

**DOCKETED**

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BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of: )  
 ) 20-BUSMTG-01  
 *Business Meeting* )  
 \_\_\_\_\_ )

REMOTE ACCESS ONLY

*The California Energy Commission's August 12, 2020 Business Meeting will be held remotely, consistent with Executive Orders N-25-20 and N-29-20 and the recommendations from the California Department of Public Health to encourage physical distancing to slow the spread of COVID-19. The public is able to participate and observe the meeting consistent with the direction in these Executive Orders. Instructions for remote participation can be found in the notice for this meeting and as set forth below in this agenda.*

WEDNESDAY, AUGUST 12, 2020

10:00 A.M.

Reported by:  
Martha Nelson

APPEARANCES

Commissioners (Via Remote)

David Hochschild, Chair  
Janea Scott, Vice Chair  
Karen Douglas  
Andrew McAllister  
Patricia Monahan

Staff Present: (Via Remote)

Drew Bohan, Executive Director  
Darcie Houck, Chief Counsel  
Patricia Carlos, Chief Counsel's Office  
Noemi Gallardo, Public Advisor  
Leon Payne, Project Manager  
Jared Babula, Staff Attorney  
Ralph Lee, Chief Counsel's Office

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c. City of San Luis Obispo: New ordinance requiring that all new buildings are all electric or, if mixed fuel, meet more stringent energy efficiency requirements than the 2019 energy code. The ordinance also requires that natural gas appliance locations are prewired for future electric appliance installation and that photovoltaic systems are installed on nonresidential buildings.	
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v. <i>In re: PG&amp;E Corporation and In re: Pacific Gas and Electric Company</i> (United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 19-30088)	
vi. <i>State Energy Resources Conservation and Development Commission v. HyGen Industries, Inc.</i> (Sacramento County Superior Court, Case No. 34-2019-00252543)	
vii. <i>Olson-Ecologic Testing Laboratories, LLC v. CEC.</i> (Orange County Superior Court Case No. 30-2019-01115513)	
b. Pursuant to Government Code Section 11126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published..	
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1 P R O C E E D I N G S

2 AUGUST 12, 2020

10:00 a.m.

3 CHAIR HOCHSCHILD: Well, good morning everybody  
4 and welcome. Today is Wednesday, August 12th, and we'll  
5 begin the Energy Commission's August business meeting.  
6 Please join me in saying the Pledge of Allegiance.

7 (Whereupon the Pledge of Allegiance is recited.)

8 CHAIR HOCHSCHILD: Thank you. Again, a reminder  
9 to everybody that the three most important things we can be  
10 doing during this COVID-19 pandemic are wearing a face mask  
11 when you're out and about, washing your hands regularly and  
12 maintaining physical distancing at all times. For further  
13 information, please go to the covid19.ca.gov website.

14 In addition, I wanted to remind everyone that  
15 every ten years our nation conducts a national census. It  
16 is absolutely paramount that every Californian be counted  
17 and that we get an accurate count. It is one of the most  
18 important civic activities actually we can do, because a  
19 huge amount of resources are allocated, congressional seats  
20 and so forth, and so wanted to encourage everybody to be  
21 sure to fill out your census form, which you can now do  
22 online, by phone or by mail. And I believe the census is  
23 now going to be wrapping up in another seven weeks or so,  
24 so please be sure to do that. If you know others who have  
25 not done it please encourage them to complete the census.

8

1           Okay, today's Business Meeting is being held  
2 remotely without a physical location for any participant  
3 consistent with Executive Orders N-25-20 and N-29-20 and  
4 the recommendations from the California Department of  
5 Public Health to encourage social distancing in order to  
6 slow the spread of COVID-19.

7           The public may participate in and/or observe this  
8 meeting consistent with the direction in these executive  
9 orders. Instructions for remote participation can be found  
10 in the notice of this meeting and as set forth on the  
11 agenda posted to the CEC website link for business  
12 meetings.

13           Pursuant to the California Code of Regulations  
14 Title 20, Section 1104(e), any person may make oral  
15 comments on any agenda item to ensure the orderly conduct  
16 of business. Such comments will be limited to three  
17 minutes per person as to each item listed on the agenda  
18 that will be voted on today. Any person wishing to comment  
19 on information items or reports, non-voting items, shall  
20 reserve their comment for the general public comment  
21 portion of the meeting agenda and shall have three minutes  
22 total to state all remaining comments.

23           Today we are going to be approving, if these  
24 items get approved, a total of \$3 million in grants, which  
25 will further help with California's economic recovery.

1           Now let's turn to the Agenda. We'll take Item 2,  
2 Small Power Plant Exemption for the Walsh Generating  
3 Station, 19-SPPE-02. And Item 3, Small Power Plant  
4 Exemption for the Mission College Backup Generating  
5 Facility, 19-SPPE-05, out of order. Both items will be  
6 moved to the end of the agenda after the Chief Counsel's  
7 Report. We will hold a closed session for Items 2 and 3  
8 and for the Chief Counsel's Report prior to voting on Items  
9 2 and 3. We anticipate moving to closed session after all  
10 the items are heard; all other items are heard.

11           We'll return from that closed session at 2:00  
12 p.m. to hear and vote on Items 2 and 3. We provide this  
13 information for the parties and members of the public on  
14 the line who wish to provide public comments on Item 2 and  
15 3, so they can return at 2:00 p.m. if those are the sole  
16 items on the agenda that they wish to hear or provide  
17 comment on today.

18           So with that let's turn to the Consent Calendar.  
19 Just by way of introduction, I wanted to make a few remarks  
20 about item a on the Consent Calendar. About a year ago, a  
21 little over a year ago, we created a new position at the  
22 Energy Commission, the grants ombudsman position, which has  
23 been very capably filled by Jennifer Martin-Gallardo who  
24 was formerly with the Chief Counsel's Office. She was on  
25 loan to us from the Chief Counsel's Office. And really,

10

1 our job at the Energy Commission in large part is to serve  
2 our grantees in our research and development and other  
3 areas where we fund and really to make the process as  
4 friction-free as we possibly can. And Jen has been doing a  
5 phenomenal job reaching out to all those folks.

6           So around this time last year the Grants  
7 Ombudsman began reaching out to current grant recipients  
8 for feedback on their experience with the CEC's grant  
9 program. And using that feedback the CEC-wide team has  
10 worked together to reevaluate our policies and procedures  
11 and has made improvements that are designed to make  
12 invoicing easier and faster, make budgets less complex, and  
13 better support project success.

14           So within the next month this team will be  
15 launching a pilot program for about 100 of our agreements  
16 to test these new policies and procedures. And to  
17 implement these changes these agreements will require  
18 amendments to existing terms and conditions. The  
19 amendments will not alter the purpose of the agreements or  
20 increase the overall budgets. And this resolution  
21 authorizes the Executive Director to approve the necessary  
22 amendments without bringing them to a business meeting. We  
23 look forward to hearing the feedback from our recipients  
24 participating in the pilot so that we can continue to  
25 improve and roll out simplified processes Commission-wide

1 as soon as possible.

2 Again, I want to give my profound thanks on  
3 behalf of all the Commissioners to Jen for the terrific job  
4 she's doing and encourage any of you listening in today who  
5 are grant recipients who have any concerns about the  
6 process or questions to reach out to her. That is her job  
7 is really to engage with the grant recipients and help  
8 support the process getting better as we go forward.

9 With that, are there any public comments on the  
10 Consent Calendar?

11 MS. GALLARDO: This is Noemi the Public Advisor.  
12 There are no written comments, but before I turn it to the  
13 Verizon line I'd like to remind the members of the public  
14 waiting on the Verizon line to speak on items today, that  
15 each person has up to three minutes to speak on an item.  
16 We have a timer that will show on the Zoom platform. When  
17 the time is up I will ask you to finish.

18 It is supposed to be one representative per  
19 organization.

20 And finally before you begin your comments  
21 please, please, please restate and spell your name and  
22 indicate your affiliation. That will help us ensure a  
23 clear record. Now, I will defer to Patricia to see if  
24 anyone is on the line for comment.

25 MS. CARLOS: Thanks, Noemi. Nobody has signed up

12

1 to speak.

2 CHAIR HOCHSCHILD: Okay. Thank you.

3 Let's see, is there a motion, Vice Chair Scott,  
4 to approve the minutes?

5 VICE CHAIR SCOTT: Yes, I will move approval of  
6 Item 1. [sic]

7 CHAIR HOCHSCHILD: Okay. Unless there is any  
8 comment on those, all in favor say aye. Vice Chair Scott?

9 VICE CHAIR SCOTT: I think we need a second.

10 CHAIR HOCHSCHILD: Oh, I'm sorry.

11 COMMISSIONER MONAHAN: This is Patricia Monahan,  
12 I'll second it.

13 CHAIR HOCHSCHILD: (Overlapping colloquy.) Yes,  
14 sorry, my mistake. Commissioner Monahan, would you be  
15 willing to second?

16 COMMISSIONER MONAHAN: I second this item.

17 CHAIR HOCHSCHILD: Okay, unless there is any  
18 discussion, all in favor? Vice Chair Scott?

19 VICE CHAIR SCOTT: Aye.

20 CHAIR HOCHSCHILD: Commissioner Monahan?

21 COMMISSIONER MONAHAN: Aye.

22 CHAIR HOCHSCHILD: Commissioner Douglas?

23 COMMISSIONER DOUGLAS: Aye.

24 CHAIR HOCHSCHILD: Commissioner McAllister?

25 COMMISSIONER MCALLISTER: Aye.

1 CHAIR HOCHSCHILD: And I vote aye as well. That  
2 item passes unanimously.

3 All right, let's move on. As stated at the start  
4 of the meeting Items 2 and 3 will be heard at 2:00 p.m.  
5 today, which takes us to Item 4, Solar Energy Generating  
6 System, SEGS. Go ahead John Heiser.

7 (Silence on the line.)

8 John, can you hear us?

9 MR. HEISER: Yes, I can hear you. Can you hear  
10 me?

11 CHAIR HOCHSCHILD: Yes, go ahead.

12 MR. HEISER: With me -- okay, so I am the Project  
13 Manager overseeing staff's analysis of the Final  
14 Decommissioning Plan for the Solar Energy Generating  
15 Systems VIII solar thermal facility. With me today is  
16 Staff Counsel Nick Oliver and from the Engineering Office  
17 is Geoff Lesh and Shahab Khoshmashrab.

18 Available by phone representing Project Owner  
19 Terra-Gen is Dan Thompson, Simon Day, Bernadette Jendrusch,  
20 Chris Ellison, Mark Casper, Mark Turner, Tripp Ballard, Gus  
21 Luna and Amanda Johnson.

22 Slide 1, please. What we are seeing in this  
23 slide is SEGS VIII and IX, which were licensed by the  
24 Energy Commission in 1989 and 1990, respectively. The SEGS  
25 VIII and IX power plants are located near Hinkley,

1 California in unincorporated San Bernardino County. The  
2 Decommissioning Plan is for SEGS VIII only. SEGS IX, on  
3 the right is planned to continue operating for an  
4 undetermined amount of time.

5 Situated between those two facilities will be the  
6 still-to-be-constructed battery energy storage system, or  
7 BESS approved at the business meeting on July 8th. The  
8 BESS will provide electricity to the grid in coordination  
9 with SEGS IX facility. And both the BESS and the SEGS IX  
10 facility will continue to operate and be monitored by the  
11 Energy Commission under the SEGS IX Commission Decision and  
12 applicable conditions covering the BESS.

13 The request from the Project Owner, Luz Solar and  
14 Terra-Gen is for the Energy Commission approval of the  
15 Final Decommissioning Plan for SEGS VIII, filed in  
16 compliance with Condition of Certification, Requirement 1,  
17 in the decommissioning section of its Final Commission  
18 Decision. Because Energy Commission staff has recommended  
19 the adoption of certain new decommissioning conditions,  
20 staff is seeking Energy Commission approval of this  
21 request.

22 After safe layup and decommissioning activities  
23 have been completed, the Project Owner will return to the  
24 Energy Commission to request termination of the Energy  
25 Commission license for SEGS VIII. If the license



1 termination is approved by the Energy Commission the  
2 Project Owner would repurpose the SEGS VIII site for a  
3 photovoltaic, or PV, solar project.

4           The Project Owner has already obtained a  
5 Conditional Use Permit from San Bernardino County for the  
6 construction of the future PV project on the SEGS VIII site  
7 under the County's supervision.

8           Eventually, at an undetermined time in the  
9 future, the Project Owner has stated that it may also  
10 return to the Energy Commission with a Decommissioning Plan  
11 for SEGS IX. And seek to expand its solar PV project to  
12 the SEGS IX site once the SEGS IX license is terminated and  
13 jurisdiction over the site and the BESS is transferred from  
14 the Energy Commission to San Bernardino County. Slide 2,  
15 please.

16           In this image or this slide, SEGS VIII uses  
17 parabolic trough mirrors to concentrate solar energy into a  
18 pipe with flowing heat transfer fluid, which is then and  
19 used to create steam to generate up to 80 megawatts of  
20 renewable electricity. And the additional equipment  
21 associated with this facility is also presented there in  
22 that Slide 2. Slide 3, please.

23           This slide shows one of the existing SEGS  
24 electrical substations. The final decommissioning plan  
25 indicates that the SEGS VIII subdivision will remain in

1 place. It can be upgraded for solar PV use; otherwise it  
2 will be removed.

3 In the Staff Analysis of the SEGS VIII Final  
4 Decommissioning Plan, staff identified existing Conditions  
5 of Certification from the SEGS VIII Commission Decision,  
6 which would be applicable to the decommissioning. Staff  
7 also reviewed the Project Owner's proposed decommissioning  
8 conditions -- also referred to as Conditions of  
9 Decommissioning -- and recommended these new  
10 decommissioning conditions for approval subject to some  
11 modifications and additions. The decommissioning  
12 conditions have been titled, numbered, and listed in the  
13 Staff Analysis document, which is incorporated by reference  
14 to the Proposed Order before the Energy Commission today.

15 Energy Commission staff received comments from the  
16 Project Owner regarding the Staff Analysis for the SEGS VIII  
17 Final Decommissioning Plan. Staff reviewed the comments and  
18 requested changes and agrees with the requests.

19 In response to the Project Owner's comments, staff  
20 filed a memo to the SEGS VIII docket that included an  
21 attachment containing revised Noise, Transportation, and  
22 Waste Management technical sections. Staff's memo indicated  
23 that it intends for these revised sections to supersede the  
24 corresponding sections in the original Staff Analysis. The  
25 Proposed Order before the Energy Commission today was also

1 to revise, reflect and incorporate these revisions by  
2 reference.

3           Staff additionally requests that the Energy  
4 Commission authorize the Executive Director to execute an  
5 agreement between the Energy Commission and the County of  
6 San Bernardino that would allow the County to conduct  
7 compliance verification activities for the duration of the  
8 SEGS VIII decommissioning on behalf of the CEC, or Energy  
9 Commission. Staff has verified that the County of San  
10 Bernardino has expertise in the subject areas where new or  
11 existing conditions would apply to decommissioning and is  
12 willing to serve as the Energy Commission's delegate under  
13 a delegation of authority to be created pursuant to Title  
14 20, California Code of Regulations Section 1770(b).

15           Staff also concludes that with the Energy  
16 Commission's adoption of all proposed decommission  
17 conditions, the implementation of the SEGS VIII Final  
18 Decommissioning Plan would result in no significant adverse  
19 environmental impacts, help comply with all applicable  
20 current laws, ordinances, regulations, and standards. In  
21 addition, the activity described in the Decommissioning  
22 Plan would not impact any population, including the  
23 environmental justice population. Staff therefore requests  
24 that the Energy Commission approve the SEGS VIII Final  
25 Decommissioning Plan and adopt the newly proposed

1 decommissioning conditions to make them binding and  
2 enforceable by Energy Commission staff and its delegates  
3 during the decommissioning process.

4 Thank you. If you have questions staff is  
5 available to respond.

6 CHAIR HOCHSCHILD: Thank you. Okay we will now  
7 turn to public comment. Noemi do we have any public  
8 comment on this item?

9 MS. GALLARDO: This is Noemi Gallardo, the Public  
10 Advisor. We do not have any written comment. I'll defer  
11 to Patricia to see if there's anyone on the line.

12 MS. CARLOS: Hi, this is Patricia. We have two  
13 people signed up who are Amanda Johnson with LSA.

14 Amanda, if you'd like to begin?

15 MS. JOHNSON: Hi, my name is Amanda Johnson from  
16 LSA Associates. I am the environmental consultant for the  
17 Project Owner and I am participating today in support of  
18 the project. I have no comment. I just am available if  
19 staff has additional questions.

20 CHAIR HOCHSCHILD: Thank you.

21 MS. CARLOS: Thanks, Amanda.

22 MS. JOHNSON: Yeah.

23 MS. CARLOS: The next person we have is  
24 Bernadette Jendrusch with Terra-Gen.

25 MS. JENDRUSCH: Hello, this is Bernadette

1 Jendrusch with Terra-Gen. I do not have any specific  
2 comments. I'm just here to answer any questions you may  
3 have although I do want to express our thanks to John  
4 Heiser and to each CEC staff for all of their efforts on  
5 reviewing and analyzing the Decommissioning Plan and  
6 getting it on the agenda. I'm open to questions you may  
7 have.

8 CHAIR HOCHSCHILD: Great, thank you. Well, I'll  
9 just say before I turn it over to Commissioner Douglas this  
10 project will go down in history as one of the pioneering  
11 steps forward that our country has made on renewable  
12 energy. It was the largest solar thermal project of its  
13 kind in the world at the time it was built and really  
14 showed that renewables could get to scale. I think it's  
15 also proven the durability of the technology. And I  
16 remember visiting it not long after I got appointed CEC  
17 Commissioner and just seeing the scale of it. So it will  
18 forever be remembered for that role.

19 So with that let me turn it over to Commissioner  
20 Douglas.

21 COMMISSIONER DOUGLAS: Thank you very much, Chair  
22 Hochschild. So as you noted this was one of the newly  
23 groundbreaking projects in California that helped bring the  
24 utility scale solar industry to the forefront with the SEGS  
25 projects. And I certainly have visited them and driven by

20

1 them many times in different visits to San Bernardino  
2 County, and in broadly different areas in the California  
3 desert where we have a lot of these projects.

4 I appreciate the work done by staff to analyze  
5 the decommissioning proposal and the cooperative work with  
6 San Bernardino County. I'm delighted to hear the County  
7 was interested in a delegated authority to oversee the  
8 decommissioning. And I'm also really happy to see the plan  
9 to move forward with PV generation on the site and battery  
10 storage. It looks like this area will continue to be an  
11 important part of California's energy future. So I'd move  
12 approval of this item.

13 COMMISSIONER MCALLISTER: Can I make a quick  
14 comment?

15 CHAIR HOCHSCHILD: Yeah, always.

16 COMMISSIONER MCALLISTER: Yeah. Yeah, so just  
17 the warm fuzzies are definitely on this project. I  
18 remember I think it was the first time I visited it, it was  
19 in the late 90s and I was just back in the U.S. and headed  
20 into a PhD program. And I had just bought a house and I  
21 had a housemaid that was a German visiting academic. And  
22 Martin Kolschmidt, (phonetic) if you're listening --  
23 anyway, he was just dying to go visit this thing and I'd  
24 always wanted to so we went down. And seeing it through  
25 his eyes actually was really -- it was great to see it

1 myself, and also seeing it through his eyes it was just  
2 clear what a world-leading, what an innovation, what a sort  
3 of landmark project this is.

4           And we got a great tour and it was really that  
5 clearly there was a lot to show off. There was a lot of  
6 technology innovation that I think we forget about, at the  
7 time, that it really did. You know, the technology to  
8 actually gather the heat from the parabolic troughs and  
9 stuff was really groundbreaking at that point. So anyway,  
10 it was operating well and I think a lot of those weapons  
11 are with us today in (indiscernible) and the solar industry  
12 in the grid innovation that we're doing. So anyway, I just  
13 wanted to make a few throwback memory comments.

14           CHAIR HOCHSCHILD: Yeah, thank you for that  
15 Commissioner McAllister.

16           And I would just add we have a very proud  
17 tradition in this state of being the launch pad for new  
18 technology. It's not just solar thermal but utility-scale  
19 solar PV, you know what SMUD did in the 1980s; wind, with  
20 Altamont really and now electric vehicles with Tesla. And  
21 when I look ahead at where we're going and the incredible  
22 work that's happening now in offshore wind, energy storage,  
23 microgrids, this is all work that's sort of happening on  
24 the shoulders of giants. And so a tribute again to the  
25 early pioneers with the SEGS project for their work.

1           Are there any other comments from other  
2 Commissioners? If not, Commissioner Douglas, would you  
3 like to make a motion?

4           COMMISSIONER DOUGLAS: I did move the item.

5           CHAIR HOCHSCHILD: You did? Okay, Commissioner  
6 McAllister would you like to second?

7           COMMISSIONER MCALLISTER: I will second.

8           CHAIR HOCHSCHILD: Okay. Let's take the vote.  
9 Vice Chair Scott?

10          VICE CHAIR SCOTT: Aye.

11          CHAIR HOCHSCHILD: Commissioner Douglas?

12          COMMISSIONER DOUGLAS: Aye.

13          CHAIR HOCHSCHILD: Commissioner McAllister?

14          COMMISSIONER MCALLISTER: Aye.

15          CHAIR HOCHSCHILD: Commissioner Monahan?

16          COMMISSIONER MONAHAN: Aye.

17          CHAIR HOCHSCHILD: And I vote aye as well. This  
18 item passes unanimously. Thanks everyone.

19          Let's turn now to Item 5, Order Instituting  
20 Rulemaking Proceeding 20-AAER-04. Jessica Lopez.

21          MS. LOPEZ: Hello, Jessica Lopez, I'm an engineer  
22 with the Appliances Office in the Commission's Efficiency  
23 Division. Also joining me is Michael Murza from the Chief  
24 Counsel's Office. Next slide, please.

25          So staff is proposing an Order Instituting



1 Rulemaking, an OIR, to consider amendments to Title 20  
2 Appliance Efficiency Regulations for portable electric  
3 spas. The purpose of the new rulemaking will be to modify  
4 existing regulations to update the test procedure reference  
5 and label design requirements to align with industry  
6 standards. These updates will not affect existing  
7 performance efficiency standards. Next slide, please.

8 To give you some background the California Energy  
9 Commission has held a collaborative partnership with  
10 stakeholders in the spa industry dating back as early as  
11 2004 when the first set of spa standards were established  
12 in California. The proposed amendments that are being  
13 considered for this new rulemaking are a result of that  
14 continued partnership.

15 In April 2018, the Energy Commission adopted  
16 changes to Title 20 under the Appliance Efficiency  
17 Regulations for portable electric spas. These amendments  
18 are based on the 2014 version of the industry standard  
19 APSP-14. Many of these changes exceeded the requirements  
20 specified in the 2014 version to push industry towards  
21 future energy-saving technologies. The amendments included  
22 an expanded scope, more stringent efficiency standards for  
23 standard exercise and combination spas, a separate  
24 efficiency standard for inflatable spas to encourage the  
25 design and development of more efficient inflatable spas,

24

1 test procedure modifications to accommodate the expanded  
2 scope of product, additional test lab report requirements  
3 to verify compliance, and a standardized labeling  
4 requirement to help consumers make informed choices.

5           Following the 2018 adoption California was  
6 invited by industry to work on revising the 2014 version of  
7 APSP-14 to incorporate California's recently adopted  
8 amendments to portable electric spas. The revised standard  
9 was published in 2019 and aligned with California's energy  
10 efficiency standards for portable electric spas in effect  
11 today.

12           It is encouraging to have industry integrate  
13 California's amendments, because the impact can go far  
14 beyond our state borders. Next slide, please.

15           California was the first state to adopt appliance  
16 efficiency standards for portable electric spas and  
17 continues to take the lead with standards that promote  
18 highly-efficient spas. The industry recognized the need to  
19 align with California and created a pathway to centralize  
20 those efforts, which could then be duplicated elsewhere.  
21 Several states and Washington DC began to issue proposals  
22 to add or amend their regulations to adopt the 2019 version  
23 of ASPSP-14. That includes Connecticut, Hawaii, Illinois,  
24 Maine, Massachusetts, Oregon, Pennsylvania, Rhode Island  
25 and Washington DC. Oregon will be one of the first states

25

1 expected to adopt this September.

2 California continues to lead the way creating  
3 opportunities for other states to easily adopt saving more  
4 energy and curbing tons of pollution thanks to our  
5 partnership with industry. Next slide, please.

6 One last difference between the industry standard  
7 and California regulations is that California has a  
8 specific label design requirement that has unintended  
9 consequences with consumer and retailer confusion as well  
10 as creating unnecessary additional work for manufacturers  
11 wishing to comply with California's labeling requirements  
12 and those of other states. In response to the labeling  
13 differences we recommend that California's portable  
14 electric spas regulations be updated for the test procedure  
15 reference and the label design requirements move toward  
16 universal requirements that harmonize with other states.

17 In conclusion, I ask the Commission to issue the  
18 OIR to publicly notice stakeholders for the intent to amend  
19 existing regulations for portable electric spas. Thank  
20 you. That concludes my presentation. I'd be happy to  
21 answer any questions at this time.

22 CHAIR HOCHSCHILD: Thank you, Jessica, for that  
23 presentation.

24 Let's go now to public comment. Noemi?

25 MS. GALLARDO: Hello, this is Noemi, the Public

1 Advisor. I have no written comment on Item Number 5. I'll  
2 defer to Patricia for comments on the line.

3 MS. CARLOS: Thanks, Noemi.

4 We have one person who would like to speak,  
5 Grayson Wiggins with Pool and Hot Tub Alliance. Grayson,  
6 if you'd like to begin your public comment.

7 MR. WIGGINS: Thank you. This is Grayson  
8 Wiggins, a lobbyist for the Pool and Hot Tub Alliance, the  
9 national organization that represents thousands of members  
10 that operate within the pool and hot tub industry including  
11 manufacturers, builders and retailers. Just we are  
12 generally supportive of this measure. We thank Jessica for  
13 her responsiveness and continued open communication with  
14 our organization. And we support an effective date as soon  
15 as possible. Thank you.

16 COMMISSIONER MCALLISTER: Great.

17 CHAIR HOCHSCHILD: Thank you, with that let's  
18 turn it over to Commissioner McAllister.

19 COMMISSIONER MCALLISTER: Well, great. Well,  
20 Grayson thanks for being on, I really appreciate it, and  
21 Jessica as well for your presentation. This is really an  
22 easy one in my view. We did the spa regs. There was a lot  
23 of heavy lifting back in the day to sort of focus on  
24 efficiency and start to move in that direction and there  
25 was just a lot of merit in that. And then things go out in

27

1 the world and they take shape and industry takes it on and  
2 makes it into the image that works for them and they have a  
3 sort of tool that work for them and allow them to  
4 standardize and defuse any confusion in the marketplace.  
5 And this is then that coming back to us, and us saying,  
6 "Okay, well we'll get on board with that."

7 So I think that's a real virtuous cycle that it's  
8 worth supporting and putting in place here. So with that  
9 I'll move this item.

10 CHAIR HOCHSCHILD: Okay.

11 Vice Chair Scott, would you be willing to second?

12 VICE CHAIR SCOTT: Yes, I will second this item.

13 CHAIR HOCHSCHILD: Okay. All in favor please say  
14 aye.

15 Vice Chair Scott?

16 VICE CHAIR SCOTT: Aye.

17 CHAIR HOCHSCHILD: Commissioner McAllister?

18 COMMISSIONER MCALLISTER: Aye.

19 CHAIR HOCHSCHILD: Commissioner Douglas?

20 COMMISSIONER DOUGLAS: Aye.

21 CHAIR HOCHSCHILD: Commissioner Monahan?

22 COMMISSIONER MONAHAN: Aye.

23 CHAIR HOCHSCHILD: And I vote aye as well. That  
24 item passes unanimously.

25 Let's move on to Item 6, Local Ordinance

1 Applications.

2 MS. DROZDOWICZ: Good morning Chair and  
3 Commissioners. I am Danuta Drozdowicz, I work in the  
4 Efficiency Division's Buildings Standards Office and I'm  
5 here to present local ordinances from jurisdictions that  
6 have applied to the CEC for approval. Joining me today is  
7 Jacqueline Moore from the Chief Counsel's Office. Next  
8 slide, please.

9 For a local standard to be enforceable, the  
10 jurisdiction must file with the CEC its determination that  
11 its standards are cost-effective. The CEC must then find  
12 that the local standards will require a reduction of energy  
13 consumption levels, compared to the current statewide  
14 Energy Code. Next slide, please.

15 To date, 29 jurisdictions have submitted local  
16 ordinances under this code cycle and 25 have been approved.  
17 One in three Californians currently lives in a community  
18 with an energy code exceeding state standards.

19 Two jurisdictions have submitted applications for  
20 Commission consideration at this Business Meeting. They  
21 are the cities of Davis and San Luis Obispo. Next slide,  
22 please.

23 The City of Davis requires that new  
24 nonresidential and high-rise residential buildings comply  
25 with Tier 1 energy efficiency performance requirements, a

1 10 percent compliance margin, and to install a photovoltaic  
2 system sized to meet either performance or prescriptive  
3 requirements by offsetting the lessor of 80 percent of the  
4 building's modeled energy load. Or 15 DC watts per square  
5 foot of the rooftop solar zone, which is defined as 15  
6 percent of the total roof area. Next slide, please.

7           The City of San Luis Obispo requires that all new  
8 buildings are all-electric or, if mixed fuel, meet more  
9 stringent energy efficiency requirements than the 2019  
10 Energy Code. The ordinance also requires that natural gas  
11 appliance locations are prewired for future electric  
12 appliance installation and that photovoltaic systems are  
13 installed on nonresidential buildings.

14           Energy-related but not subject to CEC approval,  
15 which I mention only for completeness, the City of Davis  
16 also includes provisions for electric vehicle charging  
17 infrastructure in their ordinance.

18           Staff posted the complete applications, including  
19 the local ordinances and adopted cost-effectiveness  
20 analysis on the CEC's website under Docket 19-BSTD-06 for  
21 the required public comment period.

22           Staff reviewed the applications to determine if  
23 these local ordinance standards will result in the  
24 reduction of energy consumption levels permitted by the  
25 2019 Energy Code, per the requirements in the Public

1 Resources Code. Staff finds that the standards will reduce  
2 the amount of energy consumed and will not lead to  
3 increases in energy consumption inconsistent with state  
4 law. Staff further confirms that each of the jurisdictions  
5 publicly adopted a finding of cost-effectiveness for the  
6 standard.

7 Because staff has found that the applications  
8 meet all the requirements of the Public Resources Code,  
9 staff recommends approving enforcement of the ordinances.  
10 Next slide please.

11 This concludes my presentation. I am available  
12 to answer any questions you may have.

13 CHAIR HOCHSCHILD: Thank you so much for that.  
14 With that, let's go to public comment. Noemi?

15 MS. GALLARDO: Hello there, this is Noemi the  
16 Public Advisor. I have several written comments that I  
17 will read. First is from Ben Werner, that's spelled W-E-R-  
18 N-E-R. He's with the Clean Coalition.

19 "Dear Commissioners and Staff, on behalf of the  
20 Clean Coalition I appreciate the opportunity to comment on  
21 the CEC's 2022 Building Energy Efficiency Standards. The  
22 Clean Coalition advocates statewide for the transition to  
23 renewable energy and the modern grid. Accordingly, we urge  
24 the CEC to set building standards that require efficient,  
25 all-electric new construction, by adopting a single all-



1 electric baseline for all building types in the 2022 code.

2 "Not only will an all-electric baseline provide  
3 major environmental and economic benefits, and an  
4 improvement to health and safety standards, an all-electric  
5 baseline is essential to the formation of community  
6 microgrids that can continue to serve essential individual  
7 and community needs when planned and unplanned power  
8 shutoffs occur.

9 "Given the anticipated increase in power shutoffs  
10 in coming years, we need to plan for the resilience of our  
11 communities, and an all-electric baseline is the key  
12 ingredient for this capability within the 2022 Building  
13 Energy Efficiency Standards.

14 "Thank you for your consideration."

15 Next comment is --

16 COMMISSIONER MCALLISTER: Let me jump in, can I?

17 MS. GALLARDO: Yes?

18 COMMISSIONER MCALLISTER: Noemi, can I -- so that  
19 was actually not related to this item. That looked like a  
20 public comment that probably belongs at the end of the  
21 meeting. So this is about reach codes at the local  
22 government level and not about Title 24, 2022. So maybe we  
23 should check the other comments and see that they get read  
24 in the right place.

25 MS. GALLARDO: There are multiple comments. I

1 won't have time to review them all in the next minute, so  
2 that presents a difficulty.

3 COMMISSIONER MCALLISTER: Okay.

4 MS. GALLARDO: It's okay. We just got them this  
5 morning right before the Business Meeting.

6 CHAIR HOCHSCHILD: But did the commenters file  
7 them under Item 6?

8 MS. GALLARDO: They are all coming in for Item  
9 Number 6.

10 CHAIR HOCHSCHILD: Yeah, I think Commissioner  
11 McAllister I think we should just give them the benefit of  
12 the doubt and read them if that's okay with you.

13 COMMISSIONER MCALLISTER: Okay. Oh yeah, I mean  
14 that's fine with me. I think this is about local  
15 jurisdiction's reach codes, and so this is more public  
16 comment. But that's okay, we'll just get it in.

17 CHAIR HOCHSCHILD: Yeah, okay. Please continue  
18 Noemi, let's just get through these.

19 MS. GALLARDO: Okay, thank you, will do.

20 Next comment is from Sara Greenwald. That's  
21 spelled G-R-E-E-N-W-A-L-D, Sara is S-A-R-A.

22 "As a Californian whose father suffered asthma  
23 for many years, and as a human being concerned about the  
24 environment, I support adoption of these reach codes. I  
25 also urge the CEC to build beyond local leadership and take

33

1 electrification further by setting an all-electric baseline  
2 for new construction in the 2022 Building Code.

3 "Gas appliances make it harder to breathe.  
4 Natural gas is over 90 percent methane, a vicious climate-  
5 changer over 80 times worse than carbon dioxide. Luckily,  
6 we have an alternative, electricity.

7 "Housing can now be built faster without gas  
8 hookups, an advantage we can't forgo in this time of  
9 housing crisis with the tragedy of homelessness evident in  
10 every town and city. Developers can now save tens of  
11 thousands of dollars in up-front costs of installing gas  
12 lines and on energy savings by choosing to build without  
13 gas. As the state moves toward its goal of zero greenhouse  
14 gas emissions, gas will become a standard asset, so it  
15 protects all our interests to build all-electric now."

16 Next comment is from Nick Reavill. That's spelled  
17 N-I-C-K, Reavill is spelled R-E-A-V-I-L-L.

18 "To whom it may concern I support adoption of  
19 these reach codes. I also urge the CEC to build off local  
20 leadership and take electrification further by setting an  
21 all-electric baseline for new construction in the 2022  
22 Building Code.

23 "Gas appliances are responsible for over 50  
24 million tons of greenhouse gas pollution annually, and  
25 there is no way we can hit our climate targets while

1 continuing to burn gas. Gas has now overtaken coal as the  
2 number one source of climate-warming pollution nationwide.  
3 We need to align our building code with our climate  
4 policies. California has already found gas to be  
5 incompatible with our climate targets, and the Public  
6 Utility Commission has kick-started a process to guide that  
7 transition.

8 "Locking in more fossil fuel infrastructure to  
9 deliver gas to homes through the 2020s runs counter to the  
10 state's climate targets and drives up costs that will fall  
11 on low-income Californians."

12 Next comment is from Brett Garrett. That's  
13 spelled B-R-E-T-T G-A-R-R-E-T-T.

14 "I am writing on behalf of Santa Cruz Climate  
15 Action Network. We support the proposed ordinances, 19-  
16 BSTD-06, for the cities of Davis and San Luis Obispo. We  
17 strongly support electrification of buildings in general.  
18 It is an important response to the global climate crisis,  
19 especially in areas where the electric grid is  
20 transitioning to renewable sources of energy."

21 Next comment is from Leane Eberhart. That's  
22 spelled L-E-A-N-E E-B-E-R-H-A-R-T.

23 "I support adoption of these reach codes. I also  
24 urge the CEC to build off local leadership and take  
25 electrification further by setting an all-electric baseline

1 for new construction in the 2022 Building Code.  
2 Californians breathe the dirtiest air in the nation. As an  
3 architect, I see that the housing built this decade should  
4 solve that problem, not exacerbate it. The state's housing  
5 affordability crisis demands that we make every effort to  
6 reduce building costs while speeding up housing production.  
7 Foregoing gas hookups allows for a faster building process  
8 and developers can save tens of thousands of dollars in  
9 upfront costs to install gas lines and on energy savings by  
10 choosing to build without gas.

11 "Analysis in San Francisco found building a 2,500  
12 square foot all-electric home would reduce building costs  
13 by \$12,500 compared to a home that uses gas. And that the  
14 resident would save over \$9,000 over the lifetime of the  
15 home on lower energy bills.

16 "And the fact is gas appliances make it harder to  
17 breathe. Gas stoves fill homes with much of the same  
18 pollutants contained in car exhaust. And children living  
19 in homes with gas stoves have a 42 percent increased risk  
20 of asthma. Levels of nitrogen dioxide in homes with gas  
21 stoves are up to 400 percent higher than in homes with  
22 electric stoves. Replacing all residential gas appliances  
23 with clean electric alternatives would cut air pollution  
24 enough to save 350 lives and \$3.5 billion in health costs  
25 every year.

1           "As an architect I cannot support a code that  
2 continues the expansion of the gas system and drives up  
3 demand which continues to allow lower and middle-income  
4 communities to be in harm's way.

5           "The infrastructure required to deliver gas to  
6 homes is a constant safety threat, especially in  
7 earthquake-prone California. In the 1994 Northridge 6.7-  
8 magnitude earthquake, 50 percent of the fires were caused  
9 by gas. Please consider these points and vote for the  
10 future of our planet and our children."

11           The next comment is from Anne Simons, MD. That's  
12 Anne, A-N-N-E S-I-M-O-N-S.

13           "I am a California physician writing in support  
14 of approval of these city ordinances promoting clean  
15 energy. I also urge the CEC to set an all-electric  
16 baseline for new construction in the 2022 Building Code.  
17 There is no compelling reason to delay requiring all-  
18 electric new construction. Such a bold shift will pay  
19 dividends in health, environmental quality, and safety for  
20 years. Thank you for your attention."

21           Next comment is from Laura Rosenberger Haider.  
22 Rosenberger is spelled R-O-S-E-N-B-E-R-G-E-R, Haider is  
23 spelled H-A-I-D-E-R.

24           "Please require electrification of all appliances  
25 for all new homes, apartments and buildings. In a study

1 where gas stoves and ovens were operated simultaneously,  
2 there were unsafe levels of indoor NOx pollution. The NOx  
3 pollution was higher in small apartments most likely to be  
4 inhabited by people of color who are more at risk from  
5 Corona Virus. We need to set an example that will reduce  
6 climate change to prevent floods from storms, toxic algal  
7 blooms, water shortages that threaten the loss of 1/5 of  
8 our farmland predicted to lead to billions of dollars of  
9 loss of California revenue and fires."

10 Next comment is from Ashley McClure, MD from  
11 Berkeley. McClure is spelled M-C-C-L-U-R-E.

12 "I am writing as a primary care physician and  
13 medical community climate organizer to share my  
14 professional support for adoption of these reach codes. In  
15 order to protect health and solve the climate crisis to  
16 protect our children's health and safety we must engage the  
17 clean energy transition urgently and in earnest. Building  
18 electrification is a critical piece of this transition. I  
19 also urge the CEC to build off local leadership and take  
20 electrification further by setting an all-electric baseline  
21 for new construction in the 2022 Building Code. Thank  
22 you."

23 Next comment is from Monica Campagna, C-A-M-P-A-  
24 G-N-A.

25 "Hello and thank you for recording my comment,

1 Item 6, regarding the local ordinance applications before  
2 you. I am writing to support adoption of these reach  
3 codes. I also urge the CEC to build off local leadership  
4 and take electrification further by setting an all-electric  
5 baseline for new construction in the 2022 Building Code.

6 "There are many people like me, California  
7 citizens, that care a great deal about what we can do to  
8 improve our environment, have cleaner air and fight climate  
9 change. I am one who would like to see our cities move  
10 towards electrification of new construction and would  
11 really support a new all-electric baseline so that we don't  
12 have to work piece by piece at our local level to make  
13 these changes. Exceptions for certain industries or  
14 situations can always be included, but on the whole, we are  
15 ready to make this move.

16 "The many cities that have adopted codes thus far  
17 are trail blazers and proving that the all-electric  
18 homes/business are extremely doable and receive a great  
19 deal of support from builders and home buyers. It is  
20 particularly heartening to see examples from affordable  
21 housing developers of electric building being adopted  
22 successfully and in budget with better indoor air quality  
23 and lower utility bills."

24 The next comment is from Stefan Gracik. Stefan  
25 is spelled S-T-E-F-A-N, Gracik is spelled G-R-A-C-I-K.



1            "I support adoption of these reach codes. I also  
2 urge the CEC to build off local leadership and take  
3 electrification further. There are both global climate  
4 related targets and indoor air quality benefits which  
5 support the pursuit of all-electric construction in  
6 California. Gas appliances are responsible for over 50  
7 million tons of greenhouse gas pollution annually and there  
8 is no way we can hit our climate targets while continuing  
9 to burn gas. Gas has now overtaken coal as the number one  
10 source of climate-warming pollution nationwide.

11            Next comment is from Kim Stryker. That's spelled  
12 S-T-R-Y-K-E-R.

13            "Hello, I am a California citizen, born and bred.  
14 California has been a leading voice in addressing a  
15 sustainable future. Your work as the California Energy  
16 Commission is to ensure that our energy plan is  
17 sustainable, not somewhere out there in the distant future,  
18 but within sight by Californians and the world now. Please  
19 make our building codes all-electric. This is essential.  
20 It will help drive alternative energy solutions while it  
21 will ensure a future, a sustainable future, for all of us."

22            Next comment is from Jill ZamEk. That's spelled  
23 Z-A-M-E-K. She's a Board Member of San Luis Obispo Mothers  
24 for Peace who supports the adoption of these reach codes.

25            "We also urge the CEC to take electrification

1 further by setting an all-electric baseline. We want  
2 California standards for healthy homes and buildings."

3 Next comment is from Stephanie Ellis.

4 "I support adoption of these reach codes." Oh  
5 excuse me, let me spell that first. It's E-L-L-I-S,  
6 Stephanie is spelled with a P-H.

7 "I support adoption of these reach codes. I also  
8 urge the CEC to build off local leadership and take  
9 electrification further. I live in San Francisco. My son  
10 Jeff Price, and his wife and my two grandchildren moved to  
11 Davis California in 2019. As a family, we all hope that  
12 this forward-looking ordinance is adopted so that our  
13 children and grandchildren will have a healthier  
14 sustainable world. Thank you."

15 The next comment is from Robert Whitehair.  
16 That's spelled W-H-I-T-E-H-A-I-R. He's a resident of San  
17 Mateo, California.

18 "My entire career was spent in designing,  
19 building and managing infrastructure. I support adoption  
20 of the two reach codes, San Luis Obispo and Davis, before  
21 you today. I also support adoption of San Mateo County's  
22 code when it returns to the agenda.

23 "Most importantly I support a strong reach code  
24 gas ban in the next round of Title 24, now being completed  
25 for 2022. I believe that strong reach codes go a long way

1 towards cleaning up the environment, eliminating GHG,  
2 specifically methane aka 'natural gas,' 80 times deadlier  
3 than CO2.

4 "We are part of a growing movement in California  
5 to create real green jobs. In San Mateo County and across  
6 the state, there is a rapidly growing alliance of the labor  
7 movement, the education system, elected officials, and  
8 social advocates. This will lead to the creation of real,  
9 new jobs as we begin the transformation of our society.  
10 And are especially effective in elimination of pollutants  
11 in disadvantaged communities in California. These  
12 communities historically have been the hardest hit and the  
13 last to be cleaned up."

14 Next comment is from Antonina Markoff. That's  
15 spelled A-N-T-O-N-I-N-A M-A-R-K-O-F-F. She's the Co-Chair  
16 of Climate Reality Project, Bay Area Chapter.

17 "Dear members of the CEC I am speaking to you as  
18 the Co-Chair of the Bay Area Chapter of the Climate Reality  
19 Project. I am also speaking to you as a LEED AP BD+C  
20 credentialed architect practicing in California. We, the  
21 Climate Reality Project Bay Area Chapter, support the  
22 adoption of these reach codes. It's time for the CDC to  
23 build off local leadership and take electrification further  
24 by setting an all-electric baseline for new construction in  
25 the 2022 Building Code."

1           Next comment is from Stephanie Ellis. That's  
2 spelled S-T-E-P-H-A-N-I-E E-L-L-I-S.

3           "I support adoption of these reach codes. I also  
4 urge the CEC to build off local leadership and take  
5 electrification further." Actually, this one was already  
6 read so I will skip this.

7           Next comment is from Ellen Koivisto. That's  
8 spelled E-L-L-E-N K-O-I-V-I-S-T-O.

9           "I strongly support the adoption of these common  
10 sense reach codes. I also strongly urge the CEC to at  
11 least build off local leadership and take electrification  
12 further. A good baseline would be 100 percent because, in  
13 case you haven't noticed, the ability of the planet to  
14 support life is being destroyed and natural gas pours  
15 carbon into the atmosphere at every step of the way."

16           Next comment is from Kevin Meissner. That's  
17 spelled M-E-I-S-S-N-E-R.

18           "I support adoption of these reach codes. To  
19 avoid the worst impacts of climate change we must not build  
20 new fossil fuel infrastructure, starting today."

21           Okay, the last comment is from Erika Reinhardt.  
22 That's E-R-I-K-A, Reinhardt, R-E-I-N-H-A-R-D-T.

23           "I strongly support adoption of these reach  
24 codes. Not only are we in a climate emergency which  
25 requires immediate action to start reducing our reliance on

1 methane, a powerful greenhouse gas that's leaking from the  
2 distribution infrastructure, and when combusted produces  
3 carbon dioxide and indoor and outdoor air pollutants, we're  
4 in a long-standing chronic indoor air pollution emergency.  
5 The negative health impacts of gas stoves, particularly on  
6 children, have been well-documented in peer-reviewed  
7 scientific literature over the last 40 years, confirmed as  
8 scientific consensus in multiple meta-analyses, and  
9 accepted by the EPA.

10 "I'm one of the hundreds of thousands of parents  
11 in California who had a gas stove, fortunately now  
12 replaced, while I had a young child at home. As the mother  
13 of a now pre-asthmatic toddler who's already been to the ER  
14 a half-dozen times for breathing issues, I ask for your  
15 urgent action in approving local ordinances starting to  
16 address this problem, and then working at the state level  
17 to ensure that families and children in every local  
18 jurisdiction in California area are protected. Thank you."

19 That concludes my comments. And I'll now defer  
20 to Patricia to see if there's anyone on the line.

21 MS. CARLOS: Thanks, Noemi.

22 We have 16 people signed up to speak. The first  
23 is Sarah Schear with Climate Health Now.

24 MS. SCHEAR: Thank you. Are you able to hear me?

25 CHAIR HOCHSCHILD: Yes, we are.

1 MS. SCHEAR: Wonderful. My name is Sarah Schear.  
2 I'm a resident of San Francisco and a senior medical  
3 student at UCSF. Today I'm speaking on behalf of the  
4 organization Climate Health Now. As health professionals  
5 in California, we strongly support adoption of all-electric  
6 reach codes and urge the CEC to set an all-electric  
7 baseline for new construction in the 2022 Building Code.

8 The use of natural gas in buildings poses many  
9 risks to health. As a future pediatrician, I want to  
10 highlight especially the risk to children of gas stoves. A  
11 meta-analysis on the association between gas stoves and  
12 childhood asthma found that children in homes with gas  
13 stoves have a 42 percent higher risk of experiencing asthma  
14 symptoms. Use of natural gas in buildings also releases  
15 nitrogen dioxide and other air pollutants that are triggers  
16 of lung and heart disease. And there is no known safe  
17 threshold for nitrogen dioxide exposure. Especially when  
18 our communities, frontline workers including restaurant  
19 workers and health care resources are so strained during  
20 this pandemic it's crucial that we do everything we can to  
21 limit harmful indoor air pollution exposure.

22 Finally, using natural gas in buildings releases  
23 potent climate warming pollutants like methane that drive  
24 climate change. And we have a moral obligation to lower  
25 our carbon footprint as Californians to protect those who

45

1 are most vulnerable to climate change, including low-income  
2 communities of color and children born today.

3 On behalf of Climate Health Now I urge you to  
4 support acquiring all new construction to be all-electric.  
5 Thank you.

6 MS. CARLOS: Thank you, Sarah.

7 The next person we have is Anne Harvey with  
8 Climate Health.

9 MS. HARVEY: Okay. Anne Harvey, I live in  
10 Oakland and I'm also with Climate Health Now. We support  
11 the adoption of the reach codes and urge the CEC to set a  
12 statewide all-electric baseline for new construction in the  
13 2022 Building Code.

14 Homelessness, housing insecurity and overcrowding  
15 within homes is a huge and shameful crisis in California,  
16 which is responsible for severe physical and mental health  
17 impacts. And our housing affordability crisis demands that  
18 we make every effort to reduce building costs and speed up  
19 housing production. Foregoing gas hookups allows for a  
20 faster building process so developers can save tens of  
21 thousands of dollars in upfront costs from not installing  
22 gas lines.

23 Also, gas stoves sell homes with much of the same  
24 pollutants contained in car exhaust. And children living  
25 in homes with gas stoves have a 42 percent increased risk

1 of asthma.

2 We also will never be able to meet our climate  
3 goals in this state if we don't decrease pollution from  
4 buildings. Gas appliances are responsible for over 50  
5 million tons of greenhouse gas pollution annually, so there  
6 is just no way we can meet our climate targets without  
7 stopping the burning of gas.

8 Thank you. I think the Energy Commission, I hope  
9 they will step up and we have a responsibility to reign in  
10 this pollution from buildings. Thank you.

11 MS. CARLOS: Thank you, Anne.

12 The next person we have is Pierre Delforge with  
13 NRDC.

14 MR. DELFORGE: Good morning, Chair and  
15 Commissioners. My name is Pierre Delforge with the Natural  
16 Resources Defense Council. In the interest of time, I will  
17 keep my comments very short. I second all the comments  
18 made so far in support of these two reach codes and I'm  
19 urging the Commission to continue to lead the nation on the  
20 path to rapid and deep building decarbonization with an  
21 all-electric 2022 code. Thank you.

22 MS. CARLOS: Thank you.

23 The next person we have is Devin Makhni with  
24 Menlo Spark

25 MR. MAKHNI: Hi, my name is Devin Makhni I'm a



1 second-year student at Cal Poly SLO and I'm speaking on  
2 behalf of the nonprofit Menlo Spark. So we support option  
3 of these reach codes and urgently urge the CEC to build off  
4 the actions of local leadership and set an all-electric  
5 baseline for new construction in the 2022 Building Code.  
6 We believe it's critical for new construction to become  
7 all-electric as soon as possible.

8           Recent analysis from Rocky Mountain Institute  
9 found that postponing electrification in California  
10 produced three more years that result in the addition of 3  
11 million tons of carbon added to our atmosphere by 2030.  
12 That's the equivalent of adding 650,000 cars to the road  
13 this year.

14           And furthermore, postponing the adoption of an  
15 all-electric building construction building code will also  
16 cause \$1 billion to be spent in unnecessary new gas  
17 infrastructure. And the crazy thing is, is that both of  
18 these costs are completely avoidable. By passing a new  
19 all-electric building code in the next year and a half we  
20 could cut the carbon emission in half and we could also  
21 significantly reduce the pointless cost of creating new gas  
22 infrastructure. Because as the world inevitably adopts  
23 electrification that gas infrastructure will need to be  
24 retrofitted into electrical appliances anyways, another  
25 huge cost that can be avoided.

1           In the near future we're going to run out of  
2 resources like gas and oil and coal. And so when that  
3 happens we are going to need to replace the new gas  
4 infrastructures that we're building right now anyways and  
5 so it doesn't make sense to continue building new buildings  
6 powered by gas appliances when we are going to need to get  
7 rid of them soon anyways. Instead, let's just reduce  
8 carbon right now and save money in the future by simply  
9 mandating all electric buildings now.

10           And furthermore the public is in support of this.  
11 A statewide poll found that 70 percent of Californians  
12 already prefer all-electric appliances powered by clean  
13 electricity to appliances powered by fossil gas. So the  
14 vast majority of people are in support of a reach code out  
15 across the state that would make new buildings all-  
16 electric. So now is the time to act. Any delay would  
17 result in an unnecessary increase in both carbon emissions  
18 and pointless installation and eventually, retrofit costs.  
19 The public is in support of this all-electric reach code  
20 and the environment definitely is as well. Thank you.

21           MS. CARLOS: Thank you, Devin.

22           Our next speaker is Jimmy Le with Telegraph Hill  
23 Neighborhood Center.

24           MR. LE: Hi everybody, this is Jimmy from  
25 Telegraph Hill Neighborhood Center. I'm calling on behalf

1 of my organization and also the Sunrise Bay area. I just  
2 wanted to let you all know that people in my organization,  
3 the students I work with on a daily basis, are aware of the  
4 lack of retrofitted buildings that they live in and all of  
5 the appliances that they have to deal with that give off  
6 pollutants. And it causes like the rise in asthma in our  
7 students that we work with on a daily basis, right?

8           So I've worked with the school for about three  
9 years now in San Francisco and we've seen a rise in  
10 students with asthma cases. And we know that this is a  
11 result of their low-income housing that has gas appliances,  
12 whether it be a stove or heating appliances right? So I  
13 really do urge you to consider this as you're thinking  
14 about new policies and adopting new policies that retrofit  
15 and build new housing that are appropriate for our students  
16 as they grow. And prevent them from having these  
17 carcinogenic diseases in their own homes.

18           And with that thank you so much for hearing me  
19 out. I appreciate the time. Thank you.

20           MS. CARLOS: Thank you.

21           Our next commenter is Tim Carmichael with SoCal  
22 Gas.

23           MR. CARMICHAEL: Good morning Commissioners, Tim  
24 Carmichael here. As noted by the exchange between  
25 Commissioner McAllister and Commissioner Hochschild our

1 comments and others are really targeted at Title 24, but  
2 since comments are being made here I thought I would put  
3 our comments in here as well. The CEC should follow the  
4 California Code of Regulations. Building codes must take  
5 into account cost-effectiveness. The Commission shall  
6 consider the total statewide costs and benefits of the  
7 standard over its lifetime, economic impact on California  
8 businesses and alternative approaches and their associated  
9 costs.

10 The CEC should not predetermine an outcome due to  
11 political pressure that could result in more expensive  
12 operation of buildings, especially at a time when  
13 California is in a housing crisis and economic recession.

14 SoCalGas welcomes a balanced public workshop on  
15 indoor air quality issues. The science we have seen  
16 suggests ventilation is the most effective way to improve  
17 overall indoor air quality from the variety of substances  
18 impacting indoor air quality. Thank you very much.

19 MS. CARLOS: Thank you.

20 Our next commenter is Helena Birecki with Climate  
21 Reality Project.

22 MS. BIRECKI: Thank you so much. Can you hear  
23 me?

24 CHAIR HOCHSCHILD: Yes, we can.

25 MS. BIRECKI: Great, as you said my name is

1 Helena Birecki and I'm a lifelong California resident and  
2 with the Climate Reality Project, Bay Area chapter.

3 I, as most of the other callers here today,  
4 support the adoption of the all-electric reach codes  
5 proposed in the City of Davis and the City of San Luis  
6 Obispo. And I also agree that the CEC should take  
7 electrification further by setting an all-electric baseline  
8 for new construction in the 2022 building code.

9 The previous caller from SoCalGas just talked  
10 about costs. What about health costs? As we've seen so  
11 clearly with COVID-19, and how pollution aggravates the  
12 illness and people are dying, especially people in low-  
13 income communities of color, are dying at rates so much  
14 higher than everybody else. And this has been researched  
15 that it is in large part because of pollution that they  
16 have already had harm done to their lungs. Those loss of  
17 lives is priceless.

18 But if you even just think of the mother, we had  
19 a mother calling whose son has asthma, potentially because  
20 they have a gas stove in their house was the tipping  
21 factor. That mother has to pay for all of those emergency  
22 room visits when her young son has an asthma attack. The  
23 cost even in dollars of that is enormous. I don't know if  
24 you've ever been to the emergency room without great  
25 insurance. It's like \$1000 right off the bat. Who can

1 afford that?

2           We are all in this together. We need  
3 electrification to improve health and safety now and to  
4 provide the possibility of mitigating the climate crisis.  
5 We know that. The cost by like within the lifetimes of  
6 these buildings, if we make them all-gas the costs with  
7 wildfires aggravation, the costs in terms of health and  
8 death is so much more than the short-term costs that are  
9 sometimes taken into too high consideration.

10           Thank you for listening to my comments. I hope  
11 the CEC both approves the reach codes that are on the table  
12 today and also sets an example for the world by providing  
13 an all- electric baseline for new construction, at least in  
14 the 2022 building code. Thank you very much for taking my  
15 comments.

16           MS. CARLOS: Thank you, Helena.

17           Our next commenter is Erik Mebust with Sunrise  
18 Movement.

19           MR. MEBUST: Hi, my name is Erik Mebust. I'm a  
20 resident of San Francisco. And I'm here calling on behalf  
21 of the national organization, the Sunrise Movement. We're  
22 calling to strongly support the proposed reach codes and as  
23 well to support the CEC's adoption of all-electric extended  
24 in the building codes for 2022.

25           As many people have already commented on the

1 impact of these proposed policies on the climate crisis is  
2 completely measurable, there is no path to exceeding our  
3 emissions goals without passing these regulations. But  
4 what I really want to talk about are some of the co-  
5 benefits.

6 Air pollution is responsible for between 5 and 10  
7 percent of all premature deaths in the United States.  
8 Pollution from buildings is responsible for more premature  
9 deaths than any other pollution source. Replacing all-  
10 natural gas appliances with clean electric alternatives  
11 would save 350 lives per year. As Helena just commented  
12 that is an immeasurable savings. And in addition to that  
13 quantifying it as economists have, \$3.5 billion in health  
14 care savings each year.

15 This is really, truly a no-brainer. The  
16 journalist David Roberts published a piece just today on  
17 recent congressional testimony by Drew Shindell who's a  
18 Duke professor and a late author on some of the IPCC  
19 reports. He testified that the effects of air pollution  
20 are twice as bad as to be estimated. The science on air  
21 pollution is constantly evolving. The EPA ones, those  
22 studies show that indoor levels of "indoor levels of air  
23 pollutions maybe two to five times and on occasionally more  
24 than a hundred times higher than outdoor levels.

25 Ninety percent of air pollution is consumed

1 indoors. We're spending a lot of time indoors these days.  
2 If these levels of air pollution existed outside it would  
3 be illegal. The EPA would consider the levels of air  
4 pollution That we experience on a daily basis inside,  
5 because of natural gas infrastructure in buildings, to be  
6 illegal and illegally high levels air pollution.

7           And so how did we get to this point? How did we  
8 get to this status quo? As with all regulations relating  
9 to the climate crisis it's not complicated. You just heard  
10 the gentleman from SoCalGas call in. Natural gas interests  
11 have fought against these regulations for decades. The EPA  
12 has known about the health risks of indoor pollution for  
13 literally decades.

14           I am calling in today to ask you to choose us  
15 over them, choose my generation over these natural gas  
16 interests. They will play tooth and nail. They will  
17 spread lies and misinformation, disinformation,  
18 intentionally false information, to delay action on this as  
19 long as possible because it protects their bases'  
20 interests. But there is no accounting system that could be  
21 reasonably presented by an economist based on recent  
22 science that could be --

23           MS. GALLARDO: Caller, this is the Public  
24 Advisor. I'm sorry to interrupt you, but your time is up.  
25 Can you please finish and otherwise we'll have to mute your

55



1 line. Thank you.

2 MR. MEBUST: Absolutely. I just want to conclude  
3 by saying that the FCC tells us that we need "rapid, far-  
4 reaching unprecedented change to avert the climate crisis."  
5 This is an opportunity for that. And I hope that you  
6 consider adding an all-electric baseline to the building  
7 codes for 2022. Thank you for your time.

8 MS. CARLOS: Thank you, Erik.

9 Our next commenter is Sasan Saadat with  
10 Earthjustice.

11 MR. SAADAT: Hi, can you hear me all right?

12 MS. CARLOS: Yeah.

13 MR. SAADAT: Okay, great. Yeah, Sasan Saadat  
14 from Earthjustice. I'm so pleased to see these reach codes  
15 multiplying. And I'm also feeling so charged up to hear  
16 all these good folks who turned out on a Wednesday morning  
17 to highlight the need for the CEC to build on local  
18 government leadership.

19 I, like so many folks have already said, there's  
20 tons of reasons that we need all-electric buildings. I can  
21 think of no reason not to extend this common-sense measure  
22 statewide. We really need our state leaders to maximize  
23 the benefits from the leadership of the cities that have  
24 already taken. The city action alone is limited if the gas  
25 system continues to expand in other parts of the state.

1           And we know that the system must be contracted  
2 and doing so in a rapid and equitable way will only become  
3 much more difficult if the Commission defers action at this  
4 juncture. So with the climate crisis deepening every day  
5 we simply do not have the luxury to let some other  
6 Commissioners address this problem in the 2025 code cycle.  
7 New buildings lock in decades of energy infrastructure much  
8 longer than we have to achieve carbon neutrality.

9           And we know that a built-in environment that  
10 supports health and resilience in our planet simply cannot  
11 be realized as long as it continues to rely on burning  
12 fossil fuels. I'm 25 years old so I hope that in my  
13 lifetime I will be able to think back about how insane and  
14 antiquated it was that we needed to burn fuel, rocks from  
15 the grounds, to keep our buildings warm.

16           California and the CEC can secure a role in  
17 shaping that future by doing what it does best and charting  
18 the course for decarbonization that improves the quality of  
19 our lives and makes our community safer. Thank you.

20           MS. CARLOS: Thank you, Sasan.

21           Our next commenter is Jonathan Kocher with IFPTE  
22 Local 21.

23           MR. KOCHER: Hello, my name is Johnny Kocher and  
24 I'm a Political Action Committee member in IFPTE Local 21,  
25 a licensed professional mechanical and civil engineer in

1 the state of California, and a LEED-accredited  
2 professional.

3 I support the adoption of these reach codes. And  
4 the CEC should go further by adopting an all-electric  
5 baseline. All-electric buildings are cheaper, healthier  
6 and align with reality of climate change. Every new gas  
7 line installed in the buildings will need to be ripped out  
8 in the next 15 years and it's a foolish waste of money.

9 I'd conclude by stating that we should continue  
10 leadership that the California cities have shown. And that  
11 the State of California should adopt an all-electric  
12 baseline in the 2022 code. Thank you.

13 MS. CARLOS: Thank you, Jonathan.

14 Next we have Burt Culver.

15 MR. CULVER: Hi Commission. My name is Burt  
16 Culver. I'm just a concerned citizen in California. I  
17 support the adoption of these reach codes. And further,  
18 the CEC should build on local leadership like this and take  
19 electrification further by setting an all-electric baseline  
20 for new construction in the 2022 Building Code.

21 An all-electric base code for new construction is  
22 a health issue. Californians breathe the dirtiest air in  
23 the nation. Being built this decade should solve that  
24 problem, not make it worse. The fact is gas appliances  
25 make it harder to breathe. Even SoCalGas admitted today in

58

1 there call the indoor air quality is (indiscernible). Hey,  
2 as an aside why is SoCalGas using public utility funds to  
3 pay employees to call in to lobby for natural gas? I mean,  
4 they're in violation of their charter right there.

5 But continuing, gas stoves fill homes with much  
6 of the same pollutants contained in car exhaust. And  
7 children living in homes with gas stoves have a 42 percent  
8 increased risk of asthma. The level of nitrogen dioxide in  
9 homes with gas stoves are up to 400 percent higher than in  
10 homes with electric stoves. (Indiscernible.) Not having  
11 access to air conditioning is already a major health risk  
12 in California, a risk that will only grow. Speaking of  
13 (audio cuts in and out) have access to air conditioning.

14 An all-electric baseline for new construction is  
15 a climate change issue; it's kind of been covered.

16 Gas appliances are responsible for over 50  
17 million tons of greenhouse gas pollution (indiscernible)  
18 continuing to burn gas. Gas has now (indiscernible)  
19 climate-warming pollution nationwide.

20 So we need to align our building codes with our  
21 climate policies. California has already found gas to be  
22 incompatible with our climate targets, and the Public  
23 Utility Commission has kick-started a process to guide that  
24 transition. Locking in more fossil fuel infrastructure to  
25 deliver gas to homes through the 2020s runs counter to the

1 state's climate targets and drives up costs that will fall  
2 on low-income Californians.

3           An all-electric baseline for new construction is  
4 already happening. Fossil-fuel free homes and buildings  
5 are already becoming standard in California. In just 12  
6 months, cities representing nearly 10 percent of the  
7 state's population have committed to gas-free new  
8 construction, with more cities joining all the time. These  
9 cities have proven that there is a demand to move off of  
10 gas in favor of renewables. The Commission must now step  
11 in and take this policy statewide to create consistency.

12           In regards to the cost analysis I hope the  
13 Commission looks at the cost of climate change, the health  
14 care costs related to indoor air pollution, the cost  
15 savings available from efficient heat pump air cooling and  
16 heating and heat pump water heating. Combined with the  
17 required rooftop solar power in new buildings every family  
18 in California will save money with all-electric  
19 construction.

20           I urge the CEC to take electrification further by  
21 setting an all-electric baseline for new construction in  
22 the 2022 building code. Thank you.

23           MS. CARLOS: Thank you for your comment.

24           Our next commenter is Robert Nicely with Passive  
25 House.

1           MR. NICELY: Hi, thanks for the opportunity to  
2 speak. My name is Robert Nicely. I'm a Board Member of  
3 Passive House, California. Passive House is a building  
4 metric that's employed around the world to drive down  
5 energy demands. I'm calling to support the adoption of  
6 these electric reach codes.

7           As a tradesperson who's been building houses for  
8 35 years, the things that you need to do to change your  
9 methodology are not difficult. One of the pushbacks you  
10 get from people in the trades when you try and change  
11 things is that this is going to be difficult and costly.  
12 I've been building very, very progressive buildings for the  
13 last 15 years and that hasn't been my experience. Because  
14 I'm a small business owner I'm sort of, I'm into what I  
15 call it the "entrepreneurial exercise" of trying to  
16 understand what we'll be building, what will be valuable in  
17 the future. From an economic standpoint, it's my belief  
18 that progressive practices that are in concert with climate  
19 goals are the future.

20           My dad used to say, "There's people that make  
21 things happen. There's people that watch things happen.  
22 And there's people that don't know what the heck happened."  
23 And the people that are making things happen are going to  
24 be moving towards providing a built environment that's safe  
25 and comfortable without damaging the bigger system and

1 without exacerbating climate change.

2           According to the United Nations Environment  
3 Program Emissions Gap Report from 2018, we need to drive  
4 down carbon emissions by 55 percent by 2030 to have a 50/50  
5 chance of staying below 1 1/2 to 2 degrees Celsius rise in  
6 temperature. A 50/50 chance is nothing to be proud of and  
7 we should immediately focus all our efforts on achieving a  
8 65 percent carbon reduction in carbon emissions by 2030,  
9 thereby increasing the odds of success to 70/30.

10           We have a lot of work to do. We can't afford to  
11 waste time. Add adopting electrification codes is one of  
12 the big levers we can pull right now to improve our chances  
13 of avoiding climate disaster. Thanks very much.

14           MS. CARLOS: Thank you. Our next commenter is  
15 Jared Johnson with Acterra.

16           MR. JOHNSON: Hi, my name is Jared Johnson. I'm  
17 a resident of San Francisco and policy fellow at Acterra.

18           On behalf of our organization we support the  
19 adoption of these local reach codes. And with many cities  
20 across the state having already taken the latest time for  
21 the CEC to take electrification further by setting an all-  
22 electric baseline for new construction in the 2020 Building  
23 Code. We need a building code that can contribute to a  
24 safer California.

25           The infrastructure required to deliver gas to

1 homes and its consistent safety -- inconsistent safety  
2 there, sorry -- And when aging pipelines fail they tend to  
3 make headlines and not in a good way. Just two days ago a  
4 natural gas explosion destroyed three low houses in  
5 Baltimore, tragically killing a woman and trapping other  
6 people in the debris.

7           A code that continues the expansion of the gas  
8 system drives up demand and continues and allows these  
9 citizens to be in harm's way, especially in an earthquake  
10 prone state like California. And so SoCalGas  
11 (indiscernible) gas company now seven years ago and  
12 recently informed of the state regulators that there is a  
13 likelihood of a catastrophic loss of life if a major  
14 earthquake hit the Alyso Canyon region. It's not a matter  
15 of "if," but "when." You need that facility closed and gas  
16 infrastructures set on a managed decline as soon as  
17 possible.

18           Like I said earlier in the 1994 Northridge  
19 sequence of massive earthquakes 50 to 7 -- 50 percent of  
20 the fires were caused by gas. To make good on Governor  
21 Newsome's promise to close the dangerous Alyssa Canyon gas  
22 storage facility and protect residents living there, other  
23 facilities like Amador, we must lower gas demand. We  
24 should be focused on reducing these risks not making them  
25 worse by adding more gas infrastructure.



1           This is one of many reasons why Acterra urges the  
2 CEC to adopt an all-electric baseline for the new  
3 construction in the 2022 Building Code. Thank you.

4           MS. CARLOS: Thank you.

5           Our next commenter is Candice Wold with Citizens'  
6 Climate Lobby, San Francisco.

7           MS. WOLD: Hi, good morning. As she mentioned my  
8 name is Candice Wold. I am the chapter co-lead for the San  
9 Francisco chapter of Citizens' Climate Lobby. Thank you  
10 for the opportunity to speak today. I support the adoption  
11 of these reach codes. We're also urging the CEC to set an  
12 all-electric baseline for new construction in the 2022  
13 Building Code.

14           I did have a series of facts and some more  
15 conversation around how the use of natural gas in homes,  
16 which is currently allowed under local codes in much of the  
17 state, actually contributes to climate change and  
18 contributes to health issues in in those homes. However, I  
19 think people have pretty much covered it today.

20           So I would like to actually speak to the point  
21 that the gentleman who called in representing an  
22 organization with a financial interest at stake here and  
23 say that I agree. The state's housing affordability crisis  
24 does demand that we make every effort to reduce building  
25 costs while speeding up housing production. And on that

1 note, foregoing gas hookups allows for a faster building  
2 process and developers can save tens of thousands of  
3 dollars in upfront costs so they're not installing gas  
4 lines.

5 And probably even more importantly residents have  
6 energy savings in the long run. Analysis in San Francisco  
7 found that building a 2500 square foot all-electric home  
8 would reduce building costs by \$12,500 compared to a home  
9 that uses gas and that residents would save over \$9000 over  
10 the lifetime of the home on lower energy bills.

11 So I agree we do have a housing priority here and  
12 I don't think that that's necessarily in conflict with our  
13 climate priorities and climate goals. Thank you so much,  
14 have a great rest of your day.

15 MS. CARLOS: Thank you. I just wanted to let the  
16 Commissioners know that we have five more public  
17 commenters. The next one is Lauren Cullum with Sierra  
18 Club.

19 MS. CULLUM: Hi. Good morning Chair and  
20 Commissioners, Lauren Cullum, policy advocate with Sierra  
21 Club California representing 13 local chapters in  
22 California And half a million members and supporters  
23 throughout the state. I'm speaking to express our strong  
24 support for the Energy Commission's approval of the local  
25 ordinances before the Commission today.

1           This local democratic process is leading the way  
2 for the state to implement decarbonization solutions that  
3 are critical to combat climate change, reduce air pollution  
4 and improve housing and energy affordability. We support  
5 the Commission's approval of these reach codes and urge the  
6 Commission to build upon its local leadership in the 2022  
7 code cycle.

8           I'd like to take this opportunity to briefly  
9 touch on some benefits an all-electric reach codes such as  
10 the ones before the Commission as well as having an all-  
11 electric baseline in the 2022 code, namely how it will  
12 improve air quality and public health and safety and help  
13 achieve the state's climate goals.

14           So our work to improve air quality making it  
15 safer for everyone to breathe by transitioning our homes  
16 and buildings away from using dirty fossil fuels has become  
17 more important than ever. Californians breathe the  
18 dirtiest air in the nation And the housing sector  
19 exacerbates that problem. Gas appliances, particularly gas  
20 stoves contribute to air pollution. Replacing gas with  
21 advanced electric appliances would result in over 350 fewer  
22 deaths and save Californians \$3.5 billion in health  
23 benefits annually.

24           In addition to health benefits from better air  
25 quality, all-electric buildings will contribute to a safer

1 California. Infrastructure required to deliver gas to  
2 homes is a constant public safety threat. We could be  
3 focused on public safety. That means having a code that  
4 reduces the risks such as fire and explosions that are  
5 caused by the gas system. In other words, the Commission  
6 has the opportunity to protect our health and safety by  
7 shifting these buildings away from gas by changing the  
8 baseline in the 2022 Building Code to be based on an  
9 efficient and all-electric home.

10           Second, an all-electric baseline will help us to  
11 achieve its climate goals. Gas appliances like furnaces  
12 and water heaters in California's homes and buildings are  
13 responsible for over 50 million tons of greenhouse gas  
14 pollution annually. We must stop bringing gas in our homes  
15 and buildings if we're going to hit our climate targets.  
16 An all-electric baseline in the 2022 code will ensure that  
17 any new homes that are built with gas after 2022 are held  
18 to the same greenhouse gas standards as an efficient  
19 electric alternative and help us achieve those climate  
20 targets.

21           Fossil-fuel-free homes and buildings already  
22 becoming standard in California. Cities representing  
23 nearly 10 percent of the state's population have committed  
24 to gas-free new construction with more cities joining all  
25 the time.

1           Again, Sierra Club California urges the  
2 Commission to join local leaders and get polluting fossil  
3 fuels out of California's homes and buildings. Thank you  
4 so much for the opportunity to provide these comments at  
5 this time.

6           MS. CARLOS: Thank you.

7           Our next commenter is Leah Louis-Prescott with  
8 Rocky Mountain Institute.

9           MS. LOUIS-PRESCOTT: Good morning Chair and  
10 Commissioners. And thank you for the opportunity to  
11 comment. My name is Leah Louis-Prescott and I work in the  
12 Oakland office of Rocky Mountain Institute, an independent  
13 nonprofit working toward a low-carbon future. As climate  
14 change worsens I believe that we are at the beginning of a  
15 pivotal decade. Our action or inaction today will impact  
16 the livelihood of generations to come. I greatly admire  
17 the climate leadership of towns and municipalities that are  
18 taking action, including those here today, by ensuring  
19 their new local buildings are built all-electric and  
20 therefore cleaner, safer and healthier.

21           I also greatly admire the work the CEC has done  
22 to date to address California's climate and air quality  
23 issues, including approving over 30 local reach codes and  
24 ordinances. We've certainly made great progress, but we  
25 still have a way to go. I hope that the CEC will approve

1 these cities' ordinances put forth today as well as adopt a  
2 single all-electric baseline for all building types  
3 statewide in the 2020 code for Title 24.

4 California is not on track to meet its 2030  
5 emissions goals and that is partly because we don't have a  
6 plan to reduce building sector emissions. Meanwhile,  
7 California is adding more new gas customers faster than any  
8 other state. We are moving in the wrong direction. And if  
9 we continue to build mixed-fuel buildings we are locking in  
10 more carbon emissions and increasing standard asset risk.

11 We'd also be exposing more Californians to the  
12 health risks from gas pollution including increasing asthma  
13 risk. One in eight Californians already have asthma and  
14 that proportion is higher in low-income communities and  
15 communities of color. Let's not increase that number.  
16 This pollution is permutable and the most effective way to  
17 address it is not through ventilation it is to avoid  
18 emitting in the first place by building all-electric.

19 This opportunity is timely as the state faces the  
20 COVID health and economic crisis. UCLA researchers found  
21 that electrifying California's new and existing buildings  
22 by 2045 would create over 100,000 jobs even after  
23 accounting for losses in the fossil fuel sector. An all-  
24 electric statewide baseline can help California boost its  
25 economy, create jobs, reduce emissions and improve health.

1           On the flip side if we fail to act on this code  
2 cycle all Californians will pay the price. If we wait  
3 until 2025 we lock in six more years of carbon-emitting  
4 buildings. We emit an additional 3 million tons of  
5 emissions by 2030 that can be avoided if we act now. We  
6 spend \$1 billion on new gas infrastructure, leaving  
7 ratepayers to bear hundreds of millions of these dollars.  
8 California cannot afford to wait.

9           I ask that the California Energy Commission  
10 approve these two cities reach codes today and adopt an  
11 all-electric baseline in the 2022 building code for all  
12 cities statewide. I'm confident with the CEC's leadership  
13 on building electrification. We will achieve a cleaner and  
14 healthier California. Thank you again for your time and  
15 consideration.

16           MS. GALLARDO: This is Noemi Gallardo the Public  
17 Advisor. Patricia, before we move forward I just wanted to  
18 remind the people on the Verizon line to spell your name  
19 and restate your affiliation as well please before you  
20 begin speaking. Thank you.

21           MS. CARLOS: Thank you.

22           Our next speaker is Patrick Marks (phonetic).

23           MR. MARKS: Hi, this is Patrick Marks. I'm not  
24 affiliated, I guess. I won't go into what everybody else  
25 as mentioned, I second all those comments around climate

1 health. I support the measure, I support the local  
2 measures. I also support expansion towards the 2022  
3 building plan.

4 I think there's two things I wanted to add is a)  
5 that we had talked about Item 4, "standing on the shoulders  
6 of giants." I think this is an opportunity to leverage  
7 that further and see additional gains to all of the  
8 benefits that we've been doing in terms of power  
9 generation. And then b) I think in terms of cost  
10 evaluation there is something to be considered around the  
11 fact that any sort of retrofit that it is likely to happen  
12 when the tide continues towards solely electric power will  
13 be significantly more expensive in the future once these  
14 buildings are already built. Thank you.

15 MS. CARLOS: Thank you.

16 The next person we have is Jed Holtzman with 350  
17 Bay Area.

18 MR. HOLTZMAN: Thank you very much,  
19 Commissioners. My name is Jed Holtzman, senior power  
20 analyst with 350 Bay Area. Thank you to the technical  
21 facilitators and the Commissioners for your work. And  
22 thanks to all the community members who have taken the time  
23 to be engaged in your energy future.

24 We are a regional climate justice organization  
25 representing about 20,000 folks in Bay Area counties. We



1 support adoption of these reach codes, but the larger  
2 discussion you've been hearing is indeed quite relevant to  
3 this agenda item as this process while admirable is  
4 unnecessarily piece-mealing a statewide issue, as if the  
5 climate, air pollution and life safety issues involved in  
6 natural gas vary widely between cities which they do not.

7 I urge the CEC to stop waiting for a couple of  
8 cities at a time. The past reach codes, when they have so  
9 many other huge, huge issues to deal with especially right  
10 now, you at the Energy Commission with this portfolio  
11 fulltime can take electrification further by setting an  
12 all-electric baseline for construction in the 2022 building  
13 codes.

14 In the state power plants burning gas generate 10  
15 tons of NOx per day. We have CARB and the AIR districts  
16 doing all sorts of work on that. Meanwhile, homes and  
17 commercial buildings burning gas generate 84 tons of Nox  
18 per day. Indeed, a 2019 study done by your agency found  
19 that the economic health related savings are so great that  
20 total statewide decarbonization including but not limited  
21 to building decarbonization could be justified solely on  
22 public health grounds. And I know those analysis don't  
23 tend to count any of the ripples throughout a household to  
24 economic effects on other members of the household, like  
25 missed days of work for a sick child. So those public

1 health grounds as of yet are undervalued.

2 Gas is particularly dangerous on an earthquake  
3 fault. Hundreds of fires are projected in the Bay Area  
4 region alone following a major earthquake because of gas  
5 lines. Think of how a pandemics scold sounded a year ago.  
6 Well we are scolding you now about the post-earthquake  
7 firestorm to come across this state.

8 Electricity is also easier to reinstate after  
9 disasters. Saw studies just yesterday from the city and  
10 county of San Francisco that indicates gas will take 30  
11 times the length of time to restore after a major disaster.

12 There's already been a strong movement in this  
13 state by cities and that's why we're here. That's the sign  
14 that the city is ready for a new direction. The city's big  
15 task is to find ways to remove gas from older buildings,  
16 but new construction all-electric mandates can accelerate  
17 those efforts. The market for heat pumps, the knowledge of  
18 contractors and HVAC installers about this market will  
19 expand rapidly with your action on this matter.

20 I would say usually when a bunch of folks show up  
21 at a public meeting it means the government has waited too  
22 long to do something. 2050 is only 30 years from now. Are  
23 you going to put in new natural gas lines now and pay to  
24 decommission them before then? It's 2020 already and as  
25 someone born in the 70s the future is now. Thank you.

1 MS. CARLOS: Thank you.

2 We have two additional commenters. The next one  
3 is Brianna McGuire.

4 MS. MCGUIRE: Hi folks my name is Brianna  
5 (phonetic) McGuire and I'm speaking without any affiliation  
6 today, but rather as a concerned Californian. I'd like to  
7 thank the Commission as well the technical support  
8 (indiscernible) a large public outreach that the CEC has  
9 received today. I'd like to echo the rest of the public  
10 encouraging the Commission to make the sensible decision,  
11 the practical decisions, the health preserving decisions  
12 and the environmental decisions through that, an all-  
13 electric building code for 2022. I think it's important,  
14 these reach ordinances. Thank you for your time.

15 MS. CARLOS: Thank you.

16 Our last commenter is Gershon Bialer.

17 MR. BIALER: My name is Gershon Bialer and I have  
18 no affiliation today, but I'm just concerned about gas in  
19 construction. Initially, I know I was skeptical of like  
20 phasing out natural gas. I felt like there had always been  
21 natural gas in cooking, there had always been natural gas  
22 in heating. Then I started to realize something, I start  
23 to realize that there is actually better solutions for  
24 cooking, there's better solutions for heating. This is an  
25 old antiquated technology. This is not a technology we

1 need anymore. We need to be a leader for the future. We  
2 need to lead with the future of technology. The future of  
3 technology is not natural gas.

4 I've seen in California more and more fires, the  
5 natural fires from climate change being accelerated. I've  
6 seen fires in San Francisco where I live.

7 And I've also seen that these fires can lead to  
8 natural gas explosions. I saw in the news recently that a  
9 whole block blew up from natural gas. And I worry walking  
10 down the street every day, "Will fires start? Will natural  
11 gas explode near me?" COVID has shown that crises can  
12 happen in our society that we do not anticipate, that we do  
13 not expect. When you walk down the street today, tomorrow  
14 will that natural gas explosion meet you? Will you be  
15 breathing in the air from natural gas?

16 I urge you to do what you can to phase out  
17 natural gas from buildings and new construction as soon as  
18 possible. I want to thank all the Commissioners and ask  
19 you to do what we need to do for clean, cleaner air, for  
20 our health, to address climate change, and to address the  
21 risk of natural gas explosions. Thank you.

22 MS. CARLOS: Thank you.

23 That concludes the public comment.

24 CHAIR HOCHSCHILD: Great. Well, thank you. Let  
25 me thank all of the members of the public who spoke today.

1 I cannot overstate how important your comments are. You  
2 don't have to be affiliated with a big organization or a  
3 big company to have influence. We listen to all commenters  
4 from every part of the state on these issues and I want to  
5 thank you for taking the time to join us this morning.

6 This conversation is going to continue in the  
7 development of our Title 24 code for 2022, in the course of  
8 our IEPR process next year that Commissioner McAllister and  
9 I will be working on. And now it's going to continue in  
10 court, because SoCalGas has elected to sue us last week  
11 over this issue.

12 The thing I would say just in general two points:  
13 one is that directionally at the Energy Commission we are  
14 going to keep fidelity to the state's goals as established  
15 by SB 100, SB 350, SB 1477, maybe 3232 and Executive Order  
16 55-18, which establishes carbon neutrality as the state's  
17 energy goal long-term.

18 And along with that we do care a great deal, all  
19 of us in the Legislature, the Governor's Office, and the  
20 Energy Commission and the PUC about health. And one of the  
21 things that recent research has uncovered is that the  
22 health impacts even among homes that have gas, have the  
23 same appliances, are actually not equal. Low-income homes  
24 happen to have happier burdens, often because the  
25 ventilation system or the fan over the gas stove is

1 smaller, cheaper, recessed or it's very loud so people  
2 don't use it or there's not as many windows. And these  
3 kind of things create inequity in the health impacts, and  
4 that's something we're all conscious of particularly during  
5 the COVID crisis.

6 I wanted just to give a special thanks to my  
7 friend and colleague Commissioner McAllister who really has  
8 done an incredible job on the Title 24 building codes up to  
9 this point. It's a really heavy lift. The code that we  
10 just put into effect January 1st requires solar for new  
11 construction. And it resulted in a 53 percent energy bill  
12 savings for California customers, a really incredible feat  
13 and it wouldn't have been possible without Commissioner  
14 McAllister's leadership. And these issues, as we get into  
15 it, there is incredible complexity and many sensitivities  
16 and many, many factors and we're just really blessed  
17 frankly in my view to have Commissioner McAllister and his  
18 really talented team working on these. And we'll all be  
19 working closely with him on this going forward.

20 So that let's return to Commissioner discussion  
21 on Item 6, these local ordinance applications.

22 Commissioner McAllister. (Silence on the line.)

23 Commissioner, you are muted, but I don't see --

24 COMMISSIONER MCALLISTER: Oh sorry, sorry, sorry,  
25 I'm back. Welcome back.

1           So yeah I want to just really thank everyone who  
2 commented. And certainly there is no intention, in fact  
3 the opposite, to limit any discussion about any of these  
4 issues. And certainly my concern as I think Chair  
5 Hochschild implied is that we get your comments in places  
6 where they can really influence the discussion and in the  
7 right forums. There's a lot of bleed-over, there's just a  
8 lot of interconnected issues.

9           And one of the commenters talked about we do have  
10 some silos and I can apologize for that, but I also want to  
11 have to work within that system. So I want to make sure  
12 that the Title 24 related discussion is in that bucket for  
13 sure. So I want to just encourage the folks who commented,  
14 many, most of you commented on like the baseline issue and  
15 the Title 24 for 2022. That rulemaking is where we are  
16 building a docket. And so I just want to encourage  
17 everyone to chime in there.

18           Listening to all the comments it really made me  
19 proud to be a Californian, because we live in a very robust  
20 democracy and the people are not shy and they speak up.  
21 And these are issues that they are passionate about and  
22 rightly so, it really is about the future of our kids. And  
23 I have kids and I think many of you do as well and we are,  
24 all of us really, should be concerned about the future of  
25 our population and our health.

1           So and actually really the point being that we  
2 have a statutory obligation actually to consider public  
3 health when we update the building code. And so that it is  
4 something that's not just a byway, it's actually right  
5 there.

6           Let's see, and so we absolutely want to hear from  
7 everyone. And I'll also highlight the -- since we're  
8 talking about Title 24 a little bit here as well -- the  
9 2019 code update of which these proposed updates from Davis  
10 and San Luis Obispo go beyond, did a lot more than to  
11 require PV. It actually really improved the building  
12 shell, made a whole bunch of improvements to other aspects  
13 of the building: mechanical, lighting, etcetera, both in  
14 residential and nonresidential. And so I think we are  
15 building better buildings now. But we also have to  
16 acknowledge that the urgency to address climate change is  
17 going up across the board in the power sector, the natural  
18 gas sector in our buildings. So that absolutely urgency is  
19 accelerating.

20           Okay, So moving on, so all of that said this item  
21 is actually pretty straightforward. These two reach codes  
22 from Davis and San Luis Obispo in different ways go beyond  
23 our minimum code. And I want to congratulate both of those  
24 cities for following a process and bringing that to us. Oh  
25 I see my cat in the back, apologies for that. (Laughs.)



1           And on the Davis one, I'll take them in order but  
2 on the Davis one I want to acknowledge Greg Mahoney who is  
3 the chief building official about to retire from Davis.  
4 And I just want to acknowledge his long career helping on  
5 these issues, leading the building officials and helping us  
6 improve the usability of the building codes. And I think  
7 leading those discussions at the local level is something  
8 that takes a lot of skill, it takes a lot of just vision  
9 really to marshal that discussion at the local level and  
10 bring forward a proposal that a City Council can vote for  
11 and then bring it on to us. So I want to just acknowledge  
12 him and congratulate him.

13           So and then with San Luis Obispo as well, I think  
14 the point on all of these ordinances is that our process is  
15 to do two things. And as Danuta -- thank you Danuta for  
16 the great presentation at the outset -- is to make sure  
17 that these ordinances do go beyond the code in the sense  
18 that they do result in energy savings. And so we can  
19 permit from a technical perspective.

20           And then the second thing we do is make sure at  
21 the local process they've had, and we just sort of make  
22 sure that they have had a process that shows it to be cost-  
23 effective. And that really, that they've done an analysis  
24 that they are satisfied shows it to be cost-effective. And  
25 so both of these cities have done both of those things and

1 so I think it's pretty clear that we should -- that these  
2 are worthy of our support.

3 So yeah, so I guess with that I will wrap up and  
4 see if there are any other Commissioner comments.

5 CHAIR HOCHSCHILD: Are there any other  
6 Commissioners wishing to comment? Commissioner Monahan?

7 COMMISSIONER MONAHAN: Yeah, I'll be brief but I  
8 just want to reiterate what both the Chair and Commissioner  
9 McAllister said around just thanking all the commenters.  
10 We are very attentive to the public health impacts of  
11 decision-making and we'll be doing a robust analysis around  
12 the cost benefits.

13 And I want to also reiterate this commitment to  
14 equity. We need to make sure that low-income and  
15 disadvantaged communities in particular benefit from any of  
16 the activities we do in the Title 24 updates. And so  
17 that's something we're going to be particularly attentive  
18 to.

19 I think that the fact that so many folks  
20 representing different interests have given us their input  
21 is great. We've really encouraged that and we encourage  
22 you to engage in that more formal process around the update  
23 of our rulemaking. That really is the place where we are  
24 going to be doing a deep assessment. And so I look forward  
25 to even broader participation in that process.

1           I think as Commissioner McAllister said, I mean  
2 our authority is pretty narrow to this question of are  
3 these reach codes stronger than state standards? We've  
4 done that technical analysis and it seems pretty clear that  
5 they are. And we are required to then approve these reach  
6 codes.

7           But I also want to say that city leadership in  
8 this state is critical. And cities are really at the front  
9 lines of climate change, of local decision making, around  
10 what, how aggressive to go in terms of addressing climate  
11 and also protecting consumers and making sure that consumer  
12 choice is protected. So I just want to say thanks to all  
13 the cities for really taking this challenge on and we're  
14 learning from you.

15           CHAIR HOCHSCHILD: Thank you.

16           Vice Chair Scott or Commission Douglas, any  
17 comments before I entertain a motion? None? Okay hearing  
18 none, Commissioner McAllister would you be willing to move  
19 the item?

20           COMMISSIONER MCALLISTER: Yes, I will move Item  
21 6.

22           CHAIR HOCHSCHILD: Okay, Commissioner Monahan  
23 would you be willing to second?

24           COMMISSIONER MONAHAN: I second Item 6.

25           CHAIR HOCHSCHILD: Okay all in favor?

1 Commissioner McAllister?

2 COMMISSIONER MCALLISTER: Aye.

3 CHAIR HOCHSCHILD: Commissioner Monahan?

4 COMMISSIONER MONAHAN: Aye.

5 CHAIR HOCHSCHILD: Vice Chair Scott?

6 VICE CHAIR SCOTT: Aye.

7 CHAIR HOCHSCHILD: Commissioner Douglas?

8 COMMISSIONER DOUGLAS: Aye.

9 CHAIR HOCHSCHILD: And I vote aye as well. That

10 item passes unanimously. Thank you everybody.

11 Let's move on to Item 7, Modification of

12 Regulations Specifying Enforcement Procedures for the

13 Renewables Portfolio Standard for Publicly Owned Electric

14 Utilities. Oh, I'm sorry, this was removed from the

15 agenda. My mistake.

16 We're on to Item 8, Lawrence Berkeley National

17 Lab. Cost Share for Federal Funding Opportunities for

18 Energy Research, Development, and Demonstration.

19 MR. FREDERICKS: Thank you. Good afternoon,

20 Chair, Vice Chair and Commissioners, my name is Christian

21 Fredericks and I work with the Energy Research and

22 Development Division. Next slide, please.

23 California has been continually plagued with

24 issues concerning water supply, drought, and water

25 transportation. Increasingly dramatic fluctuations in

1 California's weather has been observed in the 21st century.  
2 In 2015 California experienced its lowest snowpack in the  
3 past 500 years, while in the 2012 to 2015 period was the  
4 driest in the last 1,200 years.

5 Groundwater supply is approximately 40 percent of  
6 the state's water, with about 60 percent coming from  
7 surface water. With an increase in wells drying out there  
8 is a greater need to diversify California's water supply.  
9 These foundations while currently expensive, energy  
10 intensive and (indiscernible) producing has great growth  
11 potential and offers a solution to some of California's  
12 water infrastructure issue, particularly in the Southern  
13 California. Next slide, please.

14 To solve some of these issues staff is  
15 recommending the approval of a \$3 million grant to Lawrence  
16 Berkeley National Laboratory, or LBNL, with this cost  
17 shared to the U.S. Department of Energy's \$100 million  
18 grant to LBNL. LBNL will create and lead the National  
19 Alliance for Water Innovation, or NAWI, to support DOE's  
20 Energy Water Innovation Hub. NAWI will lead a push towards  
21 water security issues in the United States with a public-  
22 private partnership that includes more than 35 members and  
23 over 180 organizations as shown on the map. NAWI is led by  
24 LBNL in collaboration with the National Energy Technology  
25 Laboratory, the National Renewable Energy Laboratory, and

1 Oak Ridge National Laboratory. Next slide, please.

2           The NAWI team will develop technology that treats  
3 seawater, brackish water and produce waters for use in the  
4 municipal, industrial, agricultural, utility, oil and gas  
5 and other waters (indiscernible). These technology  
6 advancements will help domestic suppliers of water  
7 desalinization systems to manufacture critical components  
8 and parts, including the design and manufacture of small,  
9 modular and large-scale systems.

10           NAWI's goal is to enable manufacturing of energy-  
11 efficient desalinization technologies in the United States  
12 at a lower cost but the same or higher water quality and  
13 reduced environmental impact for 90 percent of  
14 nontraditional waters sources within the next 10 years.

15           Out of the projects total approximately \$26  
16 million will be spent in California to further develop our  
17 water, energy and support California jobs. With the cost-  
18 share funds the CEC will gain access to a plethora of data  
19 regarding water infrastructure, energy-efficient  
20 technologies, metric and data bases to further evolve and  
21 expand on their existing and future water projects.

22           Staff recommends the approval of this award. I  
23 am available for questions as in as is our in-house  
24 attorney William Dietrich. In addition, Peter Fiske from  
25 LBNL is on the line to help answer any question as well as

1 provide some great comments on the cost share. Thank you  
2 for your time.

3 CHAIR HOCHSCHILD: Thank you.

4 All right let's go to public comment. Madam  
5 Public Advisor?

6 MS. GALLARDO: This is Noemi Gallardo, Public  
7 Advisor. We have no written comments. I'll defer to  
8 Patricia for anyone on the line.

9 MS. CARLOS: Hi, this is Patricia Carlos. We  
10 have nobody signed up to speak on this item.

11 CHAIR HOCHSCHILD: Thank you. All right, let's  
12 move on to Commissioner discussion. Vice Chair Scott?

13 VICE CHAIR SCOTT: Great. Well I don't have much  
14 to add to Christian's excellent presentation to you all. I  
15 am really excited that \$3 million of state funds can kind  
16 of help unlock \$100 million of federal funds. This is just  
17 a great example of the federal government and the state  
18 government working well together. I don't think I need to  
19 highlight for you all the importance of innovation in the  
20 water space, especially when we're looking at lowering  
21 energy costs that go along with the water processing, which  
22 this is what this will be looking into. So if there are no  
23 questions I will be happy to move approval of Item 8.

24 CHAIR HOCHSCHILD: All right. Vice Chair Scott  
25 moves. Commissioner McAllister, would you be willing to

1 second?

2 COMMISSIONER MCALLISTER: I'll second Item 8.

3 CHAIR HOCHSCHILD: Okay. Let's take a vote.

4 Vice Chair Scott? All in favor say aye.

5 VICE CHAIR SCOTT: Aye.

6 CHAIR HOCHSCHILD: Commissioner McAllister?

7 COMMISSIONER MCALLISTER: Aye.

8 CHAIR HOCHSCHILD: Commissioner Monahan?

9 COMMISSIONER MONAHAN: Aye.

10 CHAIR HOCHSCHILD: Commissioner Douglas?

11 COMMISSIONER DOUGLAS: Aye.

12 CHAIR HOCHSCHILD: And I vote aye as well. This  
13 item passes unanimously.

14 Let's move on to Item 9, the Minutes from the  
15 July 8th Business Meeting.

16 COMMISSIONER MCALLISTER: I'll move the minutes.

17 CHAIR HOCHSCHILD: Let's just see if there's any  
18 public comments.

19 COMMISSIONER MCALLISTER: Oh, all right. Sorry.

20 MS. GALLARDO: This is the Public Advisor Noemi  
21 Gallardo, no written comment. I'll defer to Patricia to  
22 see if there's anyone on the line.

23 MS. CARLOS: Yes, Noemi, there is no one on the  
24 line.

25 CHAIR HOCHSCHILD: Okay, Commissioner McAllister



1 are you willing to move the item?

2 COMMISSIONER MCALLISTER: I'll move this item.

3 CHAIR HOCHSCHILD: Vice Chair Scott, are you  
4 willing to second?

5 VICE CHAIR SCOTT: Yes, I'll second the minutes.

6 CHAIR HOCHSCHILD: All right. All in favor say  
7 aye.

8 CHAIR HOCHSCHILD: Commissioner McAllister?

9 COMMISSIONER MCALLISTER: Aye.

10 CHAIR HOCHSCHILD: Vice Chair Scott?

11 VICE CHAIR SCOTT: Aye.

12 CHAIR HOCHSCHILD: Commissioner Douglas?

13 COMMISSIONER DOUGLAS: Aye.

14 CHAIR HOCHSCHILD: Commissioner Monahan?

15 COMMISSIONER MONAHAN: Aye.

16 CHAIR HOCHSCHILD: And I vote aye as well. That  
17 passes unanimously. Let's move on to Item 10, Lead  
18 Commissioner and Presiding Member Reports. Let's start  
19 with Commissioner Monahan.

20 COMMISSIONER MONAHAN: Oh, so yeah it's been a  
21 busy time I think you all know. I wanted to just start  
22 with just some brief staffing updates. We've welcomed our  
23 new Deputy Director for Fuels and Transportation Division  
24 Hannon Rasool. He started mid-July, so I'm hoping you all  
25 will have a chance to meet him, to share your thoughts on

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1 transportation. And I think he's going to be a great  
2 partner as we move to a cleaner transportation system, so I  
3 hope you all like him as much as I do.

4 Just within our office, I think hopefully most of  
5 you knew my Executive Fellow Pilar Manriquez who just got a  
6 job with CPUC Commissioner Guzman Aceves. So I'm happy too  
7 that she found a job in these difficult times and it's such  
8 a great job as well, so hopefully we'll be continuing to  
9 intersect with her. I think you probably also know, but  
10 just to reiterate she was really working at the  
11 intersection of equity and transportation and she helped  
12 with the Advisory Committee refresh of the Clean  
13 Transportation Program. She also helped organize several  
14 IEPR workshops, inter-equity (phonetic) was part of that,  
15 and even facilitated several of the workshops. She did a  
16 great job, so we'll miss her, but I'm glad that she's at  
17 the CPUC helping them.

18 We had two summer interns. They're on their way  
19 out which makes me very sad, they've been wonderful to have  
20 in the office. One of them, Russell Corbin, has helped put  
21 together a PowerPoint on clean transportation. I had hoped  
22 to show it to you guys but today's business meeting is  
23 busy. Also, there was still some outstanding pieces so  
24 maybe the next one. But our goal is to have something that  
25 anybody could use, anybody meaning any of your officers or

1 anybody in the organization around transportation and  
2 especially the message around clean transportation.

3           Our second intern is Sindhu Nathan, she's from  
4 Stanford. She's been helping out on a lot of the  
5 communication appliance projects that we have going, so  
6 2127, Vehicle Integration Roadmap, she's also doing an  
7 analysis of Level 1 charging. So it'll be sad when all our  
8 interns leave, because they bring good energy. So it  
9 really was a positive and I'm going to do it again since  
10 they were wonderful.

11           So transportation updates, we're taking the next  
12 of IEPR workshops. So as you all know many of you have  
13 been on them. Just in the last month we had Zero-Emission,  
14 Resilience and the Three Revolutions. And we had Dan  
15 Sperling on the dais at that one. Near-Zero Emission  
16 Vehicles and Low Carbon Fuels and Plug-in Electric Vehicle  
17 Charging Infrastructure, kind of a preview for the R 2127  
18 (phonetic); that was very densely packed with lots of  
19 analysis, so I'm looking forward to the results of a lot of  
20 those analysis in the 2127 report.

21           And report writing is beginning. I'm sure you  
22 all are struggling with similar issues around what's a  
23 reasonable timeline given the fact that there are furloughs  
24 and 10 percent. I mean, how do we be realistic about  
25 what's achievable and what timelines are achievable and the

1 team is struggling with that. I think everybody really is  
2 committed to doing a good job and is used to doing big,  
3 long reports. And we're trying to figure out, "Well how do  
4 we meet the needs of the Legislature and the public, but  
5 also recognize we just don't have as much time as we did  
6 before."

7           And the Vehicle Integration Roadmap, that has  
8 been slow-tracked, because of all the -- just so much  
9 continued work happening within the Fuels and  
10 Transportation Division, analytical work and certain people  
11 being tasked with all these different roles. So we are  
12 still committed to getting to finalizing it and showing a  
13 draft and finalizing it, but it's going slower than we had  
14 first anticipated.

15           On the IEPR workshop, we got one more clean  
16 transportation funding program. So I'm excited for this  
17 conversation, because I'm trying to figure out how do we --  
18 we have to do a cost benefit analysis for our investments  
19 on how do we do this in the best way. And it's extremely  
20 difficult with charging infrastructure where it's really  
21 hard to say, "Well I put in a charger here, what does that  
22 mean for the entire market? What's the cost benefit of  
23 that?" And trying to figure out new innovative ways to  
24 evaluate that.

25           The Investment Plan is almost done. We hope it's

1 done for the next Business Meeting. We thought it would  
2 come to this one, but hopefully it will be ready for you  
3 very, very soon.

4 I think as you all know there is a principal  
5 level conversation between CAISO, the CPUC and us with the  
6 Chair's leadership. Most recently we talked about needing  
7 the heavy-duty electrification. And we agreed that there  
8 would be sort of a more formal -- not really clear how  
9 public partnership between the CPUC and the CEC on this,  
10 because electrifying medium to heavy-duty vehicles is such  
11 an opportunity for the grid if we do it right. So it's  
12 like how do we make sure that we do it right?" and that's  
13 the work going forward.

14 Okay, last thing I want to say is that the ER&D  
15 has been doing an analysis of EV data and I'm super-excited  
16 about this, they've been working with DMV for a long time;  
17 it's been a job. And then they've also worked very closely  
18 with ARB, because multiple divisions with ARB also use this  
19 data, so it's been just been getting everybody in agreement  
20 about what data to show has been a challenge. And they've  
21 done it.

22 So this will be the first time ever that  
23 California EV data is being released to the public at a  
24 local level. So you can figure out like (indiscernible) so  
25 how many new electric vehicles are there? How many

1 existing electric vehicles are there? And the ER&D folks  
2 have a vision of adding a lot more data into this data  
3 portal. So they first have to get with the EV data, but it  
4 will grow with time. I know there are a lot of analysts  
5 chomping on the bit for this data, they pay for it -- it'll  
6 be great to give it out for free and to have the Energy  
7 Commission really being the place where energy data is  
8 compiled from the State of California. Kind of like what  
9 DOE does for the national data, we want to be for  
10 California data. That's it.

11 CHAIR HOCHSCHILD: Great, thank you so much.

12 Vice Chair Scott.

13 VICE CHAIR SCOTT: Excellent. All right, I just  
14 have a few updates for you all today. First is just a  
15 little bit ago I had an opportunity to speak at the Climate  
16 Center Policy Summit. The topic was on resilience. So  
17 there was another speaker from CalOES and also Commissioner  
18 Shiroma from the Public Utilities Commission. I  
19 highlighted the work that EPIC is doing in the resilient  
20 space. So we also talked about the work we are doing with  
21 low-income and disadvantaged communities as well as rural  
22 communities and title communities around the state. So it  
23 was a great opportunity to I think to check in and talk  
24 about the climate center during their policy summit, so I  
25 enjoyed that.

1           We are also working to do our EPIC site visits  
2 again. So you may have been following that. For a little  
3 while, I had a chance to go and visit some of the sites and  
4 really I kicked the tires of the different projects and see  
5 how they work and did really get to dig in on those. So  
6 we're doing those virtually now and that's been really  
7 fantastic.

8           So we had a chance to visit with the  
9 BlueTechValley and this is an incubator. And when you  
10 think about it I think a lot of folks think because it's  
11 based in Fresno -- it's Central Valley, and there's a lot  
12 of work that's going on in the Central Valley. But they  
13 are also stretched across many of the more rural parts of  
14 our state as well and the agricultural community. So we've  
15 got Fresno, it includes Chico, it includes Monterrey and  
16 Humboldt. So it's actually really complementary to the  
17 ones that we have in the Bay Area and also Lacey (phonetic)  
18 and the San Diego Cleantech.

19           So it was really fantastic to hear from them.  
20 What they've done is kind of an interconnection of multiple  
21 incubators around the state. They're thinking through the  
22 types of things that folks may add to industry and other  
23 places might consider innovative and want to energy  
24 projects on with the EPIC team and within these incubators.  
25 And it was really invigorating to hear from the folks on

1 that.

2           One of the things that they said has been  
3 interesting with COVID is it's difficult of course, we  
4 can't get people together face-to-face. But they have had  
5 a chance to really connect people up and down the state  
6 together on Zoom calls and other virtual meetings, whereas  
7 in person you might not have been able to do that. You  
8 would have local community only at a meeting in Humboldt,  
9 for example, or a meeting in Monterrey. So I enjoyed that.  
10 I appreciate the EPIC team for continuing to put those  
11 together for me.

12           We will invite you all to them if they sound of  
13 interest to you. We've periodically invited some of the  
14 PUC Commissioners to join us as we kind of go through and  
15 see what's really happening with these projects on the  
16 ground to understand the jobs that are associated with them  
17 and the different innovations that they are working on.

18           I wanted to give you all just a quick update that  
19 one of the things we've been working on is renewal of the  
20 EPIC program. The proposed decision for that was released  
21 a few weeks ago. The news for the Energy Commission looks  
22 quite good. They proposed renewing the program for ten  
23 years. And there's some additional detail there, I won't  
24 go into all that while I'm talking with you all. But you  
25 can certainly check out the PV, it's on the Public



1 Utilities Commission webpage. You can of course also ask  
2 our team for a more detailed briefing on that.

3           There are briefs that are due today that our team  
4 has then working to put together for the Public Utilities  
5 Commission. And in the proposed decision they say that  
6 they will make a final decision. The earliest that they  
7 would make a final decision on this is at their August 27th  
8 Business Meeting. So keep your fingers crossed for August  
9 27th Business Meeting. It could be after that, but the  
10 proposed decision is out. And I'm excited that folks are,  
11 in addition to me and all of you and our terrific EPIC team  
12 around the state, are seeing the benefits of this great  
13 program and the innovations that it's bringing to the state  
14 and the jobs as it moves us down this clean energy pathway.

15           And then the last thing that I wanted to mention  
16 to you all you may have noticed I hope that we are doing a  
17 change-up in the format here. As you guys know I am the  
18 Public Member of the Commission and so I'm always trying to  
19 think about ways to make the work that we do more  
20 interactive and engaging with the public. Our team as you  
21 know has done a fantastic job getting us up and running  
22 virtually being able to do these business meetings,  
23 virtually have the public still be able to interact with  
24 us.

25           And one of the things I had said is "You know,

1 that screen of the PDF of the agenda may not be the most  
2 interesting thing to look at for the entire business  
3 meeting." And so what you saw today is we have slides. We  
4 had slides for each one of the topics. And right now the  
5 five of us can see each other and the public can see the  
6 five of us talking, which is fantastic. Previously we kind  
7 of had the flat agenda and you could only see one of us.  
8 So we're trying to put some things like that in place to  
9 make our virtual world more engaging for the public.

10 So I really want to give a big shout-out Noemi  
11 and Dorothy who is making all this magic happen in the  
12 background. I think they've done a terrific job. Everyone  
13 has done a terrific job going into the virtual world and  
14 we're trying to just continue to make it more interactive.  
15 And I think they did a great job with that today. And if  
16 you've got thoughts and suggestions for them about how we  
17 can continue to put things like this in place please do let  
18 them know. But I want to give a huge shout-out to that  
19 team. They have done really great work for us and I think  
20 this is kind of icing on the cake to put some additional  
21 interactive and engaging pieces in place, so I want to say  
22 thank you again to them.

23 And those are my updates for you guys.

24 CHAIR HOCHSCHILD: Thank you, Vice Chair Scott.

25 COMMISSIONER MONAHAN: (Overlapping colloquy)

1 Hey, can I just -- can I say something?

2 CHAIR HOCHSCHILD: I wanted to say my thanks just  
3 briefly on you thinking about how to make these virtual  
4 meetings work better. I love the line of thought and I  
5 think we are getting better as we go along.

6 Sorry, Commissioner Monahan were you going to say  
7 something?

8 COMMISSIONER MONAHAN: Yeah, I was going to agree  
9 with that actually. I was going to say that too, I  
10 appreciate Vice Chair Scott's leadership on this. Yeah, I  
11 feel like the team is really trying to do everything they  
12 can to make this more interactive and engaging and I like  
13 the new format. So I just want to give kudos to that.

14 I also want to say really briefly I realize I  
15 said "ER&D" when I meant to say "EAD." So even after a  
16 year I'm still acronym-challenged apparently, so EAD data  
17 is actually coming out of our Energy Assessments Division,  
18 so apologize for that.

19 CHAIR HOCHSCHILD: Okay, let's go to Commissioner  
20 McAllister.

21 COMMISSIONER MCALLISTER: Yeah, great. So  
22 thanks, I won't correct you then, Commissioner Monahan.

23 So I wanted to, just building on that, say  
24 congratulations on getting that DMV project kind of up and  
25 on, because I think that's a really beautiful example of

1 how we are increasingly leveraging the data that we have  
2 access to, to turn around and do more public-facing things  
3 that help really modulate and improve how the marketplace  
4 can function and creativity out there. People can use that  
5 data for all sorts of purposes that we really can't  
6 anticipate. And as long as we clean it up and make sure  
7 that nothing inappropriate is going public, just the sky is  
8 the limit in terms of how we can stimulate innovation in  
9 this state. And I just think that's sort of inviting of  
10 institutional and even citizen science in terms of how  
11 people engage and develop ideas is really a part of our  
12 entrepreneurial culture.

13           And I'm really excited that EAD and we kind of  
14 have a hub and spoke model at the Energy Commission where  
15 each division is a spoke and we have a hub that sits  
16 largely at EAD and in the Executive Office. So we take in  
17 a lot of data including meter data from across the state  
18 and we're going to be doing a lot of really interesting  
19 work in terms of load shaping and customer segment  
20 analysis. And really being able to track consumption and  
21 demand patterns across the state geographically,  
22 temporally, support through various means. And developing  
23 of tools that help the marketplace to engage with customers  
24 and help them improve their behavior and the performance of  
25 their buildings and all sorts of things, develop new

1 products and digitize across the board.

2           And I think even combining with GIS and things  
3 like that that Commissioner Douglas has been really  
4 involved in over the years, really is just it's going to be  
5 precedent setting. It already is precedent setting, but  
6 it's only going to get better. And so I have to give kudos  
7 to the crew at EAD, Siva's group and also Jason Harville  
8 who is leading our data efforts. And as you all know we  
9 updated our data regs to really facilitate that. And so  
10 it's starting to really show some fruits, so terrific.

11           Just a few things I wanted to mention. So  
12 congratulations to Commissioner Monahan for bringing on  
13 Hannon. I met him. He seems really wonderful, a really  
14 terrific addition to our team, so great to see that happen.

15           In my shop two announcements, I wanted to  
16 mention. First, Bill Pennington came on board in my office,  
17 so many of you both listening in and on the dais know Bill  
18 well. Over the years he's been just a real stalwart on the  
19 Building Code and many other efforts in the Energy  
20 Commission.

21           And we do, as we heard on Item 6 and on the  
22 building code update there just is an incredible amount of  
23 interest, justifiable interest in the building code update  
24 this round and in subsequent rounds. And sort of  
25 developing that longer term vision as well as really

1 keeping our eyes on the prize for the next update,  
2 something Bill is going to help my office with and help the  
3 Commission engage with stakeholders and really be as  
4 responsive as we possibly can be to all of the comments  
5 that we get. And making sure that all of our i's are  
6 dotted and t's are crossed in terms of compliance with  
7 statute and public process in the APA and everything we  
8 have to do to get to the finish line on that, interacting  
9 with all the stakeholders across the spectrum. So that's  
10 really key and I'm glad to have Bill on board for that.

11           And then the second staffing thing I wanted to  
12 mention was I wanted to just say thank you to Ananya  
13 Raghavan, who was my intern from UC Berkeley over the  
14 summer and did some really tremendous work in two areas.  
15 One, doing heat pump load shaping, sort of highly  
16 technical, analytical work. I was really impressed that an  
17 undergrad stepped in and really owned that, following in  
18 some footsteps of a number of staff that have also stepped  
19 up to the plate and really done tremendous work like Erik  
20 Lyon who is now on staff. He helped mentor her through  
21 that process. But Ananya did some really great work on  
22 understanding heat pumps and how they're going to -- inside  
23 in the load of our state as they scale, as they penetrate  
24 through more and more buildings.

25           Then also gathering up time-of-use rates from

1 across the state and putting those in a format that's  
2 usable for our load management standards. Time-responsive  
3 rates are a really key tool going forward for getting  
4 people, as I say, to modify their behavior. And then loads  
5 throughout the state and automating that is really a  
6 priority for us.

7           And then on the staff level I just wanted to sort  
8 of say thanks really to the joint team that's doing the  
9 3232 work, it's across the Energy Assessments Division and  
10 Efficiency Division. That was Siva's leadership and Mike's  
11 leadership. It's a complex topic and we're making a lot of  
12 progress, so working together with both of those divisions  
13 really is I think charting new ground at the Commission as  
14 well and for the state related to a lot of what we heard in  
15 the public comments during the Item 6 comments today.

16           And then also on the Title 24 team the Building  
17 Standards Office is doing an amazing amount of really great  
18 analysis to understand the different pathways and options  
19 that we have, what the technologies look like in terms of  
20 the performance of our buildings going forward, so really  
21 terrific.

22           Let's see, I guess I've been doing a lot of  
23 speaking, but I won't really make the list, but I think  
24 there's so much as we move online. It's actually quite  
25 interesting, it's almost like I'm doing more speaking. I

1 imagine the rest of my colleagues here possibly are in the  
2 same boat. It makes it easier that if you're in Southeast  
3 Asia or Germany or Southern China or someplace it makes it  
4 easier to reach out and say, "Hey can you get on Zoom?"  
5 versus "Hey can you fly out?" And so it's actually really  
6 perhaps ironically, perhaps not, I think it's creating a  
7 lot of opportunities for engagement that maybe we didn't  
8 quite see fully before. And I think it's actually really  
9 positive.

10 I'm going to be talking at a Passive House  
11 conference that's in Germany in a month or so. And on the  
12 same session there will be folks from China, folks from  
13 Europe and folks from here and even California in real  
14 time. And it'll just happen to be 2:00 in the morning for  
15 me, but that's okay. So I think the opportunity for  
16 collective learning actually is kind of taking flight,  
17 which is great.

18 And then I would just highlight our joint work  
19 with the PUC and the CAISO on a whole bunch of topics,  
20 mostly linked to (indiscernible) planning, certainly  
21 forecasting. There's always a lot of state work to do in  
22 getting our forecasting processes dialed in. Sort of  
23 that's a permanent revolution in a way. But keeping  
24 everyone up-to-date and taking asks and comments and  
25 feedback from other the other agencies so we can



1 incorporate it into our forecast. And then understanding  
2 their processes, so we can be responsive to those is really  
3 a high priority.

4 And then obviously together with ARB on the SB  
5 100 work, which is taking good shape in terms of all the  
6 scenarios we're looking at for decarbonization of the  
7 electric grid.

8 And finally, I'm sure Chair Hochschild you had  
9 mentioned this but I can't let it go by, well a few things  
10 really. Welcome to Elliot Mainzer from the BPA to the  
11 CAISO, to take over the CAISO here in a month or so. Steve  
12 Berberich has been amazing. And at the same time I think  
13 having kind of a West Coast BPA, having a federal authority  
14 come in, and we exchange so much energy with them. And  
15 they've been so aggressive on energy efficiency up there  
16 that there is a lot of common DNA that we share already,  
17 and that that transition really should be pretty seamless.  
18 So I'm really looking forward to figuring out and just  
19 building relationships and making it happen.

20 And then finally, I also can't not mention  
21 Senator Harris and the Vice-Presidential Candidacy for  
22 election. So we're all I think impressed and gratified by  
23 that. I'm surprised nobody mentioned it until now.

24 CHAIR HOCHSCHILD: Thank you, Commissioner  
25 McAllister

1                   COMMISSIONER MCALLISTER: So that's it. Thanks a  
2 lot, thanks a lot. And then I guess well, Chair, you're  
3 going to mention our condolences for --

4                   CHAIR HOCHSCHILD: Yes I will.

5                   COMMISSIONER MCALLISTER: -- our former colleague  
6 Bob Weisenmiller, so I'll let you do that.

7                   CHAIR HOCHSCHILD: Thank you. Actually,  
8 Commissioner Douglas with your permission I'd like to just  
9 go briefly. I have to step out in a minute and Vice Chair  
10 Scott will take over concluding this meeting and then will  
11 go into the closed session.

12                   I did want to begin with offering our condolences  
13 to former Chair Bob Weisenmiller who lost his wonderful  
14 wife Cheryl Lynn Burdette Weisenmiller. And I've been in  
15 touch with Chair Weisenmiller who just asked that I relay,  
16 "that her love and support was a comfort and assistance  
17 while I was Chair. And she was a kind and gentle soul."

18                   And I will just say all of us at the Commission,  
19 this is very intense work and we're all supported by these  
20 ecosystems around us that make it possible. And the  
21 support you get at home from your community is just really,  
22 really essential. And I never had the good fortune to meet  
23 her, but I've heard wonderful things about her from so many  
24 people. And to Chair Weisenmiller and his daughter and the  
25 rest of his family we want to offer our profound

1 condolences to you.

2 In terms of other updates just real briefly I met  
3 with EVgo and GM who started a very bold new program for  
4 which I want to congratulate them. And Commissioner  
5 Monahan I'm sure does as well, 2,700 fast chargers over the  
6 next five years. And they are rolling out that network.  
7 It was happening in electric transportation now. We've  
8 been talking about working on it for some time, this is the  
9 tipping point.

10 And just to give you some sense the value of the  
11 market cap of Tesla alone, just that one company, is ten  
12 times the market cap of Ford. And actually Tesla now, I  
13 did the math, it's roughly equal to seven of the top ten  
14 automakers of the world combined. And this is not just the  
15 success of one company, it's a picture of the whole sector.  
16 And (indiscernible) and so our work to build out that  
17 infrastructure is absolutely essential for the transition  
18 to happen in a timely way. And I'm certainly glad we  
19 brought on Hannon Rasool to lead the Fuels and  
20 Transportation Division. And Hannon I want to welcome you,  
21 I think this is your first Commission meeting since you got  
22 the job.

23 I will just say generally I am feeling really  
24 good about the Energy Commission as a whole, I think we're  
25 in a healthy place. The caliber of people coming in is

1 higher than it's ever been. There are incredibly  
2 competitive slots. We're getting 40 and 50 applicants for  
3 these senior positions. And that is a real tribute to all  
4 of the staff, all the Commissioners about the work that we  
5 are doing.

6           It is cutting-edge stuff and it's exciting to be  
7 a part of. And I think when you build a good team with a  
8 healthy culture that creates a gravitational force you want  
9 to be a part of. And it just feels really, really good,  
10 particularly given how much tumult there is in the rest of  
11 the state and the country right now. We're in a very  
12 healthy place as an the agency. I'm really grateful to all  
13 my colleagues and to Drew Bohan (indiscernible) this in  
14 particular at the core of that to all of our advisors for  
15 the building that sector and getting things shipshape.  
16 We've got a lot of work ahead and a lot more challenges so  
17 if we can (indiscernible)

18           I did a check-in with China, (indiscernible)  
19 along with my fellow agency leads last week. I won't go  
20 into too much more detail, I did want to just close by  
21 thanking my terrific summer intern Jayne Stevenson from  
22 Stanford who is going to be leaving later this month.  
23 Thank you, Jayne, for all of your work.

24           I'll step out and I'll return when I'm done with  
25 the meeting. Thanks.

1           VICE CHAIR SCOTT: All right, great. Then we  
2 will move on to a report from Commissioner Douglas please.

3           COMMISSIONER DOUGLAS: All right, and this report  
4 will be quite brief. It's been a busy couple of weeks.  
5 I've been of course enjoying and paying attention to some  
6 of the IEPR workshops. Also when it is a perpetually  
7 active topic right now.

8           And we've been working and spending a lot of time  
9 on SPPEs, Small Power Plant Exemptions, around data centers  
10 and a few of which we will hear later today.

11           And we have the RPS updated regulations that my  
12 office, working with the Chair and staff, are working to  
13 bring to an Energy Commission near you, an Energy  
14 Commission meeting very promptly, very soon. So that's my  
15 report. And I'm enjoying a few days of vacation as well  
16 which is nice. So that's my report.

17           VICE CHAIR SCOTT: Excellent. Thank you so very  
18 much.

19           Now let us turn to Item 11 and see whether the  
20 Executive Director has a report for us.

21           MR. BOHAN: Greeting, Commissioners. Yes very  
22 brief, I wanted to underscore the welcome you all provided  
23 Hannon. He is officially here. He is not tuning into this  
24 meeting as he is driving back from Sacramento to San Diego  
25 where he currently lives. He came up yesterday and

1 Kourtney and I had the opportunity to give him a brief  
2 bicycle tour of central neighborhoods he might want to move  
3 into, so it was nice to put a face with a name and a video  
4 image, so we had that opportunity.

5           Second, I just want to give a shout-out to Yee  
6 Xiong our Webmaster and her team who got us ADA-compliant.  
7 The Americans of Disabilities Act requires that our  
8 websites have certain features it did not. We weren't  
9 alone, lots of other agencies did, but this was an heroic  
10 effort. We had thousands of web pages and many more  
11 thousands of documents that all needed to get brought up to  
12 speed. And she handled it. Albert Lundeen helped her, but  
13 I want to just give her a formal shout-out.

14           And then finally just a reminder to you guys, to  
15 all staff that masks at the office are not optional. We  
16 need to wear our masks when we are in the office and do our  
17 part to reduce the spread. Thanks very much.

18           VICE CHAIR SCOTT: Thank you very much, Drew.

19           I'll add our kudos as well. I know that the ADA  
20 was (indiscernible) so we appreciate all of the excellent  
21 work that's been done in that space.

22           Okay let us now turn to Item 12 and see whether  
23 we've got a report from our Public Advisor.

24           MS. GALLARDO: Hello, there. This is Noemi  
25 Gallardo, Public Advisor. I do have a report. First,

1 thank you Vice Chair Scott for acknowledging my team's  
2 contributions to make the business meetings more engaging  
3 and interactive. Speaking of interactive I'll turn on my  
4 video now, think I double-click that. Sorry.

5           So it does take a lot of work, resources and  
6 people power to accomplish each meeting including the  
7 expertise of the IT team Patty Pham, Raj Singh, Manjura Lee  
8 (phonetic) in particular. And the Chief Counsel's Office  
9 staff including Patricia Carlos, Cody Goldthrite, Patty  
10 Paul and Darcie Houck our Chief Counsel, so I wanted to  
11 give them a big thanks too because it wouldn't happen  
12 without this large team of folks.

13           Second, I have a staffing update. Albert  
14 Lundeen joined the Public Advisor's Office a few weeks ago.  
15 We are excited to have him as part of our team. He's going  
16 to help us improve and increase our engagement and  
17 communications efforts. And I know Albert is listening  
18 today, so welcome Albert.

19           And finally, I wanted to remind you we have a  
20 diversity celebration on Monday. We have a lot planned.  
21 Several members of the staff will be sharing their stories.  
22 There will also be some musical performances by staff.  
23 We'll hear from local (indiscernible) cultural leaders.  
24 And Dr. Beth Rose Middleton, an Associate Professor of  
25 Native American Studies at UC Davis, will talk to us about

1 California Indian history relative to water and power  
2 development. And opportunities for indigenous-led land  
3 stewardship.

4 The diversity celebration fits in really well  
5 with the momentum the Commission has created through the  
6 Inclusion, Diversity, Equity and Access Initiative also  
7 known as IDEA, which you will hear more about in the next  
8 few months.

9 And I want to point out that August is a good  
10 time for the diversity celebration. August has several  
11 special days reflecting the importance of diversity  
12 including International Day of the World's Indigenous  
13 People, International Day for the Remembrance of the  
14 Abolition of the Slave Trade, Women's Equality Day. And as  
15 mentioned earlier yesterday presented a historic moment  
16 with the first woman of color joining the Presidential  
17 ticket, so that all gives us much to celebrate terms of  
18 advancing diversity.

19 That concludes my report. Thank you.

20 VICE CHAIR SCOTT: Okay. Thank you very much.

21 And I will echo that shout-out to the IT team and also  
22 Chief Counsel's Office. And again back to you Madam Public  
23 Advisor. We really do think it's fantastic to have the  
24 updated and more interactive public face, so great work to  
25 everybody on it. It is much appreciated.



1           With that let us now go to Item 13, which is our  
2 Public Comment. And, Noemi, do we have any public comments  
3 from you? The written comments that you will read in for  
4 us?

5           MS. GALLARDO: So I might, just a second. We did  
6 have one member of the public who called in for Item Number  
7 8 and was unable to get in. Let's see here, just a second.

8           Yeah, I think he was unable to send it. So what  
9 we will do is provide that comment if he does send it into  
10 the docket system, so it will be on the record. Just  
11 wanted to quickly say his name is Dr. Peter S. Fiske. He's  
12 the Executive Director of the National Alliance for Water  
13 Innovation and wanted to personally give you his personal  
14 gratitude to the Commissioners.

15           So I will leave it at that and defer to Patricia  
16 to see if there is anyone on the line. And want to remind  
17 folks on the line if there are any to please restate and  
18 spell your name to help us ensure that we have a cleared  
19 record. You have up to three minutes to speak. And I will  
20 let you know when those three minutes are up. And that's  
21 it. Patricia, over to you.

22           MS. CARLOS: Thanks, Noemi. This is Patricia  
23 Carlos. There is nobody on the line for public comment  
24 today. Thank you.

25           VICE CHAIR SCOTT: Okay. Thank you very much,

1 Noemi and Patricia.

2 Let's now go onto Item 14, which is the Chief  
3 Counsel report. Darcie, do you have a report for us?

4 (Silence on the line.)

5 Let's give her just a moment to unmute herself  
6 and turn on her video.

7 MS. HOUCK: Can you hear me now?

8 VICE CHAIR SCOTT: Yes, I can.

9 MS. HOUCK: I apologize, I was having some  
10 technical difficulty there unmuting.

11 Yes, I do have a report. And I would ask that we  
12 adjourn to Closed Session to address the reports for Items  
13 2 and 3 deliberative process that was listed on the agenda  
14 as well as some litigation updates.

15 VICE CHAIR SCOTT: Okay, great. Thank you very  
16 much. So as requested by our Chief Counsel we will now  
17 adjourn to closed session. We will return at 2:00 p.m. to  
18 report out from the closed session. And also to hear Items  
19 2 and Items 3.

20 So any other magic words I need to use there  
21 Darcie?

22 MS. HOUCK: No, I think that we can go ahead.  
23 And I think they're going to post an announcement on the  
24 screen to let people know that we will be back at 2:00.  
25 And we can move off of this platform and go to our closed

1 session.

2 VICE CHAIR SCOTT: All right, we are adjourned to  
3 closed session then.

4 (Off the record for Closed Session at 12:22 p.m.)

5 (On the record for Open Session at 2:01 p.m.)

6 VICE CHAIR SCOTT: Okay, everybody welcome back.  
7 Let me just confirm with Noemi and Patricia and everybody  
8 we are back and ready to go on your end as well.

9 MS. GALLARDO: Yes, we are. Thank you Vice Chair  
10 Scott.

11 VICE CHAIR SCOTT: Okay, excellent. So welcome  
12 back everybody. We are returned from our closed session.  
13 There is nothing to report from that session.

14 So let us now move on to Item 2, which is the  
15 Small Power Plant Exemption for the Walsh Backup Generating  
16 Facility. And we will hear from Susan Cochran, please.

17 (Silence on the line.)

18 Susan if you are there we cannot hear you.

19 MS. GALLARDO: This is Noemi, the Public Advisor.  
20 I just want to make sure that the Verizon bridge line is  
21 unmuted.

22 (Off mic colloquy to address technical issues.)

23 VICE CHAIR SCOTT: Okay, so it now looks like the  
24 Verizon bridge is unmuted. If you are unmuted on your end  
25 we should be able to hear you now so please go ahead.

1 MS. COCHRAN: Thank you, and Good afternoon. As  
2 Vice Chair Scott indicated, I'm Susan Cochran with the  
3 Chief Counsel's Office. And I am the Hearing Officer  
4 assigned to assist the Committee appointed to conduct  
5 proceedings on the application for a Small Power Plant  
6 Exemption, for the Walsh backup generating facility.

7 On June 28, 2019 an application for a Small Power  
8 Plant Exemption, SPPE, was filed by 651 Walsh Partners,  
9 LLC. I will refer to that entity as an Applicant for the  
10 remainder of my presentation. The Applicant proposes to  
11 build the Walsh data center shown in the slide on the Zoom  
12 meeting, a four-story 435,050 square foot building. To  
13 provide an uninterruptable power supply to the Walsh data  
14 center the Applicant proposes to install a total of 33  
15 diesel-fired standby generators, 32 three-megawatt diesel  
16 fired standby generators to serve the critical information  
17 technology load, and ancillary power needs for the data  
18 center. And a single two-megawatt diesel fired standby  
19 generator to provide support for the administrative  
20 functions of the building, such as elevators and life  
21 safety equipment. I will generally refer to these three  
22 standby generators as the backup generators.

23 The construction of the backup generators and the  
24 data center will require demolition of existing  
25 improvements at the project site. In addition to

1 construction of the backup generators and the data center,  
2 the Applicant will build a substation for Silicon Valley  
3 Power, the local utility.

4           The CEC appointed a committee consisting of  
5 Commissioner Douglas as Presiding Member and Commissioner  
6 Monahan as Associate Member to conduct proceedings on the  
7 application. The Committee issued its Proposed Decision on  
8 July 28, 2020, which recommends granting the requested  
9 exemption. The CEC has exclusive jurisdiction to approve  
10 or deny applications for the construction and operation of  
11 thermal power plants that will generate 50 megawatts or  
12 more of electricity.

13           Section 25541 of the Public Resources Code, which  
14 is part of the Warren-Alquist Act, creates an exemption  
15 from that exclusive jurisdiction for power plants  
16 generating 100 megawatts or less if the CEC can make three  
17 separate findings. First, that the proposed facility will  
18 generate no more than 100 megawatts. Second, that the  
19 proposed facility will not have a significant adverse  
20 effect on the environment. And third, that the proposed  
21 facility will not have a significant adverse effect on  
22 energy resources.

23           In addition, the CEC acts as the lead agency on  
24 the SPPE under CEQA. The Committee-proposed decision  
25 considered the whole of the action, which for this

1 application is the data center, the backup generators, the  
2 substation and other project features such as landscaping.

3           If the CEC grants the SPPE this decision does not  
4 approve the project, the data center, the backup generators  
5 and the substation. Instead, once granted an SPPE requires  
6 that the project proponent obtain further permits and  
7 licenses from other local agencies, in this case the city  
8 of Santa Clara and the Bay Area Air Quality Management  
9 District. Those agencies will also conduct any other  
10 necessary environmental analysis as the responsible  
11 agencies.

12           The first finding under Section 25541 requires  
13 that the generating capacity of the backup generators not  
14 exceed 100 megawatts. In calculating generating capacity,  
15 the proposed decision first noted that the gross nameplate  
16 capacity of the 38 generators would be 98 megawatts. The  
17 proposed decision then calculated generating capacity for  
18 the application by looking at the critical IT load of the  
19 servers and server bays and the ancillary electrical and  
20 telecommunications equipment operating to support the Walsh  
21 data center. That load was calculated as 80 megawatts.

22           The equipment for the data center would limit the  
23 backup generators to no more than the calculated load of 80  
24 megawatts. The backup generators would not be connected to  
25 the electricity distribution system, also known as the

1 grid. Instead, all power generated will be used  
2 exclusively for the Walsh data center and will not be  
3 distributed offsite.

4           The Committee has proposed Condition of Exemption  
5 PD-1 to ensure that if the configuration of the data center  
6 were to change and that change results in an increase in  
7 the electrical demand of the data center, the Applicant  
8 must follow the CEC's regulation for a change in project  
9 design, operation or performance and amendments to CEC  
10 decision.

11           The Committee has also proposed Condition of  
12 Exemption PD-2 that precludes the delivery of any of the  
13 electricity to produce by the Walsh generating facility to  
14 be used for any other facility, property, or use including  
15 but not limited to delivery to the electric distribution  
16 system without the express written approval of the CEC.

17           The second factor under Section 25541 is whether  
18 the backup generators will have a significant adverse  
19 effect on the environment. Section 25519 of the Public  
20 Resources Code establishes the CEC as the lead agency under  
21 CEQA. However, SPPEs are not governed by the CEC certified  
22 regulatory program as reviewed for applications for  
23 certification. Therefore, our analysis with the effect on  
24 the environment considers factors under both CEQA and the  
25 Warren-Alquist Act.

1           The Applicant had included a number of project  
2 design features to mitigate or avoid potential  
3 environmental effects from the demolition, construction and  
4 operation of the data center and the backup generators.  
5 Staff prepared an environmental review document, the  
6 Initial Study/Proposed Mitigated Neg Dec, IS/PMND, that  
7 proposed additional mitigation measures for biological  
8 resources.

9           The proposed decision includes additional  
10 mitigation measures. CEQA requires that the CEC adopt a  
11 mitigation monitoring or reporting program. One is  
12 attached to the proposed decision as Appendix B. CEQA also  
13 provides that the CEC may delegate reporting or monitoring  
14 responsibilities to another public agency that accepts that  
15 delegation. The City of Santa Clara has agreed to monitor  
16 Applicant's performance of the mitigation measures the  
17 Committee has recommended.

18           The Committee considered the IS/PMND during the  
19 (indiscernible) process. The proposed decision includes an  
20 Initial Study and Mitigated Negative Declaration of  
21 Appendix A. On the basis of Appendix A and with the  
22 imposition and implementation of the mitigation measures  
23 the proposed decision includes findings of fact and  
24 conclusions of law regarding the adequacy of our  
25 environmental review for both CEQA and the Warren-Alquist



1 Act. The proposed decision specifically finds that the  
2 project will not have any adverse impacts on the  
3 environment.

4 The third and final finding under Section 25501  
5 requires that the backup generators not present an adverse  
6 impact on the energy resources. This finding was also made  
7 in the CEC's -- the CEQA lead agency. The proposed  
8 decision concludes that the proposed project, the backup  
9 generators, the data center and the related substation will  
10 not have any adverse impacts on energy resources.

11 In reviewing the backup generating facility, we  
12 have had meaningful and substantial participation from the  
13 parties, including the Applicant, the CEC staff and  
14 intervenor Robert Sarvey. After receiving the application  
15 the City of San Jose Airport Department files it in  
16 comments. During the public review and comment period on  
17 IS/PMND the Bay Area Air Quality Management District and  
18 the County of Santa Clara Department of Roads and Airports  
19 submitted comments on the environmental review documents.

20 The Committee held two committee conferences,  
21 including one in the City of Santa Clara. Representatives  
22 from the Bay Area, Air Quality Management District and the  
23 City of Santa Clara and its electrical utility Silicon  
24 Valley Power testified at the evidentiary hearing. The  
25 comments received on staff's IS/PMND have been addressed in

1 the proposed decision.

2           The Committee provided Notice of Availability of  
3 its proposed decision on July 28, 2020. This Notice of  
4 Availability was sent electronically to the Proof of  
5 Service List and the Listserv and was sent via U.S. mail to  
6 a list of property owners, property occupants and  
7 responsible and trustee agencies. The Notice of  
8 Availability invited comments on the proposed decision and  
9 ask that those comments be received by August 7, 2020, at  
10 3:00 p.m.

11           Before that deadline, the CEC received comments  
12 from Enchanted Rock LLC. Enchanted Rock LLC described  
13 themselves as the provider of "clean resiliency microgrid  
14 resolutions." Enchanted Rock did not dispute the analysis  
15 or conclusions of the CPD. Instead Enchanted Rock  
16 suggested an amendment to Condition of Exemption No. 2. As  
17 I said before, the Condition of Exemption No. 2 precludes  
18 the use of any power generated by the backup generators  
19 from being used by any other facility, including any  
20 distribution of power through the grid. Enchanted Rock  
21 proposes to allow a substitution of a technology if 1) the  
22 substitute technology is CARB DER compliant and 2) the  
23 substitute technology is limited to 250 non-emergencies man  
24 hours per year.

25           The second comment letter came from Helping Hand

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1 Tools. While Helping Hand Tools was granted Intervenor  
2 status, they did not participate in the evidentiary  
3 hearing, but they did submit comments on the Committee's  
4 proposed decision on August 7, 2020. Some of these  
5 comments touch on subjects raised during the evidentiary  
6 hearing and are addressed in the proposed decision.

7           While I recognize that the parties and the public  
8 may disagree with the conclusions reached, the Committee  
9 did give lawful consideration to all comments and arguments  
10 raised in the evidentiary hearing and elsewhere in  
11 preparing the proposed decision. On the other hand, some  
12 of Helping Hand Tool's comments on the proposed decision  
13 are issues being raised for the first time. I believe  
14 Helping Hand Tools can and should speak for itself on those  
15 topics. After the completion of those comments staff, the  
16 Applicant and/or I can be ready to address questions you  
17 may have about the comments. Please note that the  
18 Committee has not proposed any changes, known as an errata,  
19 to the proposed decision.

20           A proposed order was prepared and filed on the  
21 docket. Please delete the text on Page 1 of the proposed  
22 order that reads "[and Errata, dated August XX, 2020]" and  
23 related footnotes at the bottom of Page 1. I therefore  
24 request that you adopt the proposed order as I just amended  
25 it, adopting the Committee's proposed decision as the CEC's

1 final decision in making the findings required to grant a  
2 small power plant exemption.

3 I'm available to respond to any questions that  
4 may arise. Thank you.

5 VICE CHAIR SCOTT: Thank you very much, Susan.

6 We will now turn to see whether the Applicant is  
7 on the line. And if so it is time for them to speak. Let  
8 me see if Noemi or Patricia can help me locate them.

9 MS. CARLOS: Hi, Vice Chair, this is Patricia  
10 Carlos. We have unmuted the Verizon line.

11 VICE CHAIR SCOTT: Okay. Applicant, if you are  
12 on the phone, we are ready to hear from you please, or on  
13 the Zoom.

14 MS. COCHRAN: The Applicant is represented by  
15 Scott Galati if that helps in determining who might be  
16 speaking on behalf of the Applicant.

17 VICE CHAIR SCOTT: Uh-huh.

18 MS. CARLOS: Thank you, Susan.

19 Scott, you are unmuted as well.

20 MR. GALATI: Thank you. Thank you Vice Chair and  
21 members of the Commission. This is Scott Galati. I  
22 represent 651 Walsh partners, LLC. We support the proposed  
23 decision as it is written. We thank the Commission for  
24 hearing this matter here as we're ready to get to  
25 construction on this project.

1           I would like to address an issue raised for the  
2 first time in Helping Hand Tools comments. I would note  
3 that they were filed and docketed by Bob Sarvey. Mr.  
4 Sarvey and Helping Hand Tools makes a case that somehow the  
5 Lafayette project and the Walsh project, because they  
6 involve the same owner, should be added together. Let me  
7 clarify a couple of things.

8           First, Mr. Sarvey knew about the Lafayette  
9 project. In fact, he raised the Lafayette project in our  
10 evidentiary hearings and in his Exhibit X-501 and  
11 ultimately also briefed the Lafayette project, which was  
12 also in his briefs. And he never raised the issue in  
13 evidentiary hearing about how these projects are different  
14 because we could have handled it then. But I will just  
15 summarize the conclusions here for the Committee. 651  
16 Walsh Partners is a partnership. Digital Realty is part of  
17 that partnership, but it is not under the sole owner. That  
18 project is completely different. It's designed different,  
19 it's smaller, it has its own security, it is on an  
20 independent piece of parcel and it has its own independent  
21 Silicon Valley Power substation.

22           The Lafayette project, which was proposed, this  
23 is wholly owned by Digital Realty, it's on a piece of  
24 property that is not adjacent to, Mr. Sarvey has marked it  
25 wrong on the map. There is a parcel in between. It is on

1 its own parcel, it is a different design with a different  
2 design group and it has its own security system and also  
3 will be supported completely by its own individual  
4 substation.

5           If it were master-planned that these were all one  
6 project there wouldn't have been a partnership and there  
7 would have been one substation and there certainly would  
8 have been some use of common ground, which there is not in  
9 this project.

10           In addition, I can tell you that the employees  
11 will be separate. So there's no question that these are  
12 two separate projects. We'd be happy to address this more  
13 in Lafayette with through sworn testimony, but since it has  
14 come up so late I just thought I would give you the answer  
15 there.

16           We thank you again very much and we urge the  
17 Committee to go ahead and approve this, the proposed  
18 decision, adopt it as its final grant, the SPPE. And allow  
19 us to proceed and finish at the city. Thank you very much.  
20 I'm available for any questions.

21           VICE CHAIR SCOTT: Okay. Thank you, Mr. Galati.  
22 Let us now turn to the Energy Commission staff.

23           MR. PAYNE: This is Lon Payne. I'll jump in for  
24 staff. Staff supports the proposed decision as written and  
25 encourages the Commissioners to approve the exemption. If

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1 Jared's on the line and has any follow-up comments to what  
2 the Applicant said about Lafayette I'd invite him to speak  
3 out.

4 MR. BABULA: Thanks. This is Jared Babula, the  
5 staff attorney for this project. I don't have anything  
6 further to add, I think that addressed the comment.  
7 Thanks.

8 VICE CHAIR SCOTT: Okay. Thank you, Mr. Payne,  
9 and thank you, Mr. Babula.

10 Let us now turn to the intervenor. Mr. Sarvey,  
11 are you on the line?

12 MR. CARLOS: Hi Vice Chair. This is Patricia  
13 Carlos. I do not see Sarvey on the line.

14 VICE CHAIR SCOTT: Okay, so we do not have Mr.  
15 Sarvey on the line. Then let me turn back to Hearing  
16 Officer Cochran. Anything else, Ms. Cochran, that you'd  
17 like to add?

18 MS. COCHRAN: No, thank you Vice Chair Scott. I  
19 believe, as I said that I would request that we adopt the  
20 proposed order as amended. If you need me to repeat that  
21 amendment I'm happy to do so.

22 Well, we might want to hear if there are any  
23 members of the public who have additional comments that  
24 they would like to make.

25 VICE CHAIR SCOTT: Yes. So now we will go on to

1 take the public comments. So let me turn it over to Noemi  
2 to see whether she has any written comments for us.

3 MS. GALLARDO: Thank you, Vice Chair. This is  
4 Noemi, I have no written comments and will defer to  
5 Patricia to see if there's anyone else on the line.

6 MS. CARLOS: Thanks, Noemi. This is Patricia. I  
7 have Joseph Hughes with the Air Resources on the line.

8 MR. HUGHES: Hi, this is Joseph Hughes. I'm with  
9 staff. I don't have any additional comments.

10 VICE CHAIR SCOTT: Okay. Patricia, anybody else?

11 MS. CARLOS: That is everybody. Thanks, Vice  
12 Chair.

13 VICE CHAIR SCOTT: Okay, so with that we have  
14 heard our public comment. And now we will turn to the  
15 Commissioners for discussion.

16 I will start with Commissioner Douglas, please.  
17 Give us just a moment, looks like she's connecting to the  
18 audio. Oh, you are muted. (Overlapping colloquy.)

19 CHAIR HOCHSCHILD: We can't hear you, Karen.

20 COMMISSIONER DOUGLAS: Here we go. Sorry. I  
21 don't know how that happened. My phone dropped me. So  
22 we've reached Commissioner discussion, I assume. I  
23 tracked into the lost 20 seconds or so.

24 So I just wanted to make some brief comments. I  
25 want to thank all of the people who worked really



1 diligently to get this matter ready for the Commission's  
2 consideration today, including those who worked both behind  
3 the scenes and very much front and center to help the  
4 Energy Commission hold its first ever fully remote  
5 evidentiary hearing. So the parties all adapted, and the  
6 Energy Commission staff, the Applicant, Mr. Sarvey were  
7 able to participate, were very constructive and -- (audio  
8 cuts out.)

9 VICE CHAIR SCOTT: Commissioner Douglas, I think  
10 we lost your audio again.

11 CHAIR HOCHSCHILD: We lost you again, Karen? We  
12 lost her again.

13 VICE CHAIR SCOTT: Can you hear us? We lost your  
14 audio.

15 CHAIR HOCHSCHILD: Now you're muted.

16 COMMISSIONER DOUGLAS: All right, I'm back. I'm  
17 just going to try to (indiscernible).

18 I think that's better. Anyway I don't know where  
19 I was. But the parties, the Committee, I want to thank  
20 Hearing Officer Susan Cochran, the entire Hearing and  
21 Policy Unit and the Chief Counsel's Office and my advisors,  
22 as well as Commissioner Monahan and her advisors. And  
23 we'll give them a moment, give them a chance to speak in a  
24 moment. And let's see here, and also in terms of public  
25 participants and witnesses the Bay Area Air Quality

1 Management District, which was a very active participant in  
2 the case, City of Santa Clara and Silicon Valley Power as  
3 well.

4           So before we moved into implementing the shelter-  
5 in-place requirements here in the state we were able to  
6 have a Joint Committee Conference jointly with the Sequoia  
7 SPPE in the City of Santa Clara. It's not required by the  
8 Energy Commission's regulations, but it's something that we  
9 like to do whenever possible. And so we did, we were able  
10 to do that in this case. I will mention, and Susan  
11 mentioned this in the beginning of her presentation, SPPEs  
12 or Small Power Plant Exemptions are not exactly project  
13 approvals. So what the Commission is doing and what the  
14 proposed decision proposes is that we exempt the Walsh  
15 backup generating generators from the Energy Commission's  
16 Application for Certification, or AFC process. The Walsh  
17 project still must obtain approval from the City of Santa  
18 Clara and the Bay Area Air Quality Management District.

19           The proposed decision includes the findings  
20 necessary to grant the SPPE. Hearing Officer Cochran  
21 covered the key points in her presentation. I don't have  
22 any further questions from her, but I do certainly want to  
23 hear from my colleagues and want to give the Associate  
24 Member Commissioner Monahan an opportunity to provide  
25 remarks if she would like.

1                   VICE CHAIR SCOTT: Excellent. Let's now turn to  
2 Commissioner Monahan please.

3                   COMMISSIONER MONAHAN: Thanks everybody. And I  
4 really want to echo the comments made by Commissioner  
5 Douglas and recognize -- I mean, this was my first siting  
6 case, I had a lot to learn. And I did learn a lot so I  
7 appreciate Commissioner Douglas's tutelage in this world of  
8 making adjudication decisions.

9                   So and I want to also reiterate some of the  
10 points that Commissioner Douglas made about like how we did  
11 very carefully consider the input from all the parties  
12 including the information from the Applicant, staff, the  
13 Intervenor, comments from the Bay Area Air Quality  
14 Management District and the participation by the Bay Area,  
15 Air Quality Management District in Silicon Valley in the  
16 evidentiary hearing. We took all of that information into  
17 consideration.

18                   So we conducted a Committee Conference in Santa  
19 Clara in February in 2020. And before that conference I  
20 had the opportunity to go actually visit the sites of these  
21 facilities. And I understand that the types of events are  
22 not common or required in these small power plant exemption  
23 cases. But it was helpful to actually see the industrial  
24 nature of the location of the Walsh project.

25                   I also want to say I understand the need for

1 resilient power systems at the power supplies of data  
2 centers. I mean, this meeting is an example of that where  
3 we're all relying on Zoom and Chime and the internet more  
4 than ever, as we continue to do business during the  
5 pandemic. And I hope that as we continue to use the  
6 Internet for these services that we can find additional  
7 ways to power the infrastructure. There was a recent  
8 announcement by Microsoft that it's testing hydrogen fuel  
9 cells for backup power at data centers. So that's a good  
10 development. I'm really looking forward to learning the  
11 results of this testing of fuel cells for data center  
12 backup and learning about performance class and  
13 scalability.

14           So California is, I think, continuing to lead the  
15 way in supporting research, demonstration and deployment of  
16 new technologies to eliminate our dependence on fossil  
17 fuel, including diesel fuel. Our Commission is very  
18 committed to making sure that our programs invest in the  
19 technologies we'll need for sort of next-generation clean  
20 energy technologies to migrate into data centers and other  
21 applications.

22           So like Commissioner Douglas I just want to thank  
23 our staff, the Applicant, Intervenor for all their  
24 thoughtful engagement in this process. Their participation  
25 and input have made this a very robust process, which

1 resulted in a thorough consideration of all the issues that  
2 were presented in this SPPE.

3 I also want to give my heartfelt thanks and  
4 appreciation to Hearing Officer Cochran for her great work  
5 and dedication and also to my advisor Jana Romero for her  
6 support, her legal support in reviewing and helping analyze  
7 all the various issues in these cases. So as I said, my  
8 biggest thanks is to Commissioner Douglas and to her  
9 advisors for their leadership on power plant citing. So  
10 those are my comments. Thank you.

11 VICE CHAIR SCOTT: Thank you.

12 Do I have comments from any of the other  
13 Commissioners? Okay, I'm seeing no on that, so I will  
14 entertain a motion. Commissioner Douglas?

15 COMMISSIONER DOUGLAS: Okay, well I will make a  
16 motion, but I understand the Hearing Officer Cochran had  
17 some suggestions for us. So, Susan, this will be a great  
18 time for you to reread the suggested motion.

19 MS. COCHRAN: Thank you. I would propose that  
20 you adopt the proposed order previously filed with the  
21 deletion on Page 1 of the following text: "[and Errata,  
22 dated August XX, 2020]" and related footnote that makes  
23 findings required to grant a small power plant exemption.

24 COMMISSIONER DOUGLAS: Thank you, so moved.

25 VICE CHAIR SCOTT: All right. Can I get a second

1 please?

2 CHAIR HOCHSCHILD: Second.

3 COMMISSIONER MONAHAN: I second.

4 VICE CHAIR SCOTT: Well, I've got two things, how  
5 about we will run with Commissioner Monahan there for the  
6 second.

7 So, let us now take the vote. Commissioner  
8 Douglas?

9 COMMISSIONER DOUGLAS: Aye.

10 VICE CHAIR SCOTT: Commissioner Monahan?

11 COMMISSIONER MONAHAN: Aye.

12 VICE CHAIR SCOTT: Commissioner McAllister?

13 COMMISSIONER MCALLISTER: Aye.

14 VICE CHAIR SCOTT: Chair Hochschild?

15 CHAIR HOCHSCHILD: Aye.

16 VICE CHAIR SCOTT: And I also vote aye, so the  
17 motion carries 5-0. Thank you so much, everybody.

18 Let us now go on to Item Number 3. Item Number 3  
19 is a Small Power Plant Exemption for the Mission College  
20 Backup Generating Facility. And that will be presented to  
21 us by Hearing Officer Ralph Lee. Mr. Lee, please go ahead.

22 MR. LEE: Thank you, good afternoon Chair  
23 Hochschild and Commissioners. This is Ralph Lee with the  
24 Chief Counsel's Office appearing on behalf of the Mission  
25 College Backup Generating Facility SPPE Committee, which is

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1 composed of Commissioner Douglas as Presiding Member and  
2 Vice Chair Scott as the Associate Member.

3           The proposed decision reflects the Committee's  
4 careful consideration of all the evidence submitted by the  
5 parties as well as the public comment received. The  
6 proposed decision recommends that the Commission grants a  
7 small power plant exemption for the Mission College backup  
8 generating facility to the Applicant, Oppidan Investment  
9 Company, because Oppidan's application meets the Warren-  
10 Alquist Act requirements for a Small Power Plant Exemption,  
11 including that it will have no significant impact on the  
12 environment or on energy resources.

13           The Committee proposed decision also recommends  
14 adopting a Mitigated Negative Declaration for the Mission  
15 College data center project, of which the backup generating  
16 facility is a part. The Applicant in this case proposes to  
17 construct and operate a 490,000 square foot data center at  
18 2305 Mission College Boulevard in Santa Clara, California  
19 on a parcel zoned light industrial that was previously  
20 developed with a two-story 358,000 square foot research and  
21 development building and the paved parking lot. The  
22 primary purpose of the proposed data center would be to  
23 house IT technology and computer servers with private  
24 clients in a secure and environmentally controlled  
25 structure.

1           The backup generating facility would consist of  
2 43 2.5-megawatt and two 600-kilowatt diesel generators.  
3 The backup generating facility would help provide an  
4 uninterrupted power supply to the data center with up to  
5 78.1 megawatts, which ultimately permitted would be the  
6 maximum load of the data center. The backup generating  
7 facility would serve the data center as a backup to its  
8 primary power supply from Silicon Valley Power, the local  
9 electric utility. The backup generators would be run for  
10 testing and maintenance, but otherwise would not operate  
11 unless there is an interruption of power from the utility.

12           Under the Warren-Alquist Act Section 25541, the  
13 Energy Commission may grant an SPPE only when it makes  
14 three separate and distinct findings. That the proposed  
15 power plant has a generating capacity of up to 100  
16 megawatts, that there will be no substantial impact on the  
17 environment from construction or operation of the power  
18 plant. And that no substantial adverse impact on energy  
19 resources will result from the construction or operation of  
20 the power plant.

21           In addition, the Energy Commission acts as the  
22 lead agency under CEQA. In reviewing an SPPE the  
23 Commission considers the whole of the action. For this  
24 particular application the whole of the action means the  
25 backup generating facility, the data center and other



1 related features, including a proposed substation. I may  
2 refer to these collectively as the project.

3 Please note that if the Commission adopts the  
4 Committee proposed decision, it does not approve the  
5 project. Instead, once granted a Small Power Plant  
6 Exemption requires the Applicant to obtain further permits  
7 and licenses from other local agencies, which in this case  
8 those agencies would include the City of Santa Clara and  
9 the Bay Area Air Quality Management District. Both  
10 agencies would also conduct any other environmental  
11 analysis necessary as responsible agencies.

12 The proposed data center would have a generating  
13 capacity of 78.1 megawatts. The proposed decision found  
14 that the generating capacity of a facility that cannot  
15 distribute power offsite should be calculated based on the  
16 maximum load of the project as well as by the permanent  
17 design constrictions that limit the amount of power that  
18 can be delivered from the backup generators. In this case,  
19 the projects maximum load includes demand of the servers  
20 housed in the data center, as well as the cooling and  
21 lighting loads of the buildings. And the project's maximum  
22 load was calculated to be 78.1 megawatts, which is fixed by  
23 the use of electrical equipment and is the upper capacity  
24 limit.

25 The Committee has proposed Condition of Exemption

1 PD-1 to ensure that if the configuration of the data center  
2 were to change in any way that may result in an increase in  
3 the electrical demand any such alteration, change or  
4 modification shall be subject to requirements set forth in  
5 the Energy Commission's regulations relating to changes in  
6 project design, operation or performance and amendments.

7           The Committee's also proposed Condition of  
8 Exemption PD-2 that precludes any of the electricity from  
9 the Mission College backup generating facility from being  
10 used for any other facility, property or use including but  
11 not limited to delivery to the electrical distribution  
12 system known as the grid, without express written  
13 authorization from the Energy Commission.

14           Regarding the environmental review of the project  
15 the Applicant included a number of project design features  
16 to make, aid or avoid potential environmental effects in  
17 the project. Staff prepared an environmental review  
18 document, the Initial Study and Proposed Mitigated Negative  
19 Declaration, known as the IS/PMND, which proposed  
20 additional mitigation measures for biological resources and  
21 for paleontological resources. The proposed decision  
22 includes these additional mitigation measures.

23           CEQA requires the Energy Commission to adopt a  
24 mitigation, monitoring or reporting program. One is  
25 attached to the proposed decision as Appendix B. CEQA also

1 provides that the Energy Commission may delegate reporting  
2 or monitoring responsibilities to another public agency  
3 that accepts the delegation. For this project, the city of  
4 Santa Clara has agreed to monitor Applicant's performance  
5 of the mitigation measures that the Committee has  
6 recommended.

7           Staff prepared the IS/PMND. The Committee  
8 considered it during the Committee's judicatory process and  
9 the proposed decision included as Appendix A. On the basis  
10 of Appendix A and the entire record, and with the  
11 imposition and implementation of the mitigation measures,  
12 the proposed decision includes findings of facts and  
13 conclusions of law regarding the adequacy of our  
14 environmental review for both CEQA and the Warren-Alquist  
15 Act. The proposed decision is to physically find that the  
16 project will not have any adverse impact on the  
17 environment.

18           The proposed decision also concludes that the  
19 proposed project will not have any adverse impacts on  
20 energy resources. This finding is made by the Energy  
21 Commission in its role as the lead agency under CEQA and as  
22 required under the Warren-Alquist Act.

23           As usual, the public was presented a full  
24 opportunity to participate at every stage of these  
25 proceedings. We had meaningful and substantive

1 participation from the parties, including Applicant, staff  
2 and one Intervenor, Rob Sarvey. The Committee received  
3 comments on the project after receipt of the application.  
4 The City of San Jose Airport Department filed written  
5 comments. During the public review and comment period on  
6 the IS/PMND the Bay Area Air Quality Management District  
7 known as, BAAQMD, and the National Fuel Cell Research  
8 Center submitted comments. And after the end of the public  
9 comment period on the IS/PMND, Claire Warshaw, a member of  
10 the public, filed comments on the ISP.

11 All these comments received on the staff's  
12 IS/PMND were addressed in the proposed decision.

13 Additionally, representatives from BAAQMD and the  
14 City of Santa Clara Silicon Valley Power testified at the  
15 evidentiary hearing. The Committee provided notices  
16 availability of its proposed decision on July 31st, 2020.  
17 This Notice of Availability with sent electronically to the  
18 proof of service list and the listserv and was sent by U.S.  
19 mail to the list of property owners, (indiscernible)  
20 responsible and trustee agencies. The Notice of  
21 Availability invited written comment on the proposed  
22 decision and asked that those comments be received no later  
23 than August 10th, 2020 to 5:00 p.m.

24 We received comments only from the Intervenor,  
25 Robert Sarvey. Some of his comments were already addressed

1 in the proposed decision and we recognize that Mr. Sarvey  
2 may disagree with our recommendations, findings and  
3 conclusions. But the committee did give thoughtful  
4 consideration to his comments and arguments in preparing  
5 its proposed decision.

6 One of Mr. Sarvey's comments on the proposed  
7 decision regarding potential cumulative air quality impacts  
8 was a comment he raised for the first time. That issue was  
9 addressed in staff's IS/PMND. Mr. Sarvey may speak for  
10 himself on his comments. If he speaks staff, the  
11 Applicant, and/or I can be ready to address questions you  
12 may have about his comments. Nothing in his comments on  
13 the proposed decision raise a fair argument of the  
14 significant environmental impact, nor do they otherwise  
15 provide any basis to reject the Committee proposed  
16 decision.

17 The Committee has not proposed an errata. And  
18 for that reason, I do recommend an amendment to the  
19 adoption order from the first page, page 1, first sentence.  
20 Delete the [and errata dated August\_2020] and footnote 2  
21 that goes along with that states "TNPDD." (phonetic)

22 Therefore, I recommend that the Commission adopt  
23 the proposed order which adopts the Committee's proposed  
24 decision as the conditions own final decision. And makes  
25 the findings required to grant a Small Power Plant

1 Exemption and to adopt a Mitigated Negative Declaration.  
2 The proposed order, as I just amended it, is available on  
3 the docket for this proceeding.

4 I'm available to respond to any questions.  
5 Otherwise, the parties can address the Commission. Thank  
6 you.

7 VICE CHAIR SCOTT: Great, thank you very much,  
8 Mr. Lee.

9 Let us now turn to hear from the Applicant and I  
10 believe that is Mr. Galati.

11 MR. GALATI: Yes, am I still muted or?

12 VICE CHAIR SCOTT: No, I can hear.

13 MR. GALATI: Great, thank you Vice Chair and  
14 members of the Commission, thank you for hearing this. My  
15 name is Scott Galati, I'm representing Oppidan Investment  
16 who is the Applicant for the Mission College Project.

17 We have reviewed the proposed decision. We  
18 recommend that you adopt it. We thank you very much for  
19 getting us on the agenda here. As you know this project  
20 was approved as a data center in 2018. It was redesigned  
21 for this particular project, so it was allowed to do some  
22 demolition work under the prior approval at its own risk.  
23 And so the project is being constructed and now with this  
24 can get the rest of the city permits to continue to install  
25 permanent facilities there. So we thank you very much for

1 that.

2 I did want to let Commission know something that  
3 you might not be aware of, I think, the Committee members  
4 are. It seems that the proposed decision, when it comes to  
5 how you evaluate greenhouse gas impacts is something I  
6 learned a lot about here. And the lessons that I learned  
7 here is it's not the first time in my career that I've  
8 really seen statewide --

9 CHAIR HOCHSCHILD: Sorry, there's a lot of  
10 background noise. If anyone's not on mute, and you can  
11 mute that'd be great. Thanks.

12 MR. GALATI: I wanted to let the Committee know  
13 and the Commission know, especially those that weren't  
14 involved in the Committee, when it comes to greenhouse gas  
15 emissions I learned something very important that I think  
16 is important to the other work that you do at the  
17 Commission. This is the first time in my career where I've  
18 seen the real intersection of policy at a project level.  
19 Usually when we're looking at impacts of a project you get  
20 down into the weeds, but here since the primary greenhouse  
21 gas emissions come from electric electricity usage and  
22 consumption. So none of the greenhouse gas emissions take  
23 place on this site, they take place from the utility  
24 providing this electricity.

25 The work that's been done with the Silicon Valley

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1 power implementation of the regulations that deal with  
2 resource planning and RPS and all of the policies that the  
3 state has been implementing over the last several decades  
4 has actually, in my opinion, worked in a way that you  
5 should be proud of. And that is the emissions from this  
6 project, the greenhouse gas emissions from electricity  
7 consumption, are actually reduced because of all of the  
8 work that has been done in regulating the electricity  
9 sector. And how municipalities such as Silicon Valley  
10 Power, in meeting those goals are doing a fantastic job  
11 being able to serve very large users, but still continue to  
12 have their carbon intensity factors reduced over time,  
13 eventually leading to zero.

14 So I just wanted to give you that perspective and  
15 thank you for that work.

16 VICE CHAIR SCOTT: Thank you, Mr. Galati.

17 Let us turn it now to the staff. Staff, do you  
18 have any comments you'd like to make?

19 MR. PAYNE: Yeah, this is Lon Payne for staff. I  
20 just want to say that we support the proposed decision as  
21 written and encourage the Commissioners to grant exemption  
22 and we have no further comments.

23 VICE CHAIR SCOTT: Okay. Thank you, Mr. Payne.

24 Let me check to see, do we have Mr. Sarvey,  
25 Intervenor Sarvey, on the line to make comments? Noemi,

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1 have you heard?

2 MS. GALLARDO: I do not have any written  
3 comments. I'll defer to Patricia to see if she sees  
4 anyone else on the line.

5 MS. CARLOS: I do not see Mr. Sarvey on the line.  
6 We do have Joseph Hughes with the Air Resources, but I  
7 believe he's on to just answer questions.

8 VICE CHAIR SCOTT: Okay, so we do not have Mr.  
9 Sarvey on the line right now to make a comment. All right,  
10 so let me just dive circle back to Hearing Officer Lee.  
11 Mr. Lee, any final remarks before we open it up for public  
12 comment?

13 MR. LEE: No, thank you. Again, I just recommend  
14 the Commission adopt the proposed order as I am ended it.  
15 Thank you.

16 VICE CHAIR SCOTT: Okay. Thank you, Mr. Lee.  
17 Let us now open it up for public comment. Madam Public  
18 Advisor, any public comments from you.

19 MS. GALLARDO: Thank you, Vice Chair, this is  
20 Noemi Gallardo, Public Advisor, no written comments. I'll  
21 defer to Patricia if there's anyone on the line.

22 MS. CARLOS: Thank you, Noemi. I have Joseph  
23 Hughes with the Air Resources. I just want to make sure if  
24 he wanted to make a comment or fees just here to answer  
25 questions.

1 MR. HUGHES: Hi, this is Joseph (indiscernible)  
2 staff, no I was just on the line for standby.

3 MS. CARLOS: Okay, thank you. That's everyone,  
4 Vice Chair.

5 VICE CHAIR SCOTT: Okay, great. Thank you so  
6 very much. Let us now turn it to our Commissioner  
7 discussion and we will start again with Commissioner  
8 Douglas, please.

9 COMMISSIONER DOUGLAS: Well, thank you very much,  
10 Vice Chair Scott.

11 Again, I'd like to thank all the people who  
12 worked very hard to get this matter ready for our  
13 consideration today in carrying out our fully remote  
14 hearing, which was very successful.

15 The parties: so Energy Commission staff, the  
16 Applicant, Mr. Sarvey the Intevenor, the Committee Hearing  
17 Office Lee, and the Hearing and Policy Unit, the Chief  
18 Counsel's Office, my advisors, Vice Chair Scott, her  
19 office, her advisors and just it was a tremendous amount of  
20 work to focus on the record, keep us on schedule, and give  
21 detailed attention to the drafting of the proposed  
22 decision.

23 Again, as in the prior case that we just acted  
24 on, the Bay Area Air Quality Management District and  
25 Silicon Valley Power in the City of Santa Clara were active

1 participants and I thank them for their participation.

2           And the proposed decision includes the findings  
3 necessary to grant the SPPE. Hearing Officer Lee covered  
4 all the key points in his presentation on the proposed  
5 decision. So at this point I will refrain from any further  
6 comments and pass this on to Vice Chair Scott, the  
7 Associate Member of the Committee.

8           VICE CHAIR SCOTT: All right, well thank you very  
9 much, Commissioner Douglas. And as always it's great fun  
10 being partners with you on these various matters. So I  
11 enjoy getting the chance to work with you.

12           I will underscore what Commissioner Douglas said  
13 I appreciate very much the robots public process. We did a  
14 very diligent review of the record that is here before us.  
15 And I also want to echo her thanks to all of the staff and  
16 the team, our advisors and everyone, the Hearing Officer,  
17 and everybody for all of their diligent and hard work on  
18 this Mission College.

19           So with that, let me see if any of the other  
20 Commissioners have remarks that they'd like to make?

21           COMMISSIONER MCALLISTER: No, other than thanking  
22 the Committee for all the hard work on this.

23           VICE CHAIR SCOTT: Great, thank you. All right,  
24 so with that then I will entertain a motion. Let me go to  
25 Commissioner Douglas and do we need Mr. Lee to repeat back

1 the change that he mentioned?

2 COMMISSIONER DOUGLAS: Yes, that would be much  
3 appreciated.

4 Mr. Lee, go ahead.

5 MR. LEE: Yeah, sure thing. And that would be a  
6 deletion from the first line of the first page of the  
7 adoption order. [and errata dated August\_2020] and the  
8 footnote that goes with it says TNPDD. And that would be  
9 it.

10 COMMISSIONER DOUGLAS: Thank you, Mr. Lee. So I  
11 move approval of this item with the one change identified  
12 or the change identified roughly.

13 VICE CHAIR SCOTT: Excellent. Can I get a  
14 second, please?

15 COMMISSIONER MCALLISTER: I'll second this item.

16 VICE CHAIR SCOTT: Okay, thank you, Commissioner  
17 McAllister. With that we will now take up the vote,  
18 Commissioner Douglas?

19 COMMISSIONER DOUGLAS: Aye.

20 VICE CHAIR SCOTT: Commissioner Monahan?

21 COMMISSIONER MONAHAN: Aye.

22 VICE CHAIR SCOTT: Commissioner McAllister?

23 COMMISSIONER MCALLISTER: Aye.

24 VICE CHAIR SCOTT: Chair Hochschild?

25 CHAIR HOCHSCHILD: Aye.



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

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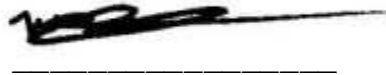
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IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of August, 2020.



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