eligible energy project
10 must currently achieve a minimum SIR ratio of 1.05.
11 Now, eligible energy projects can meet the minimum
12 SIR with a 1.01 ratio. For every dollar invested in
13 the eligible energy project, the LEA will accrue
14 \$1.01 in savings.

15 (Next Slide)

16 The second change to the SIR is increasing
17 the maintenance cost savings assumption in the net
18 present value of savings formula. A fixed
19 maintenance savings of 2 percent for all energy
20 efficiency measures is used in the SIR formula.
21 However, due to the wide variance in estimated
22 maintenance cost savings between various energy
23 efficiency measure categories, an adjustment from 2
24 percent to 3 percent in maintenance cost savings is
25 needed.

1 For example, nearly 60 percent of the funded
2 Prop 39 K-12 energy efficiency measures are
3 lighting. With the advancement of LED lighting, many
4 LEAs are retrofitting classroom fluorescent lighting
5 with LED lighting, realizing higher maintenance cost
6 savings.

7 The same applies to the replacement of old
8 inefficient HVAC measures which account for nearly
9 20 percent of the funded measures.

10 (Next Slide)

11 LEAs located in three rural counties,
12 Tuolumne, Calaveras and Trinity, receive a First
13 Preference Federal Power rates at 7 to 8 cents per
14 kilowatt hour.

15 In the 1950s and 1960s, the Federal
16 government acquired large portions of county land
17 for the construction of hydroelectric projects in
18 these counties. As compensation for the negative
19 impacts, loss of taxable land, loss of agricultural
20 land, and loss of local water resources, government
21 entities, including public schools, were compensated
22 by a reduced electricity charge at a First
23 Preference power rate.

24 We are proposing that LEAs receiving a First
25 Preference electric rate may use an alternative

1 electric rate of 13.2 cents per kilowatt hour. This
2 alternative electric rate was proposed by the First
3 Preference Public Power Agencies based on the true
4 cost of electric power when considering the lost tax
5 revenue due to the federal hydro projects built in
6 these three counties.

7 (Next Slide)

8 Few, if any, LEAs are completely zero net
9 energy. Therefore, LEAs with large solar
10 investments did not qualify for the zero net energy
11 option. However, some LEAs may have school sites
12 that are zero net energy.

13 The proposed revisions change the definition
14 from *all school sites* within an LEA to a *school*
15 *site*. Now LEAs with school sites that are zero net
16 energy can submit an energy expenditure plan
17 application demonstrating how the proposed measures
18 are eligible for Prop 39 funding.

19 (Next Slide)

20 Another substantive change is expanding the
21 list of energy measures in the Effective Useful Life
22 in Appendix E. We have expanded the list to include
23 more efficiency technologies. For example, some of
24 the new energy measures include demand control
25 ventilation, occupancy controls and door switches,

1 weather stripping, and kitchen equipment controls.

2 There is also clarification to HVAC packaged
3 units and split systems and when funding continuous
4 retro-commissioning, there is now a 5-year
5 maintenance commitment required.

6 (Next Slide)

7 Other substantive changes to Appendix E
8 include increasing the effective useful life for
9 high efficiency transformers from 15 to 20 years.
10 Also, warranty clarifications were made for advanced
11 battery storage requiring a 10-year warranty and for
12 solar photovoltaic projects using a 15 year
13 effective useful life, requiring a 25-year panel
14 performance warranty.

15 (Next Slide)

16 The last substantive change is found in
17 Appendix E [sic]: Power Purchase Agreement SIR
18 Calculation and Conditions. In the Terms and
19 Conditions section, number 3 was deleted. We removed
20 the condition that a power purchase agreement clean
21 generation project shall be sized to reduce up to 70
22 percent of the kWh energy consumption at a school
23 site. The requirement was removed and cautionary
24 language was added to alert LEAs to understand the
25 long term consequences when sizing clean generation

1 systems.

2 (Next Slide)

3 Finally, there are also non-substantive
4 changes in the Guideline revisions. Most of the non-
5 substantive changes provide clarification through
6 minor revisions and edits. Other non-substantive
7 changes make grammatical edits to provide better
8 descriptions of processes, update funding
9 appropriations, update website links, and a
10 statutory repeal.

11 There is one non-substantive change I'd like
12 to highlight that was not included in the Guidelines
13 posted on June 27, 2016, and this is the update of
14 Proposition 39 funding appropriations for fiscal
15 year 2016-17.

16 The 2016-17 California Budget Bill was
17 signed after the posting of the second Guideline
18 revision. Now that the Budget Bill is signed, the
19 Prop 39 Fiscal Year 2016-17 funding appropriations
20 will be updated in Chapter 1, Chapter 3 and Appendix
21 A of the Guidelines.

22 In conclusion, the Prop 39 K-12 program
23 successfully launched in a short time, has achieved
24 success, and has evolved to provide processes, tools
25 and procedures that maximize program participation

1 while maintaining the integrity of program
2 objectives.

3 Thank you and I'm happy to answer any
4 questions.

5 CHAIR WEISENMILLER: Thank you.

6 Let's start with comments, first those in
7 the room. Let's start with the School Energy
8 Coalition.

9 MS. FERRERA: Good morning, I'm Anna Ferrera
10 on behalf of the School Energy Coalition. It's an
11 organization made up of K-14 schools throughout the
12 state. We provide information, education and
13 technical assistance to schools. We also advocate at
14 the Capitol on legislative bills, budget, and other
15 issues that may impact K-14 schools on energy and
16 water project construction.

17 California schools strongly support
18 Proposition 39. We were there from the beginning and
19 we really are in support of the new substantive
20 changes that have come about.

21 Since the Commission's Proposition 39
22 Guidelines were approved, we've worked to assist
23 school districts, county offices of ed, and charter
24 schools stay up to date on the Guideline changes.

25 It has been a collaborative process. We do

1 appreciate what the staff has done, listening to the
2 concerns that schools have as they try to make the
3 approval process work for them. And it has been some
4 struggle with the SIR trying to make that happen
5 given that there's no other real funding available
6 for construction right now.

7 HVAC really rose to the top for schools
8 given that they haven't been able to really apply
9 funding for some of these very important maintenance
10 issues, so schools are looking to make Prop 39
11 funding work for some of those items.

12 So we are first and foremost very much in
13 support to change SIR to 1.01 for approval of LEA
14 energy expenditure plans. This will allow more
15 school projects to be approved, and so we absolutely
16 are in support of that.

17 And we think, also, that schools that may
18 have already said this isn't working for us may take
19 a second look now because they have this leeway, and
20 so we do appreciate that very much.

21 Also, the other zero net energy, we've been
22 commenting on that over time. SEC supports that
23 change. It was difficult with all the sites having
24 to be ZNE.

25 And the 2 percent to 3 percent of project

1 cost for maintenance, that also goes back to the
2 HVAC issue.

3 Our only concern at this time with the SIR
4 is when this new target may be approved, when they
5 may be able to use it. Summer is the time that
6 schools really do go out there and have to rearrange
7 schedules. Not so much in the summer with students
8 and teachers, so that is the time where they try to
9 get a lot of these installations done, and so the
10 sooner the better as far as we're concerned, again,
11 in the interest of moving these projects forward.

12 Finally, we would also point out with regard
13 to the section on eligible energy measure
14 identification, it's Step 5 on Page 23 in the
15 proposed Guidelines. I know that this is something
16 that staff needs because it makes it simpler for
17 them. It's the idea of having an energy survey,
18 using calculators and using third party. This is
19 going to require one consistent method throughout an
20 energy expenditure plan, again, in the interest of
21 flexibility and moving these forward.

22 And for the small schools that may not be
23 able to hire a third party consultant to make that
24 all consistent, the flexibility of being able to do
25 both would be helpful, although I understand the

1 concerns that staff has so I would only put that
2 across to you as well.

3 Again, thank you so very much to Liz and her
4 team. They're just terrific people to work with, and
5 schools look forward to moving more projects forward
6 with these new changes.

7 Thank you.

8 CHAIR WEISENMILLER: Great. Thank you for
9 being here.

10 TerraVerde?

11 MR. BROWN: Good morning. Rick Brown,
12 President TerraVerde Renewable Partners.

13 First of all, I want to just say speaking in
14 support of all the Guideline changes.

15 Also want to thank Liz and her staff. They
16 really have worked really hard to come up with these
17 changes to address the problems that we have faced,
18 all of us have faced in trying to move projects
19 along and getting projects qualified.

20 As an example of how the process works, we
21 started talking last fall. The citizens oversight
22 board did their work of highlighting and elevating
23 these issues. You all commented on it, and we're now
24 at a place we're going to get it done.

25 But as Anna said, it's going to be not until

1 probably September when we can use these new
2 Guidelines, and I understand that's the process and
3 that's how we do it, but for those who critique this
4 program because it takes a long time to do things,
5 then you'd understand these are the obstacles that
6 schools face in getting their projects going, and so
7 we're working to work with that and make things
8 happen.

9 The only other point I want to make, and it
10 hasn't been highlighted here, particularly the SIR
11 change and the maintenance factor change, those are
12 absolutely going to help the smaller and
13 economically disadvantaged districts in the state,
14 that's what these Guidelines are going to really
15 help because those are the districts that really
16 don't have cash that they can put into a project to
17 lift up the SIR.

18 I mean, I can give you example after example
19 of districts we're working with that have basically
20 had to sit on the sidelines waiting for these
21 changes to happen because they just don't have the
22 ability to get their projects qualified without
23 these changes. So in terms of equity issues, these
24 changes are very important.

25 And the last thing I would say is on the

1 change around the limit on the solar sizing. We've
2 done a lot of projects under the current limits with
3 our clients and have figured out ways to work around
4 things. It's just going to make many more projects
5 easier to get done, reduce some of the sort of
6 sorting out of things and making projects actually
7 better in terms of the economics they provide to our
8 districts because the sizing is now going to be done
9 to the optimal sizing in terms of getting those
10 benefits instead of basically suboptimizing to this
11 fixed number.

12 So again, thank you to Liz and her staff,
13 they've done a great job. Thank you to the
14 Commission and also the Citizens Advisory Board.

15 CHAIR WEISENMILLER: Great.

16 Anyone else in the room?

17 Then let's turn to the parties on the line.
18 Let's start with Mt. Diablo first.

19 MR. CODY: Good morning, can you hear me?

20 CHAIR WEISENMILLER: Yes. Please identify
21 yourself.

22 MR. CODY: Tim Cody, Director of Measure C,
23 Mt. Diablo Unified School District.

24 Since I'm on the web I can't see anyone but
25 I'll just thank the Commission and Ms. Shirakh's

1 office. She has been very helpful in trying to
2 clarify some of these things that we're talking
3 about this morning.

4 One of the things I would like to point out
5 is we are one of the districts I would like to
6 participate in the program; however, prior to them
7 approving this program the District has been very
8 proactive. We've installed about 12 megawatts of
9 solar throughout the District. We've installed VRF,
10 and we've pretty much completed interior lighting
11 before this came into play.

12 The reason that I'm on the call this morning
13 is solar generation has created what we see as a
14 penalty for being proactive in the energy
15 conservation area because of the amount of power
16 that we are generating onsite has reduced our
17 electrical cost, and because of that reduced
18 electrical cost, none of the projects that we're
19 planning to expand upon using the California Jobs
20 Act monies become eligible because our cost of
21 electrical is so low.

22 Again, we talked to Ms. Shirakh's office and
23 we thought that was very productive. I've submitted
24 two pieces of correspondence and I don't know if the
25 Commission has those. If you have those I won't try

1 to reiterate those.

2 CHAIR WEISENMILLER: Yeah, we have the
3 docket, so you don't have to. It's fine to summarize
4 but we don't have the time for you to read it.

5 MR. CODY: Right, and I don't know if we
6 want to read it, but basically, we believe in some
7 of the SIR changes, but really what it comes down to
8 is a simple modification to the Guidelines to allow
9 us to use the cost of the solar systems that we
10 installed plus our operation and maintenance cost as
11 part of the calculation of our current power cost.

12 When we do that we have a number of projects
13 that we would like to continue what we're doing in
14 the District, and we think that what we've done and
15 we'd like to do is within the spirit of the
16 California Jobs Act; therefore, we're asking for
17 that minor modification or clarification to allow us
18 to resubmit our expenditure plans.

19 CHAIR WEISENMILLER: Okay. Thank you.

20 MR. CODY: With that, any questions the
21 Commission has I'd be happy to answer.

22 CHAIR WEISENMILLER: We'll go through one
23 more commenter and then go to the Commissioners and
24 we'll see if we have questions, so stay on the line.

25 So, McSwain Elementary School.

1 MR. BRAZIL: Good morning, Commissioners and
2 staff. My name is Helio Brazil, I'm the
3 superintendent of McSwain Elementary School District
4 in Merced County, and I'm also the president-elect
5 of Small School Districts Association, and as small
6 school districts we are certainly in support of
7 these proposed revisions. We're especially willing
8 and committed to clean energy production and
9 conservation efforts.

10 However, this being said, we are one of many
11 small districts that attempt to complete our Prop 39
12 projects and are facing a number of obstacles that
13 primarily impact small districts in our efforts to
14 complete those projects.

15 As small districts, many of us are
16 experiencing declining enrollments. We don't have
17 the required district funds that small districts
18 must incur in order to complete the Prop 39
19 requirement projects. And I have written and I am
20 calling in to request that the Commission consider
21 alternative HVAC effectiveness methodology for small
22 school districts and economically disadvantaged
23 districts.

24 I think everyone has kind of echoed what I
25 would certainly agree with and support, and I thank

1 you for your consideration and your efforts to
2 support the energy needs of the state of California.
3 We really do want to take advantage of the funds,
4 but for districts like ours it's a fine line between
5 being able to do it and putting the district at a
6 financial risk.

7 So thank you.

8 CHAIR WEISENMILLER: Okay, thank you.

9 Anyone else on the line?

10 Then let's turn to, I was going to say the
11 Commission but first I'll ask the staff if the staff
12 has any comments on the issues that were raised.

13 MS. SHIRAKH: Yes, I have a comment on the
14 issue raised by Mt. Diablo.

15 PRC Code 26206(c) requires that projects
16 shall be cost-effective and the total benefits
17 greater than the project cost over time.

18 We may consider non-energy benefits such as
19 health and safety in addition to energy benefits.
20 Our challenge is that considering bond payments and
21 maintenance costs as energy costs fits neither of
22 these considerations in the PRC Code. The statute
23 allows the Energy Commission to establish methods
24 for establishing energy benefits, but does not
25 provide for an adjustment like that for the costs.

1 CHAIR WEISENMILLER: Okay, thank you.

2 So let's turn to Commissioner McAllister.

3 COMMISSIONER MCALLISTER: Alright. So I want
4 to thank Liz and staff for -- I mean, I see daily
5 how much effort you put into working with all the
6 stakeholders, the schools across the state, and
7 hearing these stories and trying to match up what
8 statute actually says with getting the results that
9 we all want for our schools and for California over
10 the long term, I am extremely impressed with the way
11 you've gone about that and super supportive of these
12 changes.

13 And I want to thank also all the advocates
14 that have been involved. I mean, Rick, others that
15 have really brought those examples to us and helped
16 to understand, I think, all across the board, not
17 just in this building but just really educated the
18 marketplace, the schools arena about the program and
19 learning how to navigate it. It does get kind of
20 complex because the statute says what it says, and
21 so we have to faithfully implement the statute.

22 Having said that, I want to be proactive, I
23 want to continue to work with staff and work with
24 those who are trying to participate and maybe
25 finding it a bit difficult to see if there are

1 solutions. Have the right discussions to possibly
2 even work with decision makers outside of this
3 building to try to make those work, and to really
4 just do the right thing and get the funds where they
5 were intended to go when the proposition passed a
6 number of years ago. So thank you all again for
7 that.

8 All these changes are really good. I know
9 they seem a little bit technocratic to the
10 uninitiated, you know, from 1.05 to 1.01 and, you
11 know, 3 percent maintenance instead of 2 percent
12 maintenance, but at the margin these changes really
13 matter.

14 We live or die by the SIR sort of by
15 necessity here, by statute, and so we're trying to
16 really push the envelope on the possible and get
17 every project we possibly can into the program, so I
18 think these changes are within the wiggle room that
19 we can do and are very necessary.

20 And it shows the program evolution. Liz
21 highlighted a number of things that the program has
22 done. I'm really particularly interested in,
23 advocating for, and proud of the data and
24 transparency aspects of the program.

25 Certainly the project information itself is

1 now available online. We've actually, as a condition
2 of receiving the funds schools allow us to access
3 their actual consumption data. That's going to be
4 really interesting to understand the evolution of
5 these buildings going forward and I think help us
6 develop better policy in the future, so working with
7 that data and it is actually posted and public and
8 people can actually access it now. God help you if
9 you don't have the right big data analysis tools to
10 actually work with the data, but there are those who
11 do and we're going to work with them to understand
12 the evolution of the program.

13 So I just want to also just highlight best
14 practice in building upgrades and retrofits.

15 I've sort of got a foot in the renewable
16 energy industry and in the energy efficiency
17 industry for the last going on 30 years. They
18 complement each other so well, they do. And anyone
19 who's looking at improving the performance of their
20 buildings, facilities, really needs to be looking at
21 both efficiency and renewables.

22 Solar is an incredibly dynamic marketplace.
23 We absolutely saw fit to lift the cap on the solar.
24 I think that's a positive change.

25 Having said that, you really have to do

1 integrated planning. If there are opportunities for
2 energy efficiency, you need to look at those
3 alongside solar, so I want to just encourage the
4 schools to think long term when they're figuring out
5 what their punch list looks like for the projects
6 that they're going to fund with Prop 39 or anything
7 else, really try to optimize.

8 So with that, I think I just want to thank
9 Liz and staff again, the rest of the staff working
10 on this. There's a phalanx of people there
11 processing massive quantities of applications and
12 really having that, I think, very educational and
13 productive interaction with all the school districts
14 and the stakeholders and the intermediaries and
15 consultants and everything else.

16 So it's really a positive trend long-term
17 for the state. It's not just getting rid of this
18 money and being done with the program; it's really
19 helping plow the field for future productive
20 enterprise. Our schools really need this and they
21 will going forward even after the first five years
22 of this program.

23 So with that, I'll pass it to the other
24 commissioners. Anybody?

25 COMMISSIONER SCOTT: Sure. I would just like

1 to say I have had occasion to really dig into and
2 learn a lot more about some of the details and
3 weaves in Prop 39 and I've really been impressed
4 both with the excellent briefings from Liz -- thank
5 you very much -- and the really serious commitment
6 of the staff to make sure that all LEAs know about
7 the options, know about the changes that we're
8 making. My understanding is that we have literally
9 made a phone call to every single one to make sure
10 that they know about the program.

11 I wanted to underscore what you mentioned
12 about the publicly searchable database that we just
13 deployed. As the public member, I'm really thrilled
14 to see that we have a database like that up and
15 running. I think it provides the potential for the
16 schools to be able to trade information with each
17 other.

18 And it also for other building owners with
19 similarly sized buildings who are looking into
20 wanting to make energy efficiency improvements,
21 renewable improvements, to be able to look and see
22 what types of things have worked really well for the
23 school buildings, I just think that's going to be a
24 really fantastic database for us to have going
25 forward.

1 And I just wanted to note that I really
2 appreciate the commitment to making the
3 improvements. We've been continuously making these
4 improvements all along to make sure that all LEAs do
5 have the ability to take advantage of this kind of
6 once-in-a-lifetime opportunity to really dig in and
7 upgrade school buildings with energy efficiency, you
8 know, the HVAC, the solar on behalf of all the
9 California school children, so I wanted to thank you
10 for your leadership on that and the staff in doing
11 such a great job in implementing that.

12 COMMISSIONER HOCHSCHILD: Yeah, I wanted to
13 echo that and really thank Commissioner McAllister
14 for your ongoing diligence with your team to make
15 this a success.

16 I do want to note it's been about a year
17 since that article came out, I believe it was in
18 *SacBee* about what a failure and disappointment Prop
19 39 has done, and I just want to say three-quarters
20 of a billion dollars out the door for these projects
21 is really something we should be proud of

22 And I think it's just worth remembering
23 there is a trajectory here with any big new program,
24 whether it was ARRA money back in 2010 or other
25 programs, the first year or two there's a lot of

1 process that has to get done and we apply a lot of
2 diligence and there's a lot of back-and-forth with
3 stakeholders. It's very inclusive but it does slow
4 things down, but at the end of the day we're getting
5 the job done. And I really want to thank Anna
6 Ferrera and Rick Brown and the other stakeholders
7 who participated to help us make the program more
8 friction free.

9 This was begun before SB350, and if you
10 think about it, this is really now a significant
11 tool in our tool belt as we press to meet those
12 objectives.

13 And I just did want to ask, and forgive me
14 if I missed this in the presentation, but there's
15 principal efficiency but there's a lot of solar as
16 well. What portion of the Prop 39 projects involve
17 renewables, do you know offhand?

18 MS. SHIRAKH: Yeah, about 2 percent of our
19 projects that we have funded to date have been solar
20 projects.

21 COMMISSIONER HOCHSCHILD: Only 2 percent?

22 MS. SHIRAKH: Yeah. Roughly about 60 percent
23 in lighting, 30 percent in HVAC. Next would be plug
24 loads at 6 percent, I think, but solar projects is
25 about 2 percent.

1 COMMISSIONER HOCHSCHILD: Got you, okay.

2 Well, that's good to know.

3 Well, just in general I just want to echo
4 the other comments. Just keep going and working with
5 stakeholders to make this friction free, because
6 it's worth remembering that even five years from now
7 the projects that were just completed, with the way
8 efficiency is going, there's going to be
9 opportunities for further retrofits down the line.
10 Who knows if there'll be a new source of funds into
11 this program down the line.

12 So with that, thanks.

13 (End slide presentation.)

14 COMMISSIONER MCALLISTER: Alright. So I
15 think just under 300 PV projects have been done --
16 I'm looking at a table right here -- out of 12,700
17 projects overall.

18 So let's see, I also want to build on what
19 you just said about the process.

20 I mean, we have statutory process we have to
21 go through -- I see Karen nodding her head over
22 there -- and we did it as fast as we possibly could.
23 I mean, if you look at the timeline of what was
24 required of us to do and the comment periods,
25 etcetera, etcetera, we got this basically done as

1 quickly as it could have been done, so the sort of
2 hit piece you mentioned was ignorant of much of that
3 and I think it kind of showed -- in any case, I will
4 move this item.

5 COMMISSIONER SCOTT: Second.

6 CHAIR WEISENMILLER: All those in favor?

7 IN UNISON: Aye.

8 CHAIR WEISENMILLER: This item has been
9 adopted five to zero. Thanks, Liz.

10 MS. SHIRAKH: Thank you.

11 CHAIR WEISENMILLER: Let's go on to Item 8 -
12 - excuse me, Item 7, Executive Order.

13 Kristen, please.

14 MS. DRISKELL: Good morning, Chair and
15 Commissioners. My name is Kristen Driskell from the
16 Appliances and Outreach and Education Office in the
17 Efficiency Division. I am here to present Item 7,
18 Executive Order B-37-16, Proposed Order Instituting
19 Informational Proceeding. With me is Galen Lemei
20 from the Commission's Chief Counsel's Office.

21 On May 9, 2016, Governor Brown issued
22 Executive Order B-37-16, Making Water Conservation a
23 California Way of Life. The Executive Order requires
24 state agencies to update temporary emergency water
25 restrictions and transition to permanent long-term

1 improvements in water use by taking a number of
2 specific actions. The Energy Commission in
3 particular is directed to certify innovative water
4 conservation and water loss detection and control
5 technologies that also increase energy efficiency.

6 The Energy Commission has taken a number of
7 actions in response to the drought under earlier
8 executive orders issued by the Governor.

9 The Energy Commission adopted toilet,
10 urinal, kitchen faucet, and lavatory faucet
11 standards in April 2015, and lavatory faucet and
12 showerhead standards in August 2015. Together, these
13 standards are expected to save more than 14 billion
14 gallons of water in the first year of
15 implementation, and over 150 billion gallons per
16 year after ten years. Staff is currently
17 investigating water efficiency opportunities in
18 irrigation emitters and irrigation controllers.

19 The proposed Order Instituting Informational
20 Proceeding would further the Commission's drought
21 response by seeking public feedback on additional
22 opportunities to save water while saving energy.

23 This effort is being coordinated with an
24 interagency team established under Executive Order
25 B-37-16. Staff proposes to begin collecting

1 information related to certifying innovative water
2 conservation and water loss detection and control
3 technologies that also increase energy efficiency
4 through a staff workshop tentatively scheduled for
5 October of this year, and may also conduct joint
6 agency workshops with the Department of Water
7 Resources and other members of the interagency team
8 to gain more insight into water saving
9 opportunities. The information gathered through
10 these activities may then be used to develop
11 appliance efficiency rulemakings.

12 I ask your approval of Item 7, a proposed
13 Order Instituting Informational Proceeding on
14 Executive Order B-37-16. I am happy to answer any
15 questions that you may have.

16 CHAIR WEISENMILLER: Thanks. First, any
17 comments from anyone in the room or on the line?

18 Okay. Let's transition to commissioners.
19 Commissioner McAllister.

20 COMMISSIONER MCALLISTER: I mean, I don't
21 think there's a lot to say about this. We've been
22 asked to do something and we need to gather
23 information from stakeholders to do it.

24 Obviously, water and energy efficiency are
25 top level Administration goals. We are in the

1 business of innovation and identifying pathways for
2 fostering innovation, so I think this is a forum
3 that we can use to implement the Executive Order and
4 do so in a pretty expeditious way, so I'm supportive
5 of this item.

6 So I'll move Item 7.

7 COMMISSIONER HOCHSCHILD: Second.

8 CHAIR WEISENMILLER: All those in favor?

9 IN UNISON: Aye.

10 CHAIR WEISENMILLER: This item passes five
11 to zero. Thank you.

12 Let's go on to Item 8, Power Source
13 Disclosure Program.

14 MR. CHOU: Good morning Chair Weisenmiller
15 and Commissioners, I am Kevin Chou from the
16 Renewable Energy Division. I am joined today by
17 staff attorney, Lisa De Carlo.

18 As you may recall, on May 17, 2016, the
19 Energy Commission adopted modifications to the power
20 source disclosure regulations in order to implement
21 recent statutory changes and make other minor
22 modifications. After careful consideration, it was
23 determined that some of the changes adopted may not
24 have been clearly marked in accordance with
25 Government Code section 11346.8(c).

1 Therefore, in order to ensure that the
2 proposed changes were properly brought to the
3 attention of the public prior to submittal to the
4 state's Office of Administrative Law, the Energy
5 Commission released a second set of 15-Day language
6 changes to more clearly identify those portions of
7 the proposed changes that had not been so identified
8 in the previous publications.

9 We received only one set of comments during
10 this comment period, which reiterated comments made
11 previously in the proceeding. Therefore, no changes
12 have been made to the regulation requirements since
13 the May 17th business meeting.

14 Staff recommends approval of the resolution
15 adopting the modifications to the Power Source
16 Disclosure program and finding that the
17 modifications are exempt from CEQA.

18 We are happy to take any questions you have.

19 CHAIR WEISENMILLER: First, any public
20 comment either in the room or on the phone?

21 Commissioner?

22 COMMISSIONER HOCHSCHILD: Yeah, just I'd ask
23 my colleagues for support.

24 Just one of the things to keep in mind, this
25 program, the power source disclosure, predated by

1 five years the first RPS, and so that has created
2 some challenges and they have subtly different
3 metrics, but the intent is to make it as clear and
4 consistent as possible, and I just would ask my
5 colleagues for support.

6 I'd move the item.

7 COMMISSIONER MCALLISTER: Second.

8 CHAIR WEISENMILLER: All those in favor?

9 IN UNISON: Aye.

10 CHAIR WEISENMILLER: This item passes five
11 to zero. Thank you.

12 Let's go on to Item 8 [sic] Renewable
13 Portfolio Standard.

14 MS. DANIELS: Hello Commissioners, I am
15 Theresa Daniels, verification lead for the
16 Renewables Portfolio Standard RPS program. Today, I
17 am requesting adoption of the RPS 2011-2013 Retail
18 Sellers Procurement Verification Report.

19 As you know, retail sellers have an RPS
20 obligation that has been in place since the RPS law
21 was first signed in 2002 requiring the Public
22 Utilities Commission, or CPUC-regulated retail
23 sellers to procure 20 percent renewable energy by
24 2017.

25 In 2006, legislation accelerated the RPS to

1 20 percent by 2010, and then in 2011 it was
2 increased to 33 percent by 2020 under SBX1-2. Most
3 recently, in 2015 the passage of SB 350 raised the
4 RPS to 50 percent by 2030.

5 While not legally mandated, verification
6 reports are prepared as part of the Energy
7 Commission's RPS responsibilities. Upon adoption and
8 posting of the Final 2011-2013 Retail Sellers
9 Verification Commission Report, the Energy
10 Commission will transmit its findings to the CPUC
11 for use in determining retail sellers' RPS
12 compliance for 2011-2013 which covers Compliance
13 Period 1.

14 This Verification Report only includes the
15 RPS Verification results for retail sellers.
16 Publicly Owned Electric Utilities, or POUs, are not
17 included in this report. A separate report will be
18 prepared later this year for POUs' compliance period
19 1 RPS verification results.

20 The 2011-2013 RPS claims were primarily
21 reported through the Western Renewable Energy
22 Generation Information System, or WREGIS. There were
23 more than 2,390 RPS claims verified in this report
24 representing over 118,000 gigawatts of generation.

25 Among other things, the report verifies the

1 RPS eligibility of the facilities from which there
2 are claims, that there was sufficient generation
3 from the facilities to cover the claims, the amount
4 of RPS generation allowed from multi-fuel
5 facilities, including those using pipeline
6 biomethane, and that facilities met RPS
7 requirements.

8 Staff coordinated with energy agencies in
9 Oregon and Green-e Energy, representing the
10 voluntary REC market, to help ensure against double
11 counting. We worked closely with retail sellers
12 throughout the verification process and were able to
13 resolve almost all outstanding issues.

14 In situations where there were eligibility
15 concerns, either sufficient documentation was
16 provided to verify the claims or the claims were
17 withdrawn by the retail sellers. Two retail sellers
18 have claims that were determined to be ineligible.

19 For each of the 21 retail sellers with RPS
20 claims for Compliance Period 1, staff prepared
21 preliminary verification results tables identifying
22 amounts as eligible, ineligible, or withdrawn. These
23 draft results were sent to retail sellers in
24 December and then posted for public comment on
25 February 2nd, 2016. Three retail sellers submitted

1 additional supporting documentation for their claims
2 and their draft verification results were updated
3 accordingly.

4 The staff draft verification report was
5 prepared and included the verification results
6 tables along with an explanation of the verification
7 process. The staff draft report was posted for
8 public comment on May 10th. We received two sets of
9 comments on the staff draft report.

10 SCE submitted comments requesting that their
11 claim, deemed ineligible in the report, be counted
12 as RPS-eligible. SCE also requested that, if the
13 claim is found to be ineligible, the Energy
14 Commission should establish a process for LSEs to
15 report RPS claims using the interim tracking system
16 in exceptional circumstances.

17 SCE's claim is unable to be counted as RPS-
18 eligible due to the requirements in the RPS
19 Eligibility Guidebook; however, the issue of LSEs
20 requesting to report claims outside of WREGIS is
21 being addressed in the next edition of the RPS
22 Eligibility Guidebook.

23 PG&E submitted comments requesting that a
24 sentence in the report be revised to state that
25 revisiting the eligibility of claims in finalized

1 verification reports should only be done as a last
2 resort, and instead correct any errors in future
3 year's report. This sentence has been clarified in
4 the lead commissioner report.

5 In sum, 99.98 percent of the procurement
6 claims detailed in this report were from RPS-
7 certified facilities with sufficient generation to
8 cover the procurement claim amounts.

9 Without evidence to the contrary, Energy
10 Commission staff finds that the procurement claim
11 amounts listed in this Verification Report are
12 eligible to count toward meeting the retail sellers'
13 RPS obligations.

14 With that, I ask that the Energy Commission
15 adopt this RPS 2011-2013 Retail Seller Procurement
16 Verification Report with minor non-substantive
17 changes to the report; for example, to change it
18 from a lead commissioner draft to a final Commission
19 report.

20 Thank you, and are there any questions?

21 CHAIR WEISENMILLER: Thank you. Let's first
22 see if there's any comments from anyone in the room
23 or on the phone.

24 Commissioner Hochschild?

25 COMMISSIONER HOCHSCHILD: No comments; I'll

1 move the item.

2 COMMISSIONER DOUGLAS: Second.

3 CHAIR WEISENMILLER: All those in favor?

4 IN UNISON: Aye.

5 CHAIR WEISENMILLER: This item passes five
6 to zero. Thank you.

7 MS. DANIELS: Thank you.

8 CHAIR WEISENMILLER: Let's move on to Item
9 10, County of Sonoma.

10 MR. SAMUELSON: Good morning Commissioners.
11 I am Brian Samuelson with the Local Assistance &
12 Financing Office of the Efficiency Division. I am
13 requesting your approval for a \$410,805 Energy
14 Conservation Assistance Act loan at a 1-percent
15 simple interest to the County of Sonoma.

16 The estimated cost of the project is
17 \$487,963 with the County paying the \$77,158 cost
18 difference. The County will use these funds to
19 install 93 kilowatt DC photovoltaic panels at its
20 newly constructed fleet operations facility.

21 On completion, the proposed project will
22 reduce approximately 119,316 kilowatt hours of grid
23 electricity every year, saving the County over
24 24,000 annually in utility costs. The project will
25 also reduce 41 tons of carbon dioxide equivalent

1 greenhouse gas emissions each year. The simple
2 payback on the requested loan amount is
3 approximately 17 years.

4 The loan request is in compliance with the
5 terms and conditions of the Energy Conservation
6 Assistance Act loan program; staff, therefore,
7 request your approval of this loan.

8 I will be happy to answer any questions, you
9 may have.

10 CHAIR WEISENMILLER: Are there any comments
11 from anyone in the room or on the line?

12 Okay, let's turn to the Commissioners.

13 COMMISSIONER MCALLISTER: I don't have any
14 extensive comments, just would note Sonoma's
15 leadership in many of these issues and obviously
16 quite a sophisticated applicant and I think this is
17 just a classic project that we should be supporting,
18 and so I'll move the item.

19 COMMISSIONER HOCHSCHILD: Second.

20 CHAIR WEISENMILLER: All those in favor?

21 IN UNISON: Aye.

22 CHAIR WEISENMILLER: This item passes five
23 to zero. Thank you.

24 Let's go on to Woodlake Unified School
25 District.

1 MR. CHAUDHRY: Good morning, Mr. Chairman
2 and Commissioners. I'm Shahid Chaudhry with the
3 Local Assistance and Financing Office of the Energy
4 Efficiency Division, and I'm requesting your
5 approval for \$1 million ECAA loan at zero percent to
6 the Woodlake Unified School District.

7 The District will use these funds to install
8 324 kilowatt DC rooftop-mounted PV panels at its
9 maintenance, operations and transportation facility.
10 The total cost of the project is \$1 million so the
11 requested loan amount will cover full cost of the
12 project.

13 On completion the proposed project will
14 reduce approximately 526,000 kilowatt hours of grid
15 electricity every year, saving the District about
16 \$66,000 annually in utility costs. The project will
17 also reduce 182 tons of carbon dioxide (inaudible)
18 greenhouse gas emissions each year. The payback on
19 this loan is approximately 15 years.

20 The loan request is in compliance with the
21 terms and conditions of the ECAA loan program;
22 staff, therefore, request your approval of this
23 loan.

24 Thank you for your consideration, and I'm
25 available to answer any questions you may have.

1 CHAIR WEISENMILLER: Thank you. Are there
2 any comments from anyone in the room or on the
3 phone?

4 Okay, Commissioners.

5 COMMISSIONER MCALLISTER: We got the Prop 39
6 update. Well, this is the ECAA Ed, the loan piece of
7 Prop 39, so again another funding source that came
8 from Prop 39 that's doing good stuff out there, so
9 again, very supportive of this project and move
10 Item 11.

11 COMMISSIONER SCOTT: Second.

12 CHAIR WEISENMILLER: All those in favor?

13 IN UNISON: Aye.

14 CHAIR WEISENMILLER: This item passes five
15 to zero. Thank you.

16 Let's go on to Item 12.

17 MR. DAVIS: Good Morning Commissioners. I'm
18 Dustin Davis with the Energy Efficiency Research
19 Office. The next six research projects resulted from
20 a competitive solicitation --

21 CHAIR WEISENMILLER: Hang on one second
22 while Commissioner McAllister does some disclosures.

23 COMMISSIONER MCALLISTER: Yeah, sorry, I
24 just want to do disclosures here first.

25 I don't know, Commissioner Douglas, you no

1 longer have to do this; is that right? Okay. I'm
2 solo at this point.

3 So just to disclose, my wife is a professor
4 at the law school at UC Davis at King Hall. There is
5 no conflict here so I'm not recusing, just
6 disclosing my financial interest in UC Davis.

7 CHAIR WEISENMILLER: Thank you.

8 Go ahead.

9 MR. DAVIS: Alright, great.

10 Good afternoon again. My name's Dustin Davis
11 with the Energy Efficiency Research Office. The next
12 six research projects resulted from a competitive
13 solicitation titled Reducing Costs For Communities
14 And Businesses Through Integrated Demand-Side
15 Management And Zero Net Energy Demonstrations. This
16 solicitation sought proposals to fund integrated
17 technologies, strategies, and demos that emphasize
18 innovative energy efficiency packages to achieve
19 whole building performance improvements.

20 The first item I'm requesting approval for
21 is with Gas Technology Institute for \$1 million.

22 This project will develop and measure the
23 performance of innovative energy efficiency packages
24 in single family homes located in Stockton,
25 California, in partnership with Habitat for

1 Humanity.

2 Measured field performance data of new and
3 emerging technologies can help overcome the
4 skepticism about the magnitude of the energy savings
5 potential in real applications.

6 These energy efficiency packages will
7 include high performance enclosures, advanced HVAC,
8 and low-cost water heating systems and are
9 anticipated to exceed 2016 Title 24 energy
10 efficiency standards up to 50 percent.

11 Project includes about \$168,000 in match
12 funds.

13 The next item I'm requesting approval for is
14 with Lawrence Berkeley National Lab for \$1 million.

15 This project will investigate the benefits,
16 feasibility and costs of all-electric new zero net
17 energy homes in comparison to dual-fuel zero net
18 energy homes with gas and electricity.

19 The analysis will explore supply side
20 infrastructure costs such as natural gas pipelines
21 and electricity distribution systems associated with
22 each approach and demand-side costs including energy
23 efficiency packages, distributed energy resources,
24 and operation and maintenance at the building and
25 community level.

1 This work will give policymakers key
2 information to enable them to better understand the
3 costs and benefits associated with each approach
4 considering multiple scenarios to achieving zero net
5 energy homes and communities.

6 This project has the support of Southern
7 California Edison, San Diego Gas and Electric, and
8 Pacific Gas and Electric.

9 The next item I'm requesting approval for is
10 with UC Davis California Lighting Technology Center
11 for almost \$2 million.

12 This project will refine and evaluate a
13 cutting edge integrated building control retrofit
14 package that maximizes the energy efficiency of
15 existing commercial buildings by combining
16 independent electric lighting, fenestration and HVAC
17 control systems into a single intelligent automated
18 system accessed through one easy-to-use control
19 portal.

20 Evaluating performance under real world
21 conditions will help address occupant comfort, the
22 potential for optimized whole building efficiency,
23 and understand operator interaction with the system.

24
25 The retrofit package is estimated to reduce

1 commercial building electricity use up to 30
2 percent.

3 Project includes about \$264,000 in match
4 funds and has the support of San Diego Gas and
5 Electric.

6 The next item I'm requesting approval for is
7 with Lawrence Berkeley National Lab for \$2 million.

8 Meeting the state's ZNE goals requires
9 whole-building integrated solutions that enable
10 building sectors such as small commercial to realize
11 deep energy savings. However, many in the small
12 commercial market sector lack the awareness of a
13 pathway on how to actually achieve ZNE in a cost
14 effective manner.

15 This project will develop and evaluate cost-
16 effective retrofit packages of emerging whole-
17 building integrated systems and controls to achieve
18 ZNE in small commercial buildings.

19 The project includes testing the innovative
20 packages in a multi-story office building in San
21 Francisco to document energy performance and
22 occupant satisfaction in actual operating
23 environment.

24 The retrofit packages are estimated to
25 reduce energy use by at least 50 percent.

1 Project includes \$2 million in match funds
2 and has the support of Pacific Gas and Electric.

3 The next item I'm requesting approval for is
4 with UC Davis Western Cooling Efficiency Center for
5 \$1.2 million.

6 While several new HVAC technologies exist
7 for improving energy efficiency, there needs to be
8 research and development towards creating cost-
9 effective retrofit packages for existing homes and
10 to identify opportunities to encourage widespread
11 adoption of these packages.

12 This project will test two residential
13 retrofit packages in Davis, California, that use
14 advanced technologies to improve single-family
15 building envelopes, indoor air quality, and cooling
16 efficiency. The retrofit packages will include
17 innovative envelope sealing, smart mechanical
18 ventilation such as night breeze systems, and
19 compressor-free evaporative air conditioning, which
20 is estimated to reduce cooling energy use by 30
21 percent.

22 Project includes \$126,000 in match funds.

23 The last item I'm requesting approval is
24 with UC Davis for \$1 million.

25 Although the technical feasibility of

1 achieving zero net energy in many building types in
2 California has been documented, the optimal cost-
3 effective strategy for achieving ZNE goals remains
4 unclear.

5 This project will conduct extensive energy
6 modeling and computer simulation activities to
7 determine optimal cost effective pathway to zero net
8 energy for multifamily and commercial buildings in
9 each climate zone. Identifying cost effective
10 building energy measures can be used to inform
11 policy makers such as the Title 24 energy efficiency
12 building standards folks to help facilitate ZNE
13 buildings into the construction process in
14 California.

15 This project includes match funding of
16 \$105,000.

17 With that, I'll conclude and answer any
18 questions. Thank you.

19 CHAIR WEISENMILLER: Thank you.

20 First, are there any comments from anyone in
21 the room or on the phone?

22 Okay. Then we'll talk about it on the
23 Commissioner side.

24 So these are all RDD funds, so basically as
25 lead Commissioner in this area I'm responsible for

1 reviewing these. Obviously these are all motivated
2 by the Governor's aggressive goals on zero net
3 energy, and we're doing a lot of research to develop
4 more tools for that. Obviously we're shooting for
5 that starting in the 2019 Standards, so it's
6 important to get this type of research done in a
7 timely fashion.

8 Commissioner McAllister?

9 COMMISSIONER MCALLISTER: Yeah, I'm super
10 excited about this group of projects, and in
11 particular the big nut that I think we have yet to
12 crack is in retrofits, and there are several
13 projects in here that do that with existing
14 buildings, really looking at being proactive and
15 getting deep retrofits, or deep savings in an
16 upgrade situation, so that's terrific. Some of these
17 have been historically difficult to reach; small
18 commercial, for example.

19 There's also new construction, there's
20 multi-family, another hard to reach sector. So
21 really some smart folks are going to be trying to
22 make progress on that.

23 I'm very optimistic that we're going to be
24 able to do it. I'm obviously very interested in
25 getting updates as these projects proceed and very

1 supportive of this package.

2 I want to congratulate the RDD Division, you
3 and the leadership there with Laura and Virginia and
4 the whole crew, so thank you.

5 Okay. I'll move Item 12.

6 COMMISSIONER SCOTT: Second.

7 CHAIR WEISENMILLER: All those in favor?

8 IN UNISON: Aye.

9 CHAIR WEISENMILLER: Item 12 passes five to
10 zero. Thank you.

11 Let's go on to Item 13. Staff.

12 MR. MORI: Good Afternoon Commissioners, I
13 am Kevin Mori of the Energy Efficiency Research
14 Office. Today, staff is recommending approval of the
15 following applied research agreement: Item A, Low
16 Energy, Zero Liquid Discharge Adsorption Technology
17 to Remove Contaminants and Recover Source Water with
18 ES Engineering Services.

19 Current technologies to filter contaminated
20 groundwater are energy intensive and have a hard
21 time removing heavy metals. ES Engineering plans to
22 test their low-energy, zero liquid discharge
23 adsorption system to potentially filter out arsenic
24 and other contaminants from groundwater in the City
25 of Cerritos.

1 The system will be using an innovative one-
2 time use adsorption media as the filtering agent and
3 has the potential to reduce energy use by
4 approximately 30 percent compared to conventional
5 methods.

6 Thank you. Staff recommends approval of this
7 agreement. I will be happy to answer any questions.

8 CHAIR WEISENMILLER: Great, thank you.

9 So first, any questions from anyone, or
10 comments from anyone in the room or on the phone?

11 Okay. So again, as lead Commissioner on R&D,
12 I reviewed this. I think we all know that the
13 water/energy nexus is important and certainly
14 there's been a lot of issues now about heavy metal
15 in water supply, so basically this project seems
16 like it's really good, particularly one that could
17 be affecting one or more (inaudible) area.

18 COMMISSIONER DOUGLAS: Absolutely, it looks
19 like a really strong project, so I'll move approval
20 of this project.

21 COMMISSIONER MCALLISTER: Second.

22 CHAIR WEISENMILLER: All those in favor?

23 IN UNISON: Aye.

24 CHAIR WEISENMILLER: This item passes five
25 to zero. Thank you.

1 Let's go to the minutes, June 14th.

2 COMMISSIONER DOUGLAS: Move the minutes.

3 COMMISSIONER SCOTT: Second.

4 CHAIR WEISENMILLER: All those in favor?

5 IN UNISON: Aye.

6 CHAIR WEISENMILLER: So there's four with
7 one abstention; Commissioner McAllister was not
8 here.

9 So let's go on to 15, lead Commissioner
10 reports.

11 Commissioner Scott?

12 COMMISSIONER SCOTT: Well, good morning.

13 Also, I wanted to take a moment to welcome
14 Matt Coldwell, who has joined my team as of June
15 20th. He's over here so you guys can wave at him and
16 get to see him and say hello.

17 Matt, as you all probably know, has been at
18 the Energy Commission since about 2008 and he served
19 at several positions, most recently as a senior
20 analyst in the Energy Assessments Division. And I am
21 delighted to have him on my team as an adviser, so
22 welcome, Matt.

23 The other thing I just wanted to highlight
24 for you all is work is continuing apace, not a lot
25 of site visits or updates to share with you all.

1 But the Summer Institute, I think, has been
2 really fun. I want to commend Alana for putting that
3 together for us again, for having about a dozen
4 students here who are very interested in energy and
5 what we do and learning about the wide range of
6 careers that are available where you could come and
7 work at the Energy Commission, right. You can be a
8 lawyer, you can be a scientist, you can be a
9 journalist. There's all kinds of things that you can
10 do and still have an energy component, so I think
11 that they've been inspired.

12 And I've had a great time. When I got to go
13 and talk with them, they had some fantastic
14 questions for me and about how you get involved in
15 energy, and really thoughtful what they're thinking
16 about. So I just wanted to highlight the Summer
17 Institute.

18 I wanted to thank my summer intern, Adriana
19 Gomez, who has been kind of Alana's right-hand
20 person setting this up, and I think she as a college
21 student has really enjoyed having the opportunity to
22 engage with and help advise some of the high school
23 students.

24 And also a special thanks to their two
25 teachers, who have really gone the extra mile to

1 spend each day accompanying the students here and
2 then spending the day with them as they've gone
3 about their days here at the Commission.

4 So that is my update for you all.

5 COMMISSIONER MCALLISTER: Great. So I want
6 to actually introduce a couple of people that are
7 working in my office now, in the back there they
8 both are.

9 Brian Early is my new policy adviser, so he
10 comes to us with a number of experiences in the
11 energy realm as Beth Capital working for a member,
12 and just came back from getting his masters at the
13 Yale School of Forestry, so we're very happy to have
14 him back to California and really he's already got
15 his feet very wet, so he jumped in very quickly. So
16 really glad to have my office rounded out.

17 And then Jeff Lynn, who is helping us, he's
18 over helping the Energy Commission this summer from
19 Stanford where he is a PhD student. And I have to
20 say I'm just incredibly wowed by the fact that he's
21 started to produce good work just within a few weeks
22 of getting here and manipulating some of the Prop 39
23 data and is going to be working on some information
24 rich projects and helping us make sense of some
25 important stuff on the ZNE front potentially and

1 some others. So we're very happy to have Jeff here
2 as well.

3 But just a couple of things.

4 Suzanne and Roger are huge losses to the
5 Commission, but I was holding my tongue when we were
6 reading the Resolutions and everything, because in
7 particular I worked with both of them and just super
8 impressed with just their overall humanity and the
9 real care they bring to their work.

10 With Suzanne I guess just with having gone
11 through my first IEPR with Suzanne as sort of a
12 comrade in arms there. Yeah, we were siblings in
13 arms, I guess you would say. But just the quality of
14 her work and the quickness of the turnaround and
15 just responsiveness and everything was just really
16 always phenomenal, and the quality of the product
17 obviously, so going to miss her but absolutely wish
18 her the best.

19 So just a couple of things really.

20 Last month I was fortunate to host the State
21 Energy Advisory Board, which is a DOE group that
22 advises the assistant secretary for energy
23 efficiency renewable energy, and we based it out of
24 the Berkeley Lab representatives essentially from
25 state energy offices from all over the country, and

1 so they look to California for leadership and it's a
2 really nice forum to exchange ideas amongst
3 ourselves and then also offer some value to the
4 Department of Energy and hopefully help shape some
5 of the initiatives that they do.

6 So we got a bunch of presentations from
7 California's best innovators, and I think it went
8 off well. Got to see a few interesting buildings
9 around in the Bay Area really pushing the envelope
10 on technology. So that was positive and I think
11 allowed California to show its best side.

12 Then let's see. I guess I'll just say I'm
13 really excited about the fact that we're getting
14 rolling on 350 implementation. There's so much meat
15 there, so much good stuff, and it's also necessary.

16 And in particular we've had a couple of
17 workshops recently about evolving the forecasting
18 methodology to do what needs to be done, and I'm
19 excited to in a way sort of piggyback on that effort
20 to make sure that we're creating an environment in
21 which we can not just do the forecast but also learn
22 as we go and really kick out some understanding and
23 knowledge that's based on much more detailed
24 information.

25 And I think it's going to help us do policy,

1 it's going to help us know whether we're even
2 meeting the goals, and certainly on the IRP front
3 and on the energy efficiency doubling front it's
4 going to offer a lot of value, I think.

5 I know staff in various divisions have their
6 sleeves rolled up pretty high on this and I think
7 it's a really critical set of activities right now
8 for the future of the Commission and it's really
9 going to benefit the state, so it's very exciting.

10 And as part of that, I think the other day
11 we had a workshop to talk about some of these
12 issues. Very productive. Centered around the
13 forecasting methodology but really talking about
14 information and how we can use it better, how we can
15 build tools that we have.

16 And we had ARB, we had CPUC, ISO and ARB
17 right here on the dais talking about these issues,
18 and I think that level has infused a little bit of
19 urgency to some of these discussions across the
20 agencies as well, which I think is very positive.

21 So with that, I'll pass it to Commissioner
22 Douglas.

23 COMMISSIONER DOUGLAS: Alright. Well, my
24 report is really very brief. It's been a very busy
25 number of weeks, but a lot of it has been spent in

1 my case attending IEPR workshops, reviewing IEPR
2 drafts, and working with our very strong staff team
3 and with the Chair and with a number of others as we
4 work to get the draft Environmental Performance
5 Report ready to go out for public comment and for a
6 workshop, and I'm hoping that that will be out
7 within two weeks or so as part again of the IEPR
8 cycle.

9 So I also wanted to note from the morning,
10 as Commissioner McAllister said, of course it is a
11 tremendous loss for us to have Suzanne and Roger
12 retire, and of course we also very sincerely wish
13 them all the best. They've made just tremendous
14 contributions to the Energy Commission over the
15 course of their careers, and I know that Rob will
16 soon introduce Michael Lewis, so we'll look forward
17 to that.

18 And I think with that I'll pass this on to
19 Commissioner Hochschild.

20 COMMISSIONER HOCHSCHILD: A couple updates.

21 Did a visit to the geysers actually at the
22 Chair's suggestion just to assess the damage since
23 the fire. Rob Oglesby joined along with a number of
24 other staff.

25 And the short story is it ended up being

1 \$100 million worth of damage that occurred from the
2 September fire. They're about 75 percent back
3 online. They'll be fully online by the end of the
4 year.

5 But we did spend some time talking with them
6 about fire prevention and actually got to understand
7 some of what they're doing. They're rebuilding with
8 much more fire resistant materials and trying to do
9 a better job with clearing wood around the power
10 plants.

11 So very informative.

12 Rob, thank you for helping arrange that.

13 And I also just want to highlight the
14 collaboration with Stanford.

15 We started a conversation with Stanford
16 maybe a year and a half ago when Commissioner
17 McAllister went down there to speak together just to
18 reach out about they have new pipelines for talent
19 and they have now funded this program which is
20 beyond the CEC. They have, I think, 12 graduate
21 students, a number of whom are here but they're also
22 at ARB and the ISO and the PUC, and we had a great
23 roundtable with all of them.

24 And the DMs who are running that program,
25 they're very excited about wanting to expand it and

1 they're paying for all the students' salaries, so
2 it's just been a big win.

3 I'll just say from the two in my office,
4 Esteban and Tara, are just fabulous and I'm really,
5 really pleased to have them on board.

6 One or two other quick things, which is we
7 had a fruitful confab with Commissioner Peterman for
8 our regular PUC confab. And just to be aware what's
9 happening at the PUC because of the proposed reorg,
10 they're going to lose about 250 positions and then
11 they got approval to hire another 100 roughly, so
12 they're going to land at roughly 850 or 900 people
13 in the early part of next year, but one-third of
14 their staff will be new according to Commissioner
15 Peterman, so it's really a big sea change going on
16 over there.

17 And also had a great forum with the Silicon
18 Valley leadership group's energy symposium a couple
19 weeks ago. And that's it for me.

20 CHAIR WEISENMILLER: Couple things just
21 starting out.

22 One is I wanted to follow up first on
23 Commissioner Hochschild's comment on the Stanford
24 thing, and want to really thank Dian Grueneich for
25 helping us get this going. I think certainly all of

1 us have really benefited from this, and I encourage
2 everyone next time you see her to thank her for
3 helping us get this going and helping in expanding
4 it.

5 Also, talking just a little bit about the
6 IRP process. In 350 we have the IRP process and the
7 notion is to basically cut across some of our silos.
8 We have lead Commissioners, we have very effective
9 programs on ZEV, energy efficiency, renewables, and
10 350 actually requires us to cut across that.

11 So we have had a workshop on what the POU's
12 are doing on IRPs, and what I've asked Rob to do is
13 have Sylvia come in and talk generally so we have a
14 public forum where everyone can interact on what
15 we're doing in terms of next steps.

16 One of the things which I've done recently
17 talking to President Picker, Steve Berberich, Mary,
18 is that obviously one of the benchmarks for 350 is
19 basically the utility greenhouse gas emissions. You
20 can certainly look at the ARB website, there's a
21 great number for what an aggregate utility GHG
22 emissions are. If you look at the last one on the
23 website is 2014, we're 20 percent below 1990, which
24 is our target by 2020, so the utility sector is
25 really carrying at least its weight if not making up

1 for other sectors and is marching forward.

2 Now the next question is could we identify
3 the top ten utilities in terms of GHG emissions? And
4 I haven't found that. I mean, basically we're going
5 to have to work across all the agencies to come up
6 with that sort of accounting, and that's going to be
7 something that I think at this point our staff's
8 talking to the other utilities, to the PUC, the ISO,
9 the ARB. This will probably be part of what's known
10 as the JAS Project, efforts to get all four agencies
11 on the same.

12 Because the last thing we need is suddenly
13 for the Energy Commission or the PUC to come up with
14 something that duplicates what the ARB does, or
15 discover that we have a methodology that's somehow
16 different than either of the other two agencies or
17 both the other two agencies, so it's got to be a
18 very collaborative process to get our arms around
19 this.

20 But again, as we talk about a lot of the 350
21 stuff this year is starting to develop tools or
22 concepts. And just as Commissioner McAllister
23 indicated, we've had a couple workshops, a long
24 workshop just this week on what's the baseline for
25 the doubling of energy efficiency.

1 So a lot of that, I'd have to say the
2 renewable part of the baseline is "easy" but with
3 some of these others it's much harder and at some
4 point basically if the IOUs or POUs want to claim
5 credit for helping us make progress on ZEV, then the
6 question is going to be what's the baseline there.

7 So anyway, there's a lot of nuts and bolts
8 issues that we're launching this year. I think
9 having Sylvia come in and talk about where we are
10 will facilitate more cross-communication on how we
11 move on that.

12 Trying to keep it short. Last time I had to
13 step out of the room for a call at just this moment.
14 I sort of suspected what the announcement was PG&E
15 was going to tell me but I think it was made public
16 after that, but in terms of looking back a little
17 bit at what I've been caught up in.

18 First, and actually I had a couple of my
19 colleagues with me at the Clean Energy Ministerial,
20 which that was in San Francisco. It was a joint
21 activity of the State and Department of Energy. It
22 was a chance for the clean energy ministers to build
23 off of Paris. I think there were 30-some ministers
24 from different countries, or energy ministers there.

25 At the same time we had an event, California

1 did, on a blow to Clean Energy Ministerial, so it
2 was sort of like nested. The workshops that were in
3 parallel, they were combined, you know. And there
4 was a great booth on energy innovation out in Union
5 Square.

6 So it was very effective in terms of we got
7 a lot of positive recognition from the Governor's
8 Office from Grant Maxwell from Alana's work on that.
9 There's just an incredible amount of hard work that
10 goes into getting an event like that to run
11 relatively smoothly.

12 After that I went to China for a short trip,
13 combination of things.

14 First, the Chinese are in terms of amount
15 the largest procurer of renewables in the world, and
16 they're starting to run into surprise utility system
17 issues and starting to curtail renewables. And so
18 the State Department had a special session with them
19 to talk about tools and their approaches. And the
20 Energy Foundation had a special session again to dig
21 into that issue deeper.

22 In between Energy Foundation I had a press
23 conference in China on these issues.

24 It's interesting as all of us look at the
25 regional market here, the Chinese, their current

1 theory on one way to deal with it, although there's
2 certainly other things they could do, is to do a
3 regional market that includes China, Russia and
4 Europe, and deal with the diversities of loads and
5 renewable resources across those continents.

6 Just think, it's like, wow.

7 I'll keep it short, but it's always
8 interesting when you go to China, when you go to
9 Germany and you start seeing the similarities and
10 differences between the power systems and how people
11 are reacting to the opportunities in renewables and
12 what that means for utility planning and good
13 operation.

14 Along with that, I've been focused a lot on
15 the regional market issues, so we've done a workshop
16 in Sacramento and then one in Denver to basically
17 start to facilitate the ISO and Governor's Office
18 dialog with California entities and then with other
19 states on some of the approaches on regional.

20 There's a workshop coming up next week where
21 the ISO benefit studies, the final versions were
22 released yesterday.

23 Certainly, again, parts of this are just
24 obvious, that if you look across the region
25 particularly on a big picture level, there's

1 enormous benefits.

2 For example, we peak in the summer. The rest
3 of the region peaks in the winter, so in terms of
4 the amount of reserves you need to deal with peak
5 are much less. If you're doing that collectively
6 then each individual 38 balancing authorities all
7 coming up with what their peak reserves are to meet
8 their peaks.

9 And similarly when you look across in terms
10 of renewables, again, overall as you go through you
11 can say how do you deal with the diversity and take
12 advantage of the diversity of the sun shining in
13 California versus if you go east/west as opposed to
14 north/south, so as you look at wind moving just out
15 of the passes in California to more regional.

16 So anyway, lots of opportunities there, and
17 at the same time well over a billion dollars by 2030
18 is what we're talking about in terms of benefits
19 (inaudible). So again, pretty impressive study.

20 The lower cost has real benefits for
21 disadvantaged community. Again, if you can reduce
22 California's cost, that reduces the amount going
23 into energy, and combine that with basically a
24 bigger (inaudible) renewables, there's a lot more
25 jobs, a lot more opportunities. And at the same time

1 you certainly reduce greenhouse gas emissions west-
2 wide if you shift more from California to regional,
3 so basically a lot of benefits.

4 The big issue is the Governor's question,
5 and I think by Friday we'll get from the ISO their
6 proposal on moving forward. There was a draft,
7 comments have been taken, and now they're working on
8 the final version at the Governor's Office.

9 So anyway, and then there's been the IEPR
10 stuff obviously in terms of working with
11 Commissioner McAllister and a couple of those nuts
12 and bolts forecasting questions.

13 And I would note that we did the first flex
14 alert in southern California this summer, expecting
15 loads about 45,000. We did a flex alert. Certainly
16 I've been sending letters periodically to every
17 state agency saying please, if you're thinking of
18 doing LED, do it today. Same with citizens.

19 It's hard to untangle, but there seemed to
20 be a pretty good response from the citizens of
21 southern California for the flex alert and helped us
22 get through that relatively smoothly.

23 The press reports were a little confusing. I
24 mean, if you have temperatures of like 120 out in
25 the desert or 100 in Los Angeles, well, transformers

1 blow up, and if your local transformer blows up
2 you're going to have a blackout.

3 So it wasn't an Aliso Canyon power system
4 bulk power issues, it was just the same...

5 Big thing last night the note from the
6 Porter Ranch people was in the end if a car hits at
7 the pole, you're going to lose power, so these have
8 been more that sort of local facts of life stuff.

9 But anyway, an early heat wave there,
10 certainly not the last, but mid summer.

11 COMMISSIONER HOCHSCHILD: Mr. Chairman, just
12 on that point, you know, I understand DGS has now
13 filled the position of lead sustainability, I
14 believe it was Greg (inaudible) wife.

15 CHAIR WEISENMILLER: Sure.

16 COMMISSIONER HOCHSCHILD: But it does raise
17 that question of what else we can do to engage with
18 their planning for state facilities and that might
19 be a --

20 CHAIR WEISENMILLER: As I said, I sent out
21 the letter originally with Aliso and we worked with
22 them on the draft frankly, worked with him on the
23 draft. And then as we had the flex alerts I sent out
24 letters again saying it's serious, go forth.

25 So General Services is certainly looking at

1 the Aliso challenge as an opportunity for them to
2 get some movement out of state facilities. I don't
3 know if I can remember the full list, but General
4 Services, obviously prisons was one, community
5 colleges, UC. You name it, we tried to blanket them
6 with appeals for action.

7 And you can see some. I don't know if you
8 saw that recent announcement about UC Long Beach and
9 basically what's happening is some things that I
10 think are in the pipeline are accelerating, so this
11 is one that Susan Kennedy's firm is doing with
12 storage.

13 So again, as you know, all these development
14 things take time so it's not like you can ask people
15 to do something and next week it suddenly happens,
16 but maybe if they have something in the pipeline you
17 can grease it up and speed it up some. Yeah.

18 The other letter I did was on -- basically
19 if you look at the energy consumption of hospitals
20 versus, say, office buildings, if you go back to
21 2000 they were comparable in energy intensity. And
22 if you look at them now, we've done a lot to squeeze
23 down office buildings.

24 Hospitals are exempted from our standards
25 and they tend to have an incredible focus on

1 recirculating air as a health measure, and there's
2 some debate over whether that's really necessary.
3 But anyway, so we've asked the Department of Health
4 Services to look at potential experiments to play
5 around with. Can you make hospitals more energy
6 efficient without sacrificing obviously the medical
7 care?

8 So anyway, we're certainly trying to do
9 everything we can to get people accelerate on the
10 preferred technologies in that area this summer. And
11 we have the workshop in August on the winter and I'm
12 sure we're going to be asking for more actions
13 again.

14 Summer has been very electrical focused.
15 This winter will be very gas focused.

16 Okay. Let's go to Executive Director report
17 -- excuse me, Chief Counsel's report.

18 MS. VACCARO: It's okay, I don't have
19 anything to report today. Nothing.

20 CHAIR WEISENMILLER: Okay.

21 MR. OGLESBY: Okay. Just two things. First
22 an introduction and then I want to cover some
23 highlights for the budget very, very briefly, I
24 won't take up too much of your time.

25 CHAIR WEISENMILLER: Sure.

1 MR. OGLESBY: It's my pleasure to introduce
2 Mike Lewis, who is sitting right behind me. He's
3 been on the job for about two weeks. Mike Lewis will
4 fill the very large shoes left by Roger Johnson, who
5 we celebrated earlier in this meeting. And we've
6 structured it so there's been some overlap between
7 Roger's concluding his service and Michael Lewis
8 joining, so, so far it's been seamless and a very
9 good smooth transition.

10 We're lucky to have Mike Lewis. He has
11 extensive experience both in the private sector and
12 the public sector. He comes most recently from T.Y.
13 Lin International, which is a global engineering
14 firm, and Mike was a professional engineer and at
15 T.Y. Lin International he managed many projects,
16 large scale infrastructure projects, including the
17 high speed rail project or portions of the high
18 speed rail project as well as many others.

19 Prior to that he had a career at Caltrans,
20 and at Caltrans he was involved chiefly with the
21 oversight of bridge infrastructure projects, which
22 includes seismic retrofit as well as other design
23 and build components of it.

24 So you're never going to find someone with
25 the perfect match of skills and experience that fit

1 our unique authority and role in power plant siting
2 and evaluation here at the Energy Commission, but I
3 think Michael joins us with a very suitable and
4 strong set of skills and will augment our team.

5 MR. LEWIS: Thank you for the opportunity. I
6 look forward to working with all of you.

7 CHAIR WEISENMILLER: Yeah, welcome aboard.

8 MR. OGLESBY: Really briefly I want to cover
9 some highlights on the just signed budget. This is
10 our first business meeting after the Governor
11 approved the budget and Legislature passed it.

12 I'll preface it by saying the budget's not
13 done, at least there are some straggling bills and
14 issues that will carry forward to at least August,
15 the last month in the session this year.

16 But what has been determined already in the
17 bulk of the budget is that the Energy Commission did
18 very well. The Legislature expressed confidence in
19 the Energy Commission's work and endorsed 29.5
20 positions to implement SB350 plus \$3.5 million in
21 other support funds by contracts.

22 And for SB802, the efficiency legislation,
23 8 (inaudible) and \$500k in contract funds.

24 I want to identify the issues with those.
25 Those are being funded out of air pollution related

1 funds. It's a one-year appropriation, so part of our
2 challenge going forward and implementing those
3 programs is to work with the Department of Finance
4 and the Governor's Office and the Administration and
5 ultimately the Legislature to look at longer term
6 funding as we implement SB350 and 802. But for this
7 year the funding level we requested, the amounts we
8 requested were honored, and so we can go forward
9 with implementing this really important legislation.

10 We also received \$15 million to help look at
11 substitutes for petroleum fuels. That was from the
12 General Fund, so we did very well. It's research
13 based work.

14 I want to draw a distinction between that
15 and what we do through the ARFVTP program.

16 ARFVTP program is for deployment
17 demonstration and development of alternative fuels
18 and vehicle technologies. This is research, and so
19 the intent is to target it toward some gaps related
20 to biofuels and other alternatives to petroleum
21 fuels.

22 We also received approval to redeploy from
23 ARRA funds, and some of that, about \$5 million will
24 be going to General Services and some will be going
25 to local governments to promote and get ahead of the

1 game on benchmarking and other innovative programs
2 that we're seeking to promote.

3 The reason we have ARRA funds is because
4 basically we were successful in deploying the funds.
5 A great deal of the funds are being repaid. We can
6 have an opportunity to step back and look at how
7 some of those funds could be redeployed based on our
8 experience and the highest and best use of it, and
9 so we received some legislative authorization to
10 continue to put that money to work.

11 We have a couple of things going related to
12 natural gas and other things.

13 We received about \$8 million that goes to
14 our Energy Analysis Division to help augment our
15 work determining the safety of natural gas, but also
16 our analysis and understanding of the natural gas
17 system.

18 One of the challenges that we faced when
19 Aliso Canyon developed the leak was being able to
20 have the in-house expertise to analyze the impacts
21 and the consequences and, frankly, the concerns to
22 reliability of having that type of thing. And so
23 we're bolstering our in-house ability to do that
24 analysis, which is important not only for emergency
25 situations but also for all the planning we do for

1 power plants and integrated renewables and so forth.

2 Still pending are a few issues. Cleanup
3 legislation is common and related bills, trailer
4 bills, are common in every budget year, and we have
5 some in that category.

6 We have pending legislation that helps us
7 continue the NSHP, the New Solar Homes program that
8 is carrying over. And a few other bits and pieces of
9 our budget are also going to carry over to that
10 August thing.

11 But another one that I'll close on is a
12 major issue, and that's the (inaudible) funds remain
13 unresolved and will either carry over to August or
14 beyond, depending on how agreeable the Legislature
15 is in resolving those funds.

16 So with that I'll close.

17 CHAIR WEISENMILLER: Thanks.

18 Let's go on to Public Adviser's report.

19 Again, obviously we had the barriers report,
20 and that's one where basically I think we're all
21 involved in, so I think the best way to communicate
22 about that is in the business meeting, so I've asked
23 Alana and Rob to give us updates at every business
24 meeting.

25 MS. MATHEWS: Okay. So I thought it would be

1 a little helpful if I just presented a short
2 PowerPoint because it's visual and I've been doing
3 this three or four times so it's convenient to use
4 it. I've tailored it a little bit.

5 (Begin slide presentation.)

6 So first I just want to review the 350
7 barrier study requirements.

8 It requires us to look at various barriers
9 to and opportunities for solar voltaic, renewable
10 energy, contracting opportunities for small
11 businesses, barriers for low income customers, and
12 energy efficiency investments and weatherization
13 investments, and to make recommendations on how to
14 increase access.

15 (Next Slide)

16 A broad just general overview.

17 Our barrier study scope is covering low
18 income housing characteristics, setting goals,
19 metrics, reporting requirements for clean energy
20 programs. We're looking at low income customer
21 programs both on the federal level and the state
22 level, looking at barriers regarding all of those
23 previous areas.

24 Also, we have a section on solution and
25 opportunities to tie into the recommendations and

1 ensuring economic benefits, which goes to the small
2 business contracting opportunities.

3 (Next Slide)

4 The components of the study is pretty much
5 summarized in four phases.

6 There's a literature review where we've
7 scoured a lot of research to see what the programs
8 are, the barriers in each of those individual areas;
9 renewable technology, efficiency, and weatherization
10 investments.

11 And then we're doing a gap analysis, which
12 will be completed by the end of this month, to see
13 what's missing, what data is missing.

14 And then that's going to inform our public
15 engagement part of the study so that when we either
16 meet with stakeholders or we go into the community
17 meetings we can have targeted focus on what
18 information we need to get.

19 And then the last part will be the
20 recommendations that we want to put forth as to how
21 to overcome these barriers.

22 (Next Slide)

23 This is just kind of a general overview and
24 other documentation has been provided of our
25 schedule.

1 We had our kickoff workshop June 3rd. We had
2 comments due on that June 20th.

3 July through September we've had public and
4 stakeholder engagement, which would include also our
5 workshops. We'll have a couple more workshops added
6 in.

7 September we'll have our draft study posted
8 for public review.

9 In October, proposed final study.

10 November, we'll have the public comment
11 period closes.

12 And then December we want to present this
13 for adoption at our business meeting.

14 (Next Slide)

15 I just wanted to focus a little bit more on
16 public engagement because that's the most relevant
17 part of the update for this month.

18 We have three primary workshops, which our
19 scoping workshop was June 3rd.

20 We'll have a more technical one hopefully
21 maybe in August or September where we'll be able to
22 bring in all of the key stakeholders, academia,
23 industry, local government, and environmental equity
24 and justice groups.

25 And then once we have the draft proposal we

1 will present that in a workshop.

2 We also have planned a number of community
3 meetings which our commissioners will be present;
4 Los Angeles, Fresno, Riverside and Oakland.

5 In addition to that we'll have separate
6 stakeholder meetings. We've had one already, which
7 is the energy equity experts roundtable that looked
8 at the barriers with a lot of environmental justice
9 advocates.

10 We have the clean energy jobs workshop
11 that's coming up on July 20th.

12 And then we will have another stakeholder
13 meeting with the Sierra communities, and that's
14 tentatively planned for August 23rd.

15 And then we're also planning our tribal
16 community stakeholders to look at the barriers that
17 are unique to both of those communities, and that is
18 tentatively proposed for the last week in August in
19 Ukiah.

20 (Next Slide)

21 This is just regular information.

22 CHAIR WEISENMILLER: Why don't you step back
23 and just talk about the community meetings for a
24 second. Alana, go back on your slide to the
25 community meetings. Okay. So discuss what you want

1 to achieve in the community meetings there, or the
2 dates.

3 (Next Slide)

4 MS. MATHEWS: So the dates for Los Angeles
5 will be August 3rd, Fresno will be August 5th,
6 Riverside will be August 18th, and Oakland will be
7 August 19th. And what we hope to achieve is to meet
8 with low income rate payers, customers, and find out
9 what their barriers are.

10 With the questions that we are refining
11 currently from our gap analysis, that's the
12 information that we want to collect in that, so we
13 will have an opening to kind of do an overview of
14 what the barrier study requires and make sure that
15 the participants in the workshop understand the goal
16 and the purpose of why we are there.

17 CHAIR WEISENMILLER: So a couple
18 observations.

19 So one is, as we're looking for times when
20 all of us are free for the technical workshops, one
21 opportunity would be the afternoon of business
22 meetings. So anyway, just in terms of a heads up
23 that as you're looking at your scheduling, keep that
24 mind that we may be trying to use that.

25 The other thing which in talking to people

1 was that one of the things we need to be sensitive
2 to is language and some of the documents,
3 particularly the notices or preliminary list of
4 questions we need to make sure we have well
5 translated documents for the communities associated
6 with these areas.

7 MS. MATHEWS: We will certainly do that. And
8 for the four community workshops we have already
9 made sure that we've scheduled a translation, so
10 we've identified what languages will be needed to
11 offer interpretation services and we have already
12 secured translators for those as well.

13 And one other thing that I can add, that
14 this presentation does not reflect as our agency
15 coordination, so two agencies that I've worked with
16 include the CPUC. We have monthly meetings that are
17 targeted more toward establishing the scope and what
18 would be the goal of the advisory committee that 350
19 asks us to create in consultation with the CPUC.
20 They are taking the lead on that because they are
21 named first in the statute.

22 The other agency coordination has been with
23 the Air Resources Board. We have worked very closely
24 together. Every workshop that I have had or that
25 their coordinator has had, we have both been able to

1 participate, and we also work with scheduling.

2 Most recently they have allowed me the
3 opportunity, the environmental justice advisory
4 committee is doing a series of community meetings on
5 their scoping plan. So the way they have it set up
6 is that they go into an area and they do what they
7 call a world cafe, and they have a lot of different
8 issues and policies being discussed.

9 Well, they've allowed me to have a table, so
10 I am not discussing the scoping plan but I have the
11 opportunity to ask some of the questions that are
12 pertinent to our barrier study such as what type of
13 dwelling that the residents in that community live
14 in, what energy efficiency and weatherization
15 programs are they participating in. If they're not,
16 why they're not. And then asking questions about
17 renewable technology and how that interfaces with
18 their community.

19 So I attended this week the EJAC meeting in
20 San Bernardino. Tomorrow I will be able to
21 participate in the San Diego meeting. And then there
22 are two more later on this month that I have the
23 opportunity to participate in. And I am doing that
24 jointly with the Air Resources Board lead for their
25 transportation study.

1 CHAIR WEISENMILLER: Yeah, I was going to
2 ask folks if they had questions. This is a good time
3 to either ask questions or talk.

4 Janea, you want to start?

5 COMMISSIONER SCOTT: Sure. I think this is a
6 really great idea for us to talk at the business
7 meetings because it does involve all of us and this
8 is our chance to discuss, so I appreciate you
9 putting together the slides for us today and
10 anticipate doing those as we continue.

11 Because there are a lot of moving pieces
12 here that at some point need to, I think, end up
13 looking somewhat similar as we roll them up and put
14 the finished product before folks.

15 The other thing that we are working on from
16 my team's perspective is this similar type of public
17 engagement is taking place on the transportation
18 side for SB350 barriers to transportation, but the
19 Air Resources Board is the lead on that component
20 and so we are working hard to try to coordinate with
21 the Air Resources Board to make sure that we
22 understand what they're putting together to make
23 sure that if there are places where the Energy
24 Commission could potentially weigh in, or if there
25 are questions that we should be asking similar to

1 how Alana's been able to go to the environmental
2 justice advisory committee meetings, are there
3 places where we should continue to engage,
4 potentially have ARB at some of our workshops.

5 And we talked a little bit about the IRPs,
6 so my team and the transportation team, Tim Olson's
7 taking the lead on developing for us an IRP workshop
8 focused on the transportation electrification
9 component for the publicly owned utilities that are
10 more than 700 gigawatt hours or bigger.

11 We're also working very closely with
12 Commissioner Peterman and her team at the Public
13 Utilities Commission because of course they're doing
14 a very similar exercise for the investor-owned
15 utilities and transportation electrification.

16 So our workshop will probably not be until
17 the fall, but we are working on it and we've put
18 together an outline, some potential speakers, the
19 types of questions that we want to have answered,
20 and so we'd be happy to share that with you as it
21 gets a little more fleshed out as we get closer to
22 that workshop.

23 So there's a great opportunity for us to
24 provide some updates. I don't know that I have
25 specific questions for you today on what you

1 presented.

2 CHAIR WEISENMILLER: Let me, although again,
3 I think as the public member I will be looking to
4 you on the public participation processes aligned up
5 here.

6 COMMISSIONER SCOTT: Yes.

7 CHAIR WEISENMILLER: And certainly want to
8 make sure that to the extent each of the
9 Commissioners are signed up for these workshops,
10 that you all have common understandings of what the
11 workshop is -- what the community meeting, excuse
12 me, what the expectations are for that.

13 So again, that's an opportunity here to talk
14 about those expectations. But again, as the public
15 member you're really assuming you're going to be
16 much more in having to make sure this really works
17 on the public participation side.

18 COMMISSIONER SCOTT: Right, that we have
19 excellent public participation, that we're getting
20 information at each of the meetings that feeds back
21 into the report we're putting together.

22 And actually, Alana and my team are going to
23 sit down and really talk through a lot of this in
24 detail this afternoon pretty much right after this
25 meeting.

1 MS. MATHEWS: And just -- excuse me -- just
2 based on conversations that you and I have had early
3 on, we will start each workshop with what I'm just
4 calling a gallery work, but we're sending materials
5 ahead of time so that community members have an
6 opportunity to digest it and can really give us
7 meaningful feedback.

8 And we also are planning to have examples of
9 the technology there so that we can be as engaging
10 as possible. I know that that's something that
11 Commissioner Scott has communicated that we want to
12 not only get information but also really engage all
13 the participants.

14 COMMISSIONER SCOTT: Yeah, we volunteered
15 members of my team to by extension be members of
16 Alana's team as we put this together. Alana will
17 serve the similar role that Heather Raitt plays for
18 us now on the IEPR, that Suzanne played for us in
19 terms of taking the materials and making sure that
20 you all get to see them and weigh in -- and me too -
21 - to see them and weigh in on them, but then she can
22 incorporate that in a way that it reflects all of
23 our feedback without us knowing who gave what
24 feedback to her on that.

25 That's something that we're also going to

1 talk about this afternoon, how to make sure that the
2 materials are reflecting what we all want them to
3 say so that when we do go in and give that initial
4 overarching presentation, here's why we're here,
5 we've all had a chance already to see it, to weigh
6 in on it and make sure that we've got that common
7 understanding of what we want to accomplish.

8 CHAIR WEISENMILLER: Yeah, it might be good
9 too to think about in terms of programs that they
10 might be able to participate in, so at least have
11 some of that material there.

12 COMMISSIONER SCOTT: Yeah, that's a good
13 idea, too.

14 CHAIR WEISENMILLER: Yeah. Obviously the one
15 thing on this approach is we need to do renewables
16 and energy efficiency so I'm trying to have one
17 coherent report as opposed to two, but that means
18 that I'm going to be looking very much to
19 Commissioner McAllister on the energy efficiency
20 part, Commissioner Hochschild on the renewable part
21 there.

22 COMMISSIONER MCALLISTER: Yeah.

23 CHAIR WEISENMILLER: So again, comments,
24 questions?

25 COMMISSIONER MCALLISTER: Yes. One

1 suggestion.

2 I think it'll be important to involve the
3 Community Services and Development in this as well,
4 so that's another agency that's really key certainly
5 on the efficiency side that already administers tens
6 of millions of dollars and is going to get a bunch
7 more funding potentially from the GGRF discussion,
8 so they are a longstanding actor in this realm.

9 In most states the Weatherization Assistance
10 Program, which is a federal program that's funded
11 every year by Congress, comes through the state
12 energy office, and so the Energy Commission or its
13 equal would be the logical entity to administer
14 that.

15 Well, in California we do it a little bit
16 different where it goes to CSD and they do it.

17 So there's a long history. There's literally
18 dozens of implementers of weatherization assistance,
19 which is one of the primary low income programs in
20 the state, all over the state and certainly in the
21 large urban areas they are a community unto
22 themselves really.

23 So one of the issues I think is to make sure
24 that the community level we really seek out what's
25 working for the various programs.

1 The investor run utilities have the ESAP
2 program which provides significant funds to
3 weatherization, low income weatherization. And
4 sometimes but not always it is implemented by the
5 same agencies, the same nonprofits typically on the
6 ground, and so there are some structural issues that
7 I think it'll be interesting to understand how
8 things are working on the ground and potentially
9 could wrap up into some recommendations.

10 There's also a lot going on at the CPUC on
11 this. Commissioner Peterman's office obviously is
12 lead on efficiency, but also in Commissioner
13 Sandoval's office as redirecting or proposing some
14 alternative uses for some of the ESAP funds that
15 have not been able to be spent.

16 So I think it's really critical that we true
17 up what people are telling us on the ground, and
18 that includes certainly community members but also
19 the implementers that really are up close and
20 personal with the existing programs that are there,
21 that know the costs of measures.

22 One thing that I think one type of program
23 that is critical across the country, not just here
24 in California, is direct install programs. They're
25 expensive. They aren't cost-effective in the sense

1 that we expect some of our other programs to be, but
2 they're critical from an equity perspective and just
3 from a fairness and from a results perspective, and
4 they really need to continue to be, I believe, a
5 core effort.

6 But again, they're expensive, and so can we
7 do better? Can we expand to do more integrated and
8 cold building types of approaches with some
9 combination of direct install finance.

10 There's all sorts of interesting questions
11 and certainly definitely at the community level at
12 these meetings we'll get a sense of how people feel
13 in terms of their participation in the programs.

14 But then also it's really critical to garner
15 that expertise really that local implementers have.
16 They will have a whole bunch of experience that they
17 will have distilled into lessons and understanding
18 of the program that I think it's really hard to
19 capture at the state level.

20 So I have some high hopes for the community
21 meetings, and then also subsequently to be able to
22 integrate a lot of what we learn there and say, hey,
23 here's the grand picture. Big state, diverse
24 population, almost 40 million people now.

25 Thank you for taking it on, Alana, and

1 certainly Brian as my lead on this, and looking
2 forward to helping shape the agendas and make sure
3 that the right people are at the table so we can
4 learn really what we need to on the efficiency side.
5 So thanks again.

6 COMMISSIONER SCOTT: So just briefly, while
7 a lot of the policy areas that you're covering in
8 the report are not areas where I'm the policy lead,
9 nevertheless, I have a lot of interest in the topic,
10 and also want to be very supportive to you, Alana,
11 in carrying this out.

12 So as both Commissioner Scott and
13 Commissioner McAllister said, I've also made my
14 advisers available and we've had a number of
15 meetings, and I just want to be as helpful as I can
16 in helping you see this process through. It is a
17 very significant amount of work and a level of
18 public and community engagement that you're taking
19 on is great for us and it's also, I know, going to
20 be a lot of hours of coordination and a lot of hours
21 on the road, and you know we're committed certainly
22 to sharing some of that with you. So thank you, and
23 obviously I think we're all here to help.

24 COMMISSIONER HOCHSCHILD: So we haven't had
25 a chance to talk about exactly how you're thinking

1 about structuring the agenda.

2 I guess from my perspective for renewables
3 low income, which I've been working on that issue
4 for many years, there's a lot of programs that are
5 not new. We've been doing MASH and SASH for over a
6 decade. Care program has been around for much
7 longer. And even the billion dollars a year we give
8 as rebates for which low income customers are
9 eligible. And there's direct install where groups
10 like Rising Sun are retained to have disadvantaged
11 youths be trained to do direct installs and so
12 forth.

13 I'd love to hear some feedback from the
14 stakeholders about the stuff that's already in
15 place, what's working, what's not. Did they get
16 sufficient outreach about these programs, are they
17 aware? Just to know that as a first step.

18 And also I guess one of the things I've
19 noticed, there's a bunch of groups -- we had a
20 roundtable meeting on renewables with the top
21 environmental justice groups about six months ago,
22 and at these meetings a lot of times you get
23 representatives of organizations who come, but I
24 would love to know our strategy just to get
25 individuals from the community that may not be part

1 of an organization per se but might have something
2 to say. I don't know our outreach strategy, just
3 trying to reach people who are not the usual
4 suspects as well as all the folks who do already
5 participate vigorously.

6 MS. MATHEWS: So just to respond to that
7 briefly. I'm finding it is somewhat targeted in our
8 community meetings just because we want to make sure
9 we're getting substantive feedback, but in my
10 participation with the EJAC meetings, those are just
11 community members, and because they're really coming
12 from the scoping plan, they cover a variety of
13 stakeholders, community residents, local government
14 leaders. Not necessarily like the mayor or a county
15 supervisor, but someone like a Parks and Rec
16 district representative or a commissioner.

17 And so at San Bernardino I was really able
18 to get a lot of feedback from regular community
19 members, not just in participating but actually
20 finding out how they coordinated. I think that will
21 help for our process to get people to participate
22 that you just mentioned that are not necessarily in
23 some environmental organization.

24 CHAIR WEISENMILLER: I also certainly want
25 to thank Emilio for his help on setting this up. I

1 think we have a very good set of forms here, that
2 they've put a lot of time and effort into reaching
3 out to the community groups, pulling people
4 together, and I think part of the message is trying
5 to make sure we really take full advantage of the
6 opportunities of those meetings.

7 And certainly I'm sure each of the
8 commissioners will want to review the material
9 that's going out to the communities to help with the
10 framing. So again, as you go in you have a good
11 sense of what's going on, get a list of who's going
12 to be there.

13 We all know to get as much as you can out of
14 meetings, you have to work on getting prepared, and
15 I think part of it is certainly that back-and-forth
16 on the preparation is going to be critical so that
17 we really take full advantage of the opportunities.

18 It is interesting, what I understand from
19 the literature survey so far is there's a lot of
20 literature on energy efficiency. We've probably been
21 doing weatherization programs, I'm thinking back
22 since Jimmy Carter days. And there's a lot less
23 literature on the renewable part, is what I've been
24 told.

25 One of the things I was going to suggest,

1 (inaudible) grid alternatives. And again, we need to
2 figure out a way to build off of their experience as
3 part of this.

4 COMMISSIONER HOCHSCHILD: Yeah, they will be
5 terrific both because they're the leading group
6 doing low income solar, but now they've also been
7 administering these programs for the PUC and I'm
8 sure they'll be active. So that's a good point.

9 COMMISSIONER MCALLISTER: They also did,
10 early on they put together a database. I haven't
11 plugged into that for a while but they put together
12 a database of low income populations and all the
13 different eligibility criteria and how they all fit
14 together. There was a huge effort and I don't think
15 they realized how big an effort it was going to be,
16 but in the process they learned a ton about that
17 population and just a lot that I think we can
18 potentially build off of.

19 Part of the problem is the strings attached
20 to different sources of funds are different and
21 slightly modify the eligibility, and so the program
22 administration just gets a little complicated, so
23 that was an effort to try to cut through some of
24 that and I think we can all hopefully build on that,
25 so they've done a great job.

1 CHAIR WEISENMILLER: Well, hopefully they
2 and other organizations.

3 Obviously we have different audiences and
4 Alana is trying to distinguish between. The
5 community meetings are different than the technical
6 workshop, and presumably grid alternatives would be
7 a great participant in a technical workshop, but the
8 sort of conversation you would have with grid
9 alternatives is not the same as you would have at
10 the community meetings.

11 So anyway, it's good to have that sort of
12 triangle there of meetings in trying to indicate who
13 the audiences are. Thinking then about the
14 participation of those and the material.

15 And I would say that one of the other
16 notions, when we get to the technical workshop it's
17 going to be horrible to schedule but certainly we
18 will invite, we will be inviting PUC and other
19 agencies to be participants, although step one is to
20 make sure we can make it and then hope they can make
21 it.

22 Anything else?

23 Again, I know all of you are making this a
24 pretty high priority, and as I said, it really
25 involves all of us and it's an unusual project for

1 us in that sense. This is the only forum I can think
2 of to really allow us to have a free and frank
3 conversation about the steps here.

4 So thank you. Thanks for your hard work on
5 this.

6 MS. MATHEWS: Okay. And I just have a few
7 more updates.

8 CHAIR WEISENMILLER: Okay.

9 MS. MATHEWS: So I guess to close out I did
10 want to say, since it is Suzanne Korosec's last
11 business meeting, I wanted to thank her because
12 she's been very invaluable to the whole 350 process
13 from understanding the scoping of the study to
14 actually doing the literature reviews, so I wanted
15 to just publicly thank her and let her know how well
16 she is appreciated in this process.

17 I also wanted to introduce someone, Rosemary
18 Avalos. I have a new person in the public adviser's
19 office and we are very excited.

20 She actually returns to us. She worked here
21 previously in the hearing officer's office and she
22 now returns, so she has a very unique understanding
23 of our complex siting process.

24 And she has a lot of enthusiasm and energy.
25 She's jumped right in. She's bilingual, so I'm very

1 happy that she will be able to join us at the next
2 Mission Rock where we have a large participation
3 from Spanish speaking community members, but she's
4 also been able to help us with translating notices.

5 And even on our website she's been diligent
6 in looking at the information that we have and
7 identifying communities such as the Puente project,
8 so she's been very helpful with that.

9 So I want to say thank you and welcome.

10 CHAIR WEISENMILLER: Welcome, welcome.

11 Do you want to talk about what we're doing
12 to make sure that our Mission Rock thing doesn't
13 occur again?

14 MS. MATHEWS: That was my next segue since I
15 talked about her helping me.

16 So I do want to also publicly apologize.
17 We've done this already to the Mission Rock
18 community because certainly at our last meeting it
19 was not up to the standard that we usually have at
20 the Energy Commission. So I'm glad to have the
21 opportunity to have worked with the mayor, of course
22 our committee and other community stakeholders to
23 make sure that when we return at the end of this
24 month we will meet the standard that we normally
25 have at Energy Commission meetings and informational

1 hearings.

2 So we had originally reached out, the public
3 adviser's office, we do our own outreach. We had
4 noticed the meeting in three publications, which is
5 unprecedented for our office, usually it's one we
6 provide a notice. But we provided six notices
7 actually, one in English and one in Spanish in two
8 magazines, the *Ventura County Star* as well as the
9 *Santa Paula Times*, and *Vida*, which is the leading
10 Spanish speaking media periodical that they have.

11 So this time we are also publicizing the
12 informational hearing in those particular
13 publications as well to make sure we have active
14 community involvement.

15 And we have translation available. We have a
16 room that can accommodate as many residents as we
17 anticipate who will be there who have shown
18 interest. We will have simultaneous translation that
19 even will accommodate when we have public comment,
20 so we will still have a translator available to
21 communicate the comments and also to assist anyone
22 who is Spanish speaking to the podium.

23 We have worked with the applicant to ensure
24 all of this and we have a room I think is large
25 enough where we also have an overflow room as well.

1 And lastly, I will say that I've taken the
2 initiative to order translation equipment here at
3 the Energy Commission. I think we realize that as we
4 continue to do work throughout the state that
5 benefits all Californians, sometimes it will include
6 having translation services available, so we will
7 have our own transmitters and receivers that have
8 multiple channels so that if we have to translate in
9 more than one language we can do that.

10 And that certainly will be the case starting
11 with our community meetings because the community
12 meeting under SB350 in Oakland will at least have
13 two Asian languages, so we will be able to
14 accommodate that.

15 So I do want to thank Steve Bonta and Jeremy
16 Shurlock, who have initiated that and have actually
17 expedited the order so that we would have it in time
18 in case we need it for Mission Rock.

19 And lastly I wanted to say as we are
20 overlapping, I just want to give an update on the
21 diversity workgroup.

22 So I want to have a special thank you to the
23 Efficiency and Fuels and Transportation Division.

24 (Next Slide)

25 Up on the screen we have our clean energy

1 jobs workshop that's going to happen July 20th, and
2 that's looking at barriers that small businesses
3 face in disadvantaged communities to contracting
4 opportunities, and it's looking more broadly in the
5 green economy, but I thought it was a perfect
6 opportunity to look at the funding opportunities
7 here at the Energy Commission and be able to connect
8 with the advocates in disadvantaged communities so
9 that we can share resources and build those
10 relationships.

11 So the Energy Efficiency Division has agreed
12 to send a representative, and so did Fuels and
13 Transportation, so they can discuss that other
14 perspective of being as an implementer of a program
15 or a funder of a program what are the parameters for
16 getting a contracting opportunity. So hopefully we
17 will have someone from EPIC that will also be able
18 to join as well, so that's kind of taking off the
19 350 hat and putting on the diversity working group
20 hat and seeing how we can reach that other goal that
21 we have of increasing diverse business enterprises'
22 participation in our funding opportunities, we'll be
23 able to do that.

24 Thank you again to everyone who has been
25 supportive of the Summer Institute. It is really an

1 eye opening and life changing transformative
2 experience for all of the 12 students who are
3 participating, so hopefully at two o'clock tomorrow
4 everyone will be able to come back and enjoy a
5 reception and hear what the students have learned.

6 COMMISSIONER SCOTT: Friday, right? Two
7 o'clock Friday?

8 MS. MATHEWS: Yes, Friday at two o'clock in
9 this room.

10 CHAIR WEISENMILLER: Thank you.

11 Public comment, either in the room or on the
12 phone.

13 Okay, this meeting is adjourned.

14 (Meeting Adjourned at 12:59 p.m.)

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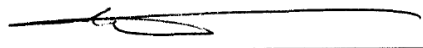
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REPORTER'S CERTIFICATE

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of July, 2016.



PETER PETTY
CER**D-493
Notary Public

TRANSCRIBER'S CERTIFICATE

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

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Myra Severtson
Certified Transcriber
AAERT No. CET**D-852