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BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:

Docket No. 09-OII-1

Order Instituting Informational
Proceeding American Recovery
and Reinvestment Act

**ORIGINAL**

THE AMERICAN RECOVERY AND REINVESTMENT ACT

INFORMATION WORKSHOP

ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT

AND STATE ENERGY PROGRAMS

JOHN FERRARO COUNCIL CHAMBER
ROOM 340
CITY HALL
200 NORTH SPRING STREET
LOS ANGELES, CALIFORNIA 90012

/

FRIDAY, AUGUST 28, 2009

1:00pm

Reported by:
LEE MILLER CER**D-417

STAFF PRESENT

John Sugar
Mark Hutchison
Pat Perez
Rashid Mir
Joelle Kelly
Chris Graillat

ALSO PRESENT

Yolanda Anguiano, Advisor to Assembly Member
Felipe Fuentes

I N D E X

3

Page

Introduction -

Introductions of Energy Commission Staff -
Pat Perez, Assistant Executive Director, CEC 4

Welcome and Opening Remarks - Assembly Member
Felipe Fuentes

Yolanda Anguiano, Advisor to Felipe Fuentes 5

Overview of Energy Commission's American Recovery and
Reinvestment Act Programs and Activities

Pat Perez, CEC 8

Public Input and Questions 37

Wrap up and Closing Remarks

Pat Perez, CEC 88

Adjournment 89

Certificate of Reporter 90

1

P R O C E E D I N G S

2 AUGUST 28, 2009 1:00 p.m.

3 MR. PEREZ: Okay, good afternoon and welcome to
4 the American Recovery and Reinvestment Act Informational
5 Workshop on the Energy Efficiency and Conservation Block
6 Grant Program, as well as the State Energy Programs. My
7 name is Pat Perez and I am the Assistant Executive Director
8 for the Energy Commission's Economic Stimulus Programs and I
9 would like to just welcome all of you here today. I would
10 also like to point out a few other items. For those of you
11 listening in, I believe we have over 50 or 60 people
12 participating by WebEx at this moment.. I would like to
13 encourage you not to use the question or chat feature that
14 is provided on WebEx and, instead, if you have questions, e-
15 mail them to us throughout this proceeding at
16 recovery@energy.state.ca.us. So please send your e-mails to
17 us there and I will also repeat that at the end of the
18 presentation.

19 I would also like to do a couple of important
20 introductions this afternoon, beginning with Yolanda
21 Anquiano from Assemblyman Felipe's office, and to my right,
22 and also introduce to you the Energy Commission's staff that
23 are with me today, beginning with Mark Hutchison, the Co-
24 Lead on the Economic Stimulus Program, to my right, as well
25 as John Sugar; over here to the right on the dais, we have

1 Chris Graillat and also Joelle Kelly and Rashid Mir; and
2 back at our base in Sacramento, I would also like to
3 acknowledge the efforts of Steve Banta, Chris Van Kuren, as
4 well as Nicky Crowel who are assisting today with the WebEx;
5 and especially thank the City Mayor's Office here, as well
6 as the many people that realized today is a Furlough Friday
7 that are here helping us today, Jose Cornejo, Luis
8 Rodriguez, Russ Bellanot, as well as Erica Gonzales, for
9 making these wonderful arrangements for us.

10 So before I go any further, on behalf of Assembly
11 Member Felipe Fuentes, I would like to turn it over to his
12 Advisor for a few moments. Thank you.

13 MS. ANGUIANO: Good afternoon and welcome to
14 today's informational workshop on the ARRA Funds. Energy
15 Efficiency and Conservation Block Grants and State Energy
16 Programs. As Mr. Perez said, my name is Yolanda Anguiano
17 and, as a representative for the Assembly Member Felipe
18 Fuentes, I am very thrilled to be here and have you here
19 today, and for those that are following us through the Web,
20 the Assembly Member is the Chair to the Committee for the
21 State Legislature, Utilities and Commerce. He had some
22 duties to attend to in the State Capitol; that is why he is
23 not here today. And also, you know, following and
24 continuing discussions on prisons and corrections reform.
25 But I myself am thrilled to be able to be here today.

1 One of the priorities as Chair to Utilities and
2 Commerce the Assembly Member has is to get on track and move
3 forward from this gray stack economy, and that is why you
4 are all here with us today. So I am thrilled to see you and
5 those that are following up on the Web, and to go after
6 those Obama bucks.

7 I know that Felipe Fuentes, the Assembly Member,
8 as your elected representative, asked the California Energy
9 Commission Chair, Karen Douglas, to host this public
10 workshop in Los Angeles, and he prepared a statement that I
11 would like to read to you now. "We are pleased that the
12 Energy Commission staff is here today to present their
13 energy funding program proposals for stimulating the
14 economy. And more importantly, we have an opportunity to
15 hear from you about the proposals and how we can work
16 together to bring much needed jobs to California and develop
17 the foundation for a more vibrant and greener economy for
18 local communities. We are pleased to hold today's forum and
19 look forward to discussing how we can work together and best
20 use and leverage Federal Economic Stimulus dollars to
21 advance our mutual energy objectives and reinvigorate our
22 economy and create long-term, sustainable, green jobs. I
23 firmly believe that we have a tremendous opportunity before
24 us, thanks to President Obama and Congress, through the
25 American Recovery and Reinvestment Act. In a few minutes,

1 you will be hearing from Pat Perez, Assistant Executive
2 Director for the Energy Commission's Economic Recovery
3 Program and key program staff. The Energy Commission is
4 administering a number of ARRA energy-related programs such
5 as the Energy Efficiency and Conservation Block Grant, State
6 Energy Program, and Energy Efficient Appliance Rebate
7 Program, that will result in over \$300 million in energy
8 efficiency, cleaner renewable energy, and green workforce
9 investment throughout California for the next two years.
10 Energy efficiency is not only the most cost-effective
11 strategy available for meeting our future energy needs, and
12 reducing greenhouse gas emissions in the electricity and
13 natural gas sectors, but it creates the most jobs per
14 dollar. We know that the state's efficiency standards and
15 utilities and energy efficiency program have made a
16 substantial difference in California energy consumption,
17 where California's per capita electricity use has remained
18 relatively flat. To maintain our success and meet the
19 state's daunting mandate to reduce greenhouse gas emissions
20 to 1990 levels by 2020, more needs to be done. The
21 California Legislature, California Energy Commission, and
22 other state agencies and stakeholders, have a long history
23 of collaborating in energy efficiency and climate change
24 issues. These efforts allow us to leverage our joint
25 expertise and authority to best serve California. Statewide

1 programs such as utility rebates to reduce the cost of
2 energy efficient appliances and low interest financing have
3 allowed many communities and local agencies in California to
4 install their energy efficiency projects with no out-of-
5 pocket costs. This provides energy savings into the future
6 and protects local budgets. And in Assembly District 39, we
7 have agencies such as Community and Housing Services which
8 helps out our communities such as Pacoima. We anticipate
9 working with the public and private sector, as well as
10 investor-owned and municipal utilities on the stimulus
11 programs. The U.S. Department of Energy is very interested
12 in leveraging these funds to get the greatest impact
13 possible. Working with these partnerships and making loans
14 available to these private and public entities will help
15 extend the reach of the stimulus money. The experience we,
16 the Energy Commission, other energy regulatory bodies, and
17 the utilities have gained over years of collaboration will
18 serve us well, in coordination of the Small Community Block
19 Grant Program, as well as the projects that come with other
20 ARRA related energy funding programs, you will learn about
21 shortly. Mr. Perez will provide an overview of the \$300
22 million in direct federal economic stimulus dollars that
23 will be coming to the Energy Commission to support energy
24 efficiency and renewable energy activities and projects. We
25 are very exciting about working with you, the Energy

1 Commission, and other key stakeholders, as well, to improve
2 California's energy future and put Californians back to
3 work." Thank you very much.

4 MR. PEREZ: Thank you very much, Yolanda, for that
5 overview, as well as insight on behalf of Assembly Member
6 Fuentes. We really appreciate your participation and
7 attendance today. Before I move forward, let me just
8 capture what we are going to cover today on the agenda. In
9 a moment, I will be providing you with an overview of the
10 Economic Stimulus Programs that the Energy Commission will
11 be administering over the next couple of years. But most
12 importantly, we are here today to hear your feedback, input,
13 and questions you may have on the program funding areas that
14 we are proposing and to hear your input. And then, also, at
15 the end of today, we will have kind of a wrap-up, closing
16 remarks, and talk a little bit about next steps and how you
17 can participate and support our efforts in developing a
18 program to put Californian's back to work in the Energy
19 sector. So with that, I would also like to remind those of
20 you that are here today that we do have hard copies of
21 today's presentation in the back, in the event you have
22 difficulty reading the text on the screens behind us. Also,
23 one other item, please fill out the sign-in sheet if you did
24 not do so on the way in. When you depart today, we would
25 welcome having contact information as we develop the

1 guidelines and the programs to implement what has been
2 provided to us by the American Recovery and Reinvestment
3 Act.

4 So with that, I will move on to the next slide.
5 And these are the six presentation topics that we are going
6 to cover today. We will talk a little bit about the Federal
7 Energy Programs that are available nationally and what is
8 coming to California, talk a little bit about the program
9 goals and objectives, as well as the priorities for these
10 energy funding programs, talk about the Energy Efficiency
11 and Conservation Block Grant Program whereby the Energy
12 Commission is providing funding for, as well as the
13 discretionary portions of that program and what we were
14 exploring for in terms of using that funding, and then also
15 talk about the \$226 million State Energy Program and some of
16 our initial thinking on the proposed allocations for that,
17 as well as the key programs that we are considering
18 implementing shortly, and then some of the more recent
19 programs and funding awards that have come to the Energy
20 Commission. There is an Energy Star, or what we call Energy
21 Efficient Appliance Rebate Program that the Energy
22 Commission will be administering, working closely with our
23 utilities, both investor owned and publicly owned utilities,
24 as well as the Public Utilities Commission and other
25 interested stakeholders. And then there is also an Enhanced

1 Energy Assurance and Capabilities Program as we move to
2 what is called a Smart Grid, and what those technologies
3 offer and the importance of protecting our transmission
4 grid, as well as Smart energy technologies. So we will also
5 be working with local government and others on that, and I
6 will be sharing some details on that later. And may I have
7 the next slide?

8 This slide kind of gives you a broad overview of
9 some of the formula-based energy programs that will be
10 administered by the California Energy Commission. Over \$6.3
11 billion in formula grant-based funding was made available
12 with the American Recovery and Reinvestment Act nationally,
13 a little over \$3 billion for the State Energy Program, I
14 will be getting into the details of these programs in a
15 minute, as I noted earlier, \$226 million in that program
16 alone coming to the Energy Commission, and then there is the
17 \$3.2 billion Energy Efficiency Conservation Block Grant
18 Program that we will also be administering at the Energy
19 Commission for small jurisdictions. And when I refer to
20 "small jurisdictions," we are talking about cities with a
21 population of under 35,000, counties with a population of
22 under 200,000. The larger jurisdictions, such as Los
23 Angeles, are receiving their funding directly from the U.S.
24 Department of Energy and there are roughly \$302 million
25 coming to the State of California for energy efficiency, as

1 well as conservation type programs.

2 And then, more recently, we received word on the
3 Energy Star Efficient Appliance Rebate Program. Several
4 weeks ago, the U.S. Department of Energy announced that the
5 Energy Commission would be receiving \$35.2 million to
6 develop a rebate program, to target it for consumers for
7 energy efficient appliances. We are very excited about
8 that. We will be developing guidelines and seeking public
9 input as we craft and design that program in the near
10 future. And then, also, \$39.5 million for enhanced energy
11 assurance and capabilities program with Smart Grid
12 transmission, as well as other devices that are run by
13 electronic means, and how do we develop that system and
14 protect it from not only natural disasters, but terrorists
15 or man-made events that could bring down the system. So we
16 will be working with local government and many parties in
17 developing that program.

18 One program that is not on this slide, that I need
19 to bring to your attention is, nationally, there is about \$5
20 billion available for what we call a Weatherization
21 Assistance Program. In that program, this is targeted to
22 more the low-income areas for weatherization activities.
23 The California Community Services and Development Department
24 will be administering that program, a little over \$180
25 million is available there, so if you are interested in that

1 program, please go to their website and you can get the
2 timetable for public workshops and the overall schedule for
3 when they hope to have that program up and ready and
4 available. Next slide, please.

5 In terms of the overall goals and program
6 priorities that are kind of guiding our program development
7 at the Energy Commission, of course, the number one priority
8 from the American Recovery and Reinvestment Act is about
9 creating jobs and retaining jobs, that is the number one
10 priority and something we cannot lose sight of. So, in
11 terms of the programs and activities we develop, we are
12 going to have to measure those impacts in terms of
13 stimulating the economy, so that will be one of the overall
14 goals. Secondly, expending money wisely, extremely
15 important, and using what we like to refer to as "seed
16 funding" for leveraging other existing state, federal, and
17 attracting private capital, will be extremely important, so
18 that we can develop programs and activities that are self-
19 sustaining and bring us long-term benefits. So it is
20 extremely important that the Recovery Act funding is
21 essentially a two to three-year program, we want to see
22 these benefits continued beyond that period to avoid what we
23 like to refer to as the "Boom-Bust" periods that are
24 associated with so many government programs when the funds
25 disappear and the programs also disappear, and we are trying

1 our best to get something that is self-sustaining and will
2 attract capital for the long-term.

3 Also, we are looking at also complimenting our
4 activities to ensure that they are consistent with existing
5 state policy, as articulated in a variety of documents
6 generated by not only the California Energy Commission, but
7 also the California Public Utilities Commission in
8 collaboration with stakeholders and the general public, so
9 there are a number of policy documents that are also
10 available on the Energy Commission's website that is guiding
11 much of our work, such as the Integrated Energy Policy
12 Reports, the Air Resources Board Scoping Plan, in terms of
13 reducing greenhouse gas emissions, and the role that energy
14 efficiency and renewable energy play in helping us achieve
15 those long-term goals, as well as the Bioenergy Action Plan,
16 and a host of other California energy legislation and other
17 policy documents that we use as the foundation for making
18 our decisions and recommendations on how to use this money.
19 Next slide, please.

20 In terms of one of the key important programs that
21 the Energy Commission will be administering, that is the
22 Energy Efficiency and Conservation Block Grant Program.
23 This is a \$49.6 million program that we are administering.
24 The overall objective there is to reduce fossil fuel use and
25 the associated emissions, but also improve how we use energy

1 so that we are using it more wisely. We filed our
2 application back in June and we are expecting a decision
3 from the U.S. Department of Energy any day now. One other
4 point that I would like to make right now is that we have
5 received state budget authority for receiving and expending
6 that money, as result of the recent passage of the
7 California State Budget. So any day now, we should receive
8 hopefully a positive response from the U.S. Department of
9 Energy on the Energy Commission's initial application.

10 In terms of what we are proposing there, we are on
11 the next slide here, thank you, the federal program
12 requirements ask that we use 60 percent plus of that money
13 for distribution to small counties and cities throughout the
14 state, those that are not receiving direct awards from the
15 U.S. Department of Energy. The formula which is in statute
16 basically tells us to distribute this money on a per capita
17 population basis. One of the things that we are proposing
18 is that, on that allocation that we use \$5.00 per person,
19 using the U.S. Department of Energy's Population Estimates.
20 And then, also, one of the big concerns throughout the
21 state, as unemployment has increased substantially
22 throughout the state is that we factor in unemployment in
23 terms of how we allocate this money so that we can target
24 those areas that are in greatest need in terms of jobs. So
25 we have actually incorporated unemployment as one of the

1 criteria for evaluating proposals. But, on the other hand,
2 we have also set some minimum thresholds for the allocation
3 of this money, which would be \$25,000 per city, and also
4 \$50,000 per county. In terms of initially what the Energy
5 Commission is looking at this money, in terms of meeting the
6 federal requirements of 60 percent, right now we are looking
7 at closer to 74 percent of that money actually going to
8 small counties and cities, so for those of you representing
9 small counties and cities, you should be pleased with at
10 least that initial recommendation of the Energy Commission.
11 Next slide, please.

12 In terms of the use of the funds under this
13 program, again, it has to be tailored for cost-effective
14 energy efficiency projects, and under the Federal
15 Guidelines, we have to look at the base on the energy saved
16 per dollar spent for these projects, and there is a minimum
17 of 10 million source Btu's per thousand dollars of federal
18 funding spent that has to be met, to meet the eligibility
19 requirements. And then, also, a feasibility study is
20 required to verify these savings, so you will have to keep
21 good records and demonstrate that, indeed, you achieve and
22 meet these federal guidelines. We are also looking at a
23 direct purchase option whereby you could purchase energy
24 saving equipment from a particular source, and parties might
25 be able to aggregate their purchases so that you achieve

1 volume discounts, too. So we are working on crafting a
2 program that would facilitate the purchase of more energy
3 efficient type of equipment, as opposed to everybody doing
4 it on a stand-alone basis. Next slide, please.

5 We have roughly \$13 million that would be set
6 aside at the Energy Commission's discretion. We are looking
7 at probably a competitive program process right now, program
8 design discussions are underway at the Energy Commission,
9 and a lot of those discussions have benefitted from forums
10 such as today's where we have received quite a bit of public
11 feedback on our other over a dozen public workshops that we
12 have held from San Diego, up to the California-Oregon
13 border. And, again, your input is critical in helping us
14 shape these programs.

15 Some of the other things we are looking at is
16 competitive grants for the local jurisdictions and
17 partnerships. We have heard from many of you that you are
18 very much interested in coming forward with proposals that
19 represent a multitude of counties and cities, and that is
20 something we strongly encourage. And then also setting
21 aside some money for maybe some more expanded regional-type
22 activities, whereby we might be able to get broader
23 benefits. So those are just conceptually some of the
24 programs that we are looking at.

25 The next slide lays out the overall schedule in

1 terms of as we move forward with the Block Grant Program.
2 We are planning to take the Draft Guidelines, which lay out
3 the eligibility requirements and the proposed funding
4 programs to the Energy Commission at a Business Meeting,
5 these are the five Commissioners that will ultimately
6 consider and evaluate the proposals and vote on how this
7 money will be spent, so that is just around the corner.
8 Staff has been working weekends and evenings on developing
9 the solicitation packages in the event that we get those
10 approved. We will be in a position to issue the
11 solicitation packages the next day on September 17th, and
12 hopefully we will get U.S. Department of Energy approval
13 shortly thereafter, and we will get the grant applications
14 underway. And then, the one question that I know many of
15 you are very much interested in hearing about, when is the
16 money finally going to hit the streets? And if all goes
17 well, we are looking at November for the money to start
18 rolling out, so it is not too far away.

19 Okay, moving on to the next slide, this is the
20 Energy Commission's largest program that we will be
21 administering, also called the State Energy Program, the
22 \$226 million program I mentioned earlier. The overall
23 objective of this program is to increase energy efficiency,
24 to reduce cost and consumption, also reduce imported energy,
25 whether it be petroleum, or crude oil, or petroleum

1 products, or perhaps even electricity that is based on gas
2 or oil-fired -- not gas, but oil use elsewhere. So we will
3 be looking at this, also improving reliability and reducing
4 energy production impacts on the environment, and as I noted
5 earlier, climate change and greenhouse gas reductions is an
6 adopted state policy goal, so we will be looking at these
7 proposals in the context of not only how it meets our energy
8 objectives, but also environmental and particularly
9 greenhouse gas reduction efforts.

10 U.S. Department of Energy did approve our
11 application back in June. They have made available to us
12 half of that funding, roughly \$113 million, and the
13 California Legislature has responded by giving us authority
14 for this fiscal year for the use of \$113 million, and then
15 hopefully the remainder we would get authority for the next
16 fiscal year. Next slide, please.

17 These are just some of our initial ideas and, of
18 course, subject to change, based on public input, as well as
19 feedback from our Energy Commissioners up there in
20 Sacramento, on the program allocations. And what we have
21 done here is we have kind of bifurcated our approach. We
22 have what is called "first strike program" concepts, these
23 are programs and activities that are relatively easy and
24 quick to implement, and then we have created a second tier
25 program on those programs and activities that are going to

1 take a little bit more time to develop because they may
2 require additional changes in regulatory actions or laws,
3 and a great deal more collaboration with counties, cities,
4 and other private entities. And so in terms of near term,
5 first strike activities, we are looking at California
6 Department of General Services establishing a revolving loan
7 program to support energy efficiency, renewable energy type
8 efforts. And, again, these numbers are preliminary -- \$25
9 million there for the greening of buildings -- but also we
10 recognize right up front that one of the important things is
11 you have to have a trained and skilled labor force, so we
12 are setting aside funding for green workforce development
13 activities, whether it be training and utilizing under-
14 employed or unemployed people, and training them so that
15 they can do the work for building retrofits and other green
16 energy measures. The Energy Commission also has a very
17 successful, longstanding Energy Conservation Assistance Act
18 Program with low interest loans that we hope parties will be
19 very excited to utilize as they move forward and advance and
20 approve energy use in their buildings there, and then also
21 taking state energy program grants and bundling them with
22 our Energy Conservation Assistance Act Loan Program to
23 assist public schools, K through 12, setting aside some
24 money there. And then, for those types of programs and
25 activities that are going to take a little bit more time, we

1 have a second tier program where we are looking at
2 developing a clean energy program targeted at the private
3 sector for combined heat and power, as well as distributed
4 generation, particularly renewable, that we are interested
5 in seeing being developed to achieve our long-term state
6 energy goals, and then also energy efficiency programs
7 utilizing municipal financing districts for residential and
8 non-residential retrofits. For some of those of you that
9 are familiar with the AB 811 type programs, we are very much
10 interested in seeing that expanded throughout the state
11 because it has been very successful in a number of
12 jurisdictions, not only in Southern California, but Northern
13 California. Next slide, please.

14 Regarding the California Department of General
15 Services Revolving Loan Program, targeting energy efficiency
16 in state buildings, we are looking at capturing additional
17 energy savings through more energy efficiency retrofits,
18 which include lighting and heating, ventilation, air-
19 conditioning systems and controls and, again, the key focus
20 is to stimulate job growth and retain jobs, and a lot of
21 this would be achieved through the purchase of substantial
22 amounts of equipment to achieve these savings and
23 contracting with equipment installation providers so that is
24 where the connection with much of the job growth would be.
25 And then, the Department of General Services would

1 administer this revolving loan funding with the seed
2 funding coming through the American Recovery Act and being
3 administered by the California Energy Commission to make
4 state buildings, you know, 300 or so buildings, covering 30
5 state departments and agencies throughout California, would
6 assist them in this effort. And by having a revolving loan
7 program and generating interest, this would be hopefully
8 self-sustaining and last for quite a few years so that we
9 can continue to build more long-term sustainable effort
10 here. Next slide, please.

11 As I noted earlier, having a skilled green
12 workforce is critical for the success of these programs.
13 And we have laid out a number of program goals here on this
14 slide for you to support regional workforce development
15 training programs. We recognize there are already many very
16 good training programs out there, throughout California,
17 whether they be with the community college districts, or
18 others, and we plan to not replace, or duplicate those
19 efforts, but to work with and build on the existing programs
20 that are out there that work. Much of that funding will be
21 targeted in energy efficiency areas, but also water
22 efficiency because the movement of water in California, and
23 water use, pumping is a significant use of not only
24 electricity, but also has associated impacts on the
25 environment, that must be addressed, and we think there are

1 tremendous opportunities there. And also renewable energy
2 generation, particularly that that is distributed, that is
3 more remote, as we go out to the deserts and other areas
4 where solar potential and wind potential is substantial; we
5 want to be able to facilitate capture and support that. And
6 then also clean transportation, moving away from petroleum
7 dependent uses to use alternative fuels, as well as the
8 infrastructure for fueling our clean air fuels, whether they
9 be Ethanol, compressed natural gas, liquefied natural gas,
10 or other alternative fuels. We are looking at bringing
11 together a multitude of different funding sources to support
12 this critical component of our recovery plan, and as
13 displayed on this graph, we are looking -- these are some of
14 the preliminary funding sources that we are looking to
15 augment and compliment funding that is directly made
16 available by the Recovery Act, including the use of state
17 energy program funding, but also the Energy Commission has
18 an Alternative and Renewable Fuel and Vehicle Technology
19 Program, also referred to as Assembly Bill 118, this is a
20 non-ARRA funding that we are going to bring together and add
21 to the Recovery Act funding, and then the Energy Commission
22 also has a separate program we administer called the Public
23 Interest Energy Research Program, and we do have funding
24 there for developing green partnerships, and we will be
25 complimenting Recovery Act money here so that we have a

1 substantial investment made here to cover green workforce
2 development throughout California. So, again, this is an
3 example of using recovery money to augment with other
4 existing funding sources to bring about more positive
5 benefits, we hope, because we do realize it is going to take
6 a substantial investment to develop that workforce out
7 there... Next slide, please.

8 In terms of the clean energy workforce; it is
9 going to be comprised of a number of training programs, I am
10 not going to go over each of these training programs that
11 are displayed here, but I just wanted to give you a feel for
12 what we are targeting, some of the green workforce
13 development, whether it be green buildings, or the
14 alternative fuel vehicle infrastructure areas.

15 In terms of the target populations, we recognize
16 there is significant unemployment out there, as well as
17 under-employment throughout our economy right now, and we
18 want to be able to reach out and identify many of those,
19 particularly in the construction trades, that have very
20 complimentary skills and the skill sets that are already in
21 place to facilitate expansion of this green workforce, so we
22 are looking at those, as well as new market interns, the
23 young people that are just now graduating from either high
24 school, or colleges, we want to be able to get them into
25 these programs and expand our programs, too, again on

1 buildings, alternative fuel vehicles, and so forth. So we
2 are looking at a host of target populations to achieve our
3 long-term objectives. Next slide, please.

4 In terms of the training, we have a solicitation
5 for a proposal that we are pursuing here and we plan to work
6 closely with the California Workforce Investment Boards, as
7 well as the California Employment Development Departments.
8 Our goal, again, is to use industry sector strategies to
9 build our skilled labor workforce in the green workforce
10 area. We have our application deadlines coming up,
11 September 16th, and I have provided to you the website for
12 getting more information about that solicitation, and what
13 the requirements are, and so forth. So I encourage you to
14 visit that website if you are interested in getting more
15 information. I also want to point out that, should you have
16 questions today, obviously, as part of this, the purpose of
17 this forum will be entertaining questions. Next slide.

18 This kind of lays out the overall funding sources
19 and the amount of funding that we are proposing right now
20 for green workforce development. This has been covered in
21 previous slides, but I just displayed a more graphical,
22 simpler format for you to look at and, as you can see, we
23 are using a variety of funding sources to provide a
24 substantial benefit and hopefully have a greater impact on
25 our ability to develop this skilled labor force that is

1 going to be essential for us to achieve our long-term
2 energy objectives. Next slide, please.

3 As I noted earlier, we have this Energy
4 Conservation Assistance Act Revolving Loan Program that John
5 Sugar has been involved in for, I believe, over a decade,
6 where we are looking at taking a minimum of at least \$25
7 million in this Recovery Act funding that is coming to the
8 Energy Commission, to create a Recovery Act, as well as an
9 Energy Conservation Loan Fund Program, and that would
10 provide low interest financing for energy efficiency, as
11 well as combined heat and power, other efforts to reduce
12 demand, as well as renewable energy generation. Some of the
13 entities that would be eligible under this program, of
14 course, would include public schools, as well as public
15 hospitals, and public care institutions, and also various
16 forms of local government. The current loan rate there is 1
17 percent, which we feel is very attractive today, and we
18 fully anticipate there is going to be a great deal of
19 interest in that program. In terms of the maximum cap that
20 we are looking at, it is roughly \$3 million per application,
21 so hopefully that is significant enough to attract interest,
22 but more importantly, large enough to have measurable
23 impacts, which is what we are after here. We have provided
24 for you the web link there for getting more information on
25 that program. Next slide, please.

1 In terms of the State Energy Program School and
2 Public Sector Matching Grant Program, again, these will be
3 available to public schools in areas with the greatest need
4 and, as I noted earlier, one of the criteria that we are
5 exploring utilizing is those areas of high unemployment, but
6 we will also be considering other factors and certainly
7 welcome your input on that. And recipients of this funding
8 must match grant funds with the Energy Conservation
9 Assistance Act Loan Program. And as I mentioned very early
10 in this presentation, the criteria of the 10 million source
11 Btu's per thousand dollars of Recovery Act funds spent as
12 required by U.S. Department of Energy will be one of the
13 screening tools that we will be using in terms of evaluating
14 proposals. And recipients, finally, must also use any
15 utility incentive funds that are available out there to
16 match these funds. So as you can see, we are trying to
17 leverage as many funding sources as possible so that we can
18 develop a significant enough program that leads to real
19 measurable outcomes. Next slide, please.

20 We are also looking at a clean energy program
21 targeted towards the private sector and making perhaps up to
22 about \$35 million available through the State Energy
23 Program, focused on a variety of technologies such as
24 distributed generation, that uses biomass residues, or
25 waste, for example, for electricity generation, or for

1 biomethane gas production, and then also looking at
2 combined heat and power systems to capture greater
3 efficiencies there, particularly for some of the smaller
4 systems. And finally, proposing revolving loan programs to
5 sustain funding over time to really avoid the boom-and-bust
6 cycles that we have seen. For those of you that have been
7 in the energy sector back in the '70s and '80s where you saw
8 a lot of federal funding that went for synthetic fuels
9 production and so forth, and once the funding was gone,
10 those industries collapsed, so we want to make sure that we
11 avoid that if possible here, that is our long-term goal.
12 Next slide, please.

13 I realize this is somewhat of a noisy slide, there
14 is a lot of verbiage on there, so I will try to summarize it
15 for you because I realize it is difficult to read that. In
16 terms of the State Energy Program Energy Efficiency
17 Retrofits, we are looking at a comprehensive residential
18 building retrofit program that is targeted towards creating
19 jobs, again, stimulating the economy. We are very much
20 interested in working with regional partnerships and
21 entities, whether they be regional governments to deliver
22 what we call a tiered approach to put Californians back to
23 work, and under this comprehensive program, we are looking
24 at a tiered approach, whereby initially we go in with a
25 simple checklist of approaches that can be addressed quickly

1 and rapidly by the labor force with limited training, and
2 then moving down the road to do more deeper and
3 comprehensive retrofits that require more of a comprehensive
4 or what we like to refer to as a whole-house retrofit
5 approach, targeting new energy efficiency measures that
6 would be broad-based and also consistent with the California
7 Home Energy Rating System, and then also coordinating with
8 and leveraging local affordable housing and neighborhood
9 stabilization programs, so that we can capture energy
10 benefits throughout the various income categories in
11 California, again, focus on some of those more disadvantaged
12 communities where some of the energy potential is
13 substantial in terms of reducing inefficient use of energy.
14 Next slide, please.

15 We are also looking at municipal and commercial
16 building targeted measures with respect to this retrofit
17 program, that capitalizes on low risk, high return energy
18 efficiency opportunities, but more importantly, focusing on
19 those activities and strategies that are ultimately going to
20 impact how we use energy in buildings and that transforms
21 our economy to a greener, friendlier energy use economy down
22 the road, in what is often referred to as transformative-
23 type activities, and looking at best practice concepts for a
24 variety of energy saving strategies that are broad-based,
25 can be applied for many different types of buildings, and

1 also we are very conscientious of how these measures can
2 also save on overall cost for the maintenance and repair of
3 these facilities down the road. So those are all components
4 that we are very much interested in looking at addressing
5 and hopefully designing programs and activities that will
6 have a permanent, lasting, positive impacted energy use in
7 California. Next slide, please.

8 As part of these targeted measures, again, looking
9 at training entry level workers to recruit participants and
10 help with energy audits, we realize energy audits are a
11 first step, and it is critical that an adequate and decent
12 audit be conducted, and training professional trades people
13 to help with the installation of the recommendations, the
14 fallout of the energy audits. Program participants can also
15 benefit from the volume purchasing agreements with
16 technology manufacturers, something that we are very
17 interested in setting up so that, by having a large
18 purchasing pool, we can bring down the unit cost of some of
19 these measures, and then ultimately minimizing the pay-back
20 costs for those of you borrowing money on these measures for
21 the long-term. Some of the examples of some of these
22 targeted measures that we are entertaining right now include
23 occupancy controlled bi-level lighting fixtures for parking
24 lots, as well as parking garages, exterior walkways, and
25 building stairwells, and there is a host of other

1 opportunities out there in the heating, ventilation, and
2 air-conditioning areas where we believe substantial
3 opportunities also exist. Next slide, please.

4 As I mentioned earlier, I made reference to
5 Assembly Bill 118 type programs that are already being
6 utilized, not only in California, but in Colorado, and being
7 pursued back in Illinois and other areas, providing funding
8 for cities and counties, as well as collaboratives or
9 partnerships of regional governments to help them build
10 their existing financing districts to fund energy
11 efficiency, as well as perhaps on-site photovoltaic systems
12 to generate on-site electricity for a broad range of
13 residential, as well as commercial buildings; so we are
14 looking at assisting local financing districts and seeing
15 what we can do to expand those throughout California
16 because, to the extent we can expand these programs and make
17 these investments in renewable energy and energy efficiency
18 more attractive to you, the customer, then we are on the
19 road to achieving our long-term energy goals and climate
20 change greenhouse gas reduction goals quicker. So that is a
21 positive. Next slide, please.

22 This table lays out the State Energy Program
23 Efficiency Retrofits schedule, overall, and as well as what
24 has taken place to date. We are targeting right now taking
25 the Draft Guidelines, which I believe will be posted here in

1 the next couple hours, to the Energy Commissioners some
2 time around September 30th, issuing the solicitations shortly
3 thereafter, and then asking for proposals back in early
4 November and also announcing the winners for some of these
5 funding programs in late November, and then issuing awards
6 in December, if all goes well. So your input here today
7 will assist us in those efforts. Those Draft Guidelines,
8 like I said, should be posted either this afternoon or later
9 tonight, and we welcome your review, comment, and any input
10 you have on those guidelines on some of the very programs I
11 just discussed. And I might add, we have gone through a
12 previous round on these Draft Guidelines, and perhaps many
13 of you in the audience, your organizations, counties,
14 cities, and others, have already commented on it, but based
15 on your previous input, they have been modified, so we very
16 much appreciate the previous input we have received from
17 stakeholders and the public on the first round of
18 Guidelines.

19 A couple other programs I just want to wrap-up and
20 share with you. The Energy Star Appliance Rebate Program,
21 of which the Energy Commission was recently allocated \$35
22 million, this is to supplement existing rebates for the
23 residential sector, focusing on Energy Star appliances, and
24 basically to encourage you to replace your older less
25 efficient appliances with some of the newer appliances,

1 which are substantially more efficient than, say,
2 appliances that were purchased 10 years ago, so we are
3 working on that program to identify the overall array of
4 appliances that will be eligible for these rebates. And we
5 are also encouraged by the way that heating and cooling
6 equipment will also be included in that by U.S. Department
7 of Energy. So the Energy Commission did submit its initial
8 application on August 13th. If you would like to see that,
9 you can view that on the Energy Commission's website. It is
10 just a one-page form, so there is not much there, except it
11 is a formal application. The comprehensive application, on
12 the other hand, which will be very detailed, laying out the
13 eligible appliances and the requirements, will be contained
14 in the application that we submit to U.S. Department of
15 Energy in October, which is due on the 15th. So I think that
16 is where you will get to see the real substance of what we
17 are proposing, and we do plan on holding a workshop or two
18 so that we can solicit and get feedback from parties like
19 yourselves on the design of that program. Next slide,
20 please.

21 The next one, Enhanced Energy Assurance
22 Capabilities in Planning, the Energy Commission received
23 \$3.6 million here. The overall purpose of this program is
24 to strengthen and expand state and local government energy
25 assurance planning and resiliency by incorporating response

1 actions for new energy portfolios and Smart Grid
2 applications, as well as associated vulnerabilities. In a
3 nutshell, what we are talking about that, as we move to more
4 electronic controls and so forth, that also poses
5 vulnerabilities in itself if somebody is able to get in
6 there, cyber security type issues, and whatnot, for bringing
7 down computer systems, as well as the systems that control
8 energy efficiency devices, transmission lines, and so forth,
9 so there are some real vulnerabilities that we need to
10 address collectively at the state, regional, and local
11 level. And we are going to be collaborating with many
12 parties through a series of regional workshops and actually
13 working with other states on this, too. So because our
14 electric generation system is interconnected with Mexico,
15 Canada, and most of the western states, it is important that
16 we coordinate and develop plans that strengthen the entire
17 system, as well as address vulnerabilities within the
18 various regions. And, again, we believe this will also lead
19 to additional job development, and it will enhance our
20 ability to respond to either manmade issues or terrorist
21 type activities, or natural disasters, whether they be
22 earthquakes, fires, etc., that have an adverse impact on how
23 we produce, use, and deliver energy throughout the region.
24 So you will be hearing a lot more about this program in
25 September, as we begin to develop workshops and proposals

1 for you to react to and provide input to. Next slide.

2 And my final slide, you are lucky, for more
3 information, one of the things I want to point out,
4 particularly for those of you who are listening in right
5 now, when we have recovery@energy.state.ca.us, that is where
6 you can e-mail to us right now, your questions and comments,
7 and we will be reading those into the record, as well as the
8 technical managers and staff are here today to respond to
9 your questions, and we are very much interested in your
10 input. But I also want to point out, you do not necessarily
11 have to provide your input to us today, you can simply e-
12 mail your questions at your convenience over the weekend,
13 during the evening, next week to us, and we will access
14 those questions there.

15 These are some of the key sources of information
16 and links that I wanted to bring to your attention, which
17 includes the Energy Commission's website, which has an
18 economic recovery section, a very comprehensive section
19 where you can learn more about our programs, activities, as
20 well as the access links to the U.S. Department of Energy
21 and other parties that are engaged in economic recovery
22 activities, including the California Economic Recovery Task
23 Force through the Governor's Office, it is all there, so I
24 encourage you to visit that site, as well as the Federal
25 Energy Website, it is also provided there, but I also would

1 like to point out to you that, as you try to access federal
2 energy information, please be reminded that a lot of the
3 ARRA energy funding is not only coming out of the U.S.
4 Department of Energy, but there are a host of other federal
5 agencies that administer energy-related ARRA funding
6 programs, too, such as the U.S. Environmental Protection
7 Agency, U.S. Department of Defense, significant billions of
8 dollars are going through those other programs, so for a
9 comprehensive view of those programs, you will need to look
10 at a variety of websites. To assist you in that effort, the
11 Energy Commission has put together a competitive funding
12 program area that kind of summarizes all of those various
13 programs in one area and you can see the competitive ARRA
14 funding programs summary on the Energy Commission's website
15 and it will hopefully save you a little bit of time of
16 navigating numerous federal websites. So with that, I am
17 going to stop talking and, more importantly, we would like
18 to receive input from you and get your input and reaction,
19 should you have any comments or reaction to what has been
20 presented today. And, again, we have a full compliment of
21 technical staff who have been working long hours on this, as
22 well as people in Sacramento that are listening in, online.
23 So, with that, thank you for your patience and this time,
24 for those of you who would like to speak, I would like you
25 to come up to the podium here. Please give us your name, if

1 you are with an organization, we would like to have that,
2 and I am trying to think -- can I get a show of hands of who
3 would like to speak today? Okay, great. Why don't -- I
4 know this gentleman has been here the longest, you have been
5 here since about noon, he was very eager for this workshop,
6 I might add, so let's start with you, sir.

7 MR. HUTCHISON: And make sure you introduce
8 yourself and talk very close to the microphone. I
9 understand that folks online are having a little bit of
10 difficulty hearing the discussion.

11 MR. CARR: Certainly, thank you. First of all, my
12 name is Orian Carr and I represent a company called
13 Compucom. We are an IT outsourcing company. I have two
14 very specific questions as it relates to the stimulus
15 package, specifically for energy efficiency at the data
16 centers. You mentioned the feasibility studies. My
17 question is, would providing a data center and assessment
18 quality as a feasibility study? And, if so, would that
19 preclude that vendor from participating in providing
20 services for the city or government?

21 MR. SUGAR: This is for the small jurisdiction
22 grant program?

23 MR. CARR: Yes. More than likely, yes.

24 MR. SUGAR: It would not -- assisting city or a
25 county in putting a feasibility study together would not

1 preclude a firm working with them. It is -- sorry, even
2 closer, to try to swallow the microphone -- local agencies
3 have their own regulations regarding contracting, and we
4 assume that they will follow those, but we do not preclude
5 their working with someone if they have a contractor who is
6 assisting them with either operating, or updating their data
7 center, in that contractor assisting with the feasibility
8 study and then working on the project. And our feasibility
9 study guidelines will be, I think, pretty clear in the
10 application package, of putting it together. We normally
11 require the same types of information that would be required
12 for our municipal loan program, or you might find for a
13 utility program, it is probably quite a bit lighter than
14 utility programs, you know, documented engineering estimates
15 of what the savings would be, and documented expected costs.

16 MR. CARR: Thank you, that was helpful. And
17 lastly, along that line, would WISCA be available as a
18 vehicle for acquiring anything through the stimulus package?

19 MR. SUGAR: I am afraid I have to admit ignorance.
20 WISPA?

21 MR. CARR: WISCA. I believe it is the program
22 that allows counties and states to purchase through a agency
23 for any of the equipment that may be used, or programs that
24 may be purchased.

25 MR. SUGAR: I assume that would be available. We

1 do not have anything in the Guidelines that would preclude
2 using an existing vehicle for procurement.

3 MR. CARR: Thank you.

4 MS. LYON: Good afternoon and thank you for coming
5 to the greater Los Angeles area and providing us an
6 opportunity to speak to you. My name is Marilyn Lyon and I
7 am here today representing South Bay Cities Council of
8 Governments. We have 15 cities within our body. Today I am
9 asking some questions about the smaller cities, the federal
10 stimulus funds for those cities, and I have a question. If
11 the city itself has done recent energy efficiency projects
12 and really does not need to do any project on its own
13 buildings, can it use the money to do a project for a school
14 within its city boundaries?

15 MR. SUGAR: Yes.

16 MS. LYON: Okay, good.

17 MR. SUGAR: Yeah, the funding has to go to the
18 city or, well, in your case, the small cities would have to
19 apply. It would have to be the vehicle for applying, but
20 the project they propose could be at a school within their
21 jurisdictions, that is fine.

22 MS. LYON: All right. And as we are looking at
23 the needs of our cities with regard to energy efficiency, we
24 are also seeing some water efficiency projects that could be
25 done. Are we allowed to mix energy efficiency and water

1 projects together and apply for the funds?

2 MR. SUGAR: Yes. The program has a cost
3 effectiveness criterion, and that is based on energy
4 savings. So there, you know, depending on the water
5 system's characteristics, age of equipment, there are
6 changes that one can make to a water or waste water system,
7 which will meet the energy saving criterion, and also will
8 save water.

9 MS. LYON: All right --

10 MR. SUGAR: And we have to make the decision based
11 on energy savings. There is a state requirement, Assembly
12 Bill 2176, that was approved in 19 -- or, no, I am a decade
13 behind -- in 2008, which requires that we evaluate projects
14 on their energy efficiency.

15 MS. LYON: Okay. And then lastly, I have a
16 question. Are there any restrictions of funds for cities
17 that may be gated?

18 MR. SUGAR: No. The funding that is available is
19 based strictly on a jurisdiction's population and we have to
20 use the Department of Energy's figures, and then the county
21 unemployment rate, we are using to modify it a little bit,
22 to help out harder hit counties. But whether a jurisdiction
23 is gated or not is not a criterion.

24 MS. LYON: Thank you very much.

25 MR. SUGAR: You are welcome.

1 MR. COLLINS: Hello. My name is Kenneth Collins
2 from the High Desert Regional Green Jobs Initiative. We are
3 an initiative that covers approximately Southeast Kern,
4 North L.A. County, and Southwest San Bernardino County. We
5 have been around about a year and three months. One of the
6 questions I wanted to ask is, if the grants are available,
7 and there is nothing written that any of the cities have to
8 apply for the grants, it is like it does not matter, the
9 need, or the desperate need in the various communities, the
10 cities do not have to apply for the grants. And sometimes
11 there is not an allowance in the grants, even if the city
12 does not apply, that there can be AWIA (phonetic) or AWIM
13 (phonetic), and it is the community college that takes the
14 lead and receives the funds as the primary agency that shall
15 administrate them. So what happens is this allows the
16 cities to say, "Okay, well, we want this, but we don't want
17 that," and it allows also those communities to be
18 disadvantaged. Could you please answer that question? Is
19 it allowable for any other entities such as AWIA (phonetic)
20 or a community college, to take a lead when the city simply
21 says, "I don't want to take advantage of these funds?"

22 MR. SUGAR: It sounds like that may cross between
23 two of the efforts, one is the block grant program for small
24 jurisdictions, and then maybe -- I do not know how that
25 applies to the green jobs funding.

1 MR. HUTCHISON: I think this is more directed
2 towards the block grant and the federal guidelines state
3 that it is a local jurisdiction. We do allow partnering.

4 MR. COLLINS: Yes.

5 MR. HUTCHISON: Now, if there is a way that your
6 group, or the other groups can work with the city to
7 collaborate on an application, that would be allowable, but
8 the Federal Guidelines are pretty strict about it being a
9 city or a county.

10 MR. COLLINS: And essentially, if they decide not
11 to, it is just a done deal?

12 MR. SUGAR: For the small jurisdiction program, it
13 really is up to the city or county.

14 MR. COLLINS: Okay.

15 MR. SUGAR: Insofar as the guidelines for that
16 program do not involve jobs programs, they involve
17 efficiency projects.

18 MR. COLLINS: Right.

19 MR. SUGAR: We did send out a notice asking cities
20 and counties to respond as to whether they were going to
21 apply. We have, I think, 301 or 302 jurisdictions for which
22 we are responsible and we heard from about 290 of them, that
23 they are applying, and then we are going to be going back
24 and calling the ones from which we have not heard. So far,
25 everybody seems to be interested in the money. And because

1 we have some very strict time requirements on getting the
2 funds out to the local agencies, we really need to know who
3 is going to be coming in and who is not.

4 MR. COLLINS: All right. And the second question
5 is, the priority on districts or applications that have the
6 largest coalescence or collaboration between counties and/or
7 cities, that is a primary priority, correct? That those --
8 and I assume it is because the CEC and the Federal
9 Government do not want to go to all of those counties, they
10 would prefer to go to -- like if California could divide
11 itself into five districts.

12 MR. SUGAR: Yeah, well, yes, we are encouraging
13 collaborations among small cities and counties. So far, we
14 know of three or four that will be coming in, and we hear of
15 a few others that are very interested. Because some of the
16 grants are pretty small, the smallest grants for cities are
17 \$25,000, the smallest grants for counties are \$50,000, and
18 if jurisdictions are able to partner, or collaborate, and
19 kind of share some of the administrative overhead, we
20 believe that it is going to be more efficient for them, they
21 will have more resources at their disposal to come up with
22 projects that are very cost-effective, and hopefully it will
23 also reduce the amount of staff work that we have. We have
24 boosted our staff a little bit for this program, and the
25 Federal Government has some extremely tight timeframes. We

1 have to have all of the agreements for the 60 percent of
2 the funding signed within six months of the Federal
3 Government approving our requests, our plan which we sent
4 in. So we are hoping that they do not approve it right away
5 because we are still getting the application package
6 together.

7 MR. COLLINS: And the last and final question, is
8 that the reason for the hesitancy for any type of marketing
9 campaign by the state? Or for want of a better word,
10 informational campaign in the State of California, that
11 blankets the State, informing people that this is not only a
12 program that has been kind of existing with the IOU's, but
13 it is a new dynamic that is coming about, and also that will
14 implement jobs. What is happening is people are not even
15 asking about these potential jobs, and we have talked about
16 the egg and the chicken dynamic, right? Which should you do
17 first? And it is kind of strange that, as I talk to people
18 around the communities, we know about it because we come to
19 the respective meetings, but the general populace has really
20 virtually no information of what is going on, other than,
21 you know, to hear about the Flex Your Power campaign, etc.
22 Is that causing the dynamic to happen where there is any
23 state forward moving on average, or information --

24 MR. HUTCHISON: Well, this kind of is our
25 marketing campaign right here. We have held probably well

1 over a dozen workshops and we have a pretty sophisticated
2 website, and we do what we call e-Blasts, probably not
3 daily, but darn near daily, at least weekly, to get the word
4 out. And the flip side of that is that we just do not have
5 a lot of time to do a more detailed marketing plan because
6 the Feds have told us, "You've got to get this money out by
7 day certain." So we are doing what we can with the time
8 that we have.

9 MR. COLLINS: So we are essentially in these rooms
10 are your marketing campaign?

11 MR. SUGAR: Well, and some of the programs for
12 which we have probably gotten the farthest, because most of
13 these programs, even if the program itself is not new, some
14 of these like the State Energy Program are programs we have
15 had, but it has really been funding contracts and developing
16 building standards, and really internal expenses. Congress
17 took these existing programs because it was fast, made some
18 changes to them, and then turned them into vehicles for
19 getting money out to the public. The ones that we are
20 furthest along on are kind of for special populations. In
21 the case of the Block Grant Program, we have been getting
22 out to cities and counties and doing our best to get them
23 onto list servers. For that program, we have probably had
24 10 workshops around the states and a couple of rounds of
25 them to make sure that the cities and counties are aware, as

1 the state energy program moves forward, given, you know,
2 Pat has been discussing here, there are a number of elements
3 there that will more directly affect the public, most
4 likely, in the way of helping to finance building retrofits,
5 not necessarily just municipal facilities. And as those
6 programs are developed, the people who contract with us are
7 very likely to be the ones who are getting out and trying to
8 make people aware of opportunities.

9 MR. COLLINS: Okay, great. Well, once again, I
10 have been to several -- thank you, guys, for your efforts.
11 I look forward to working with you.

12 MS. GRAILLAT: Everyone, please -- oh, I am very
13 loud -- but everyone, please try to speak a little louder
14 into the mic, put your mouth as close to it as possible.

15 MS. KRAVITZ: Hello. My name is Alexandra
16 Kravitz. I work for Global Green USA. Thank you very much
17 for your presentation. I hope to not be replicating the
18 gentleman's previous question, but I have a question
19 regarding the discretionary funds --

20 MS. GRAILLAT: Excuse me, could you speak a little
21 louder? Actually a lot louder?

22 MS. KRAVITZ: Okay. Regarding the discretionary
23 funds, are there opportunities for non-governmental
24 organizations to take advantage of those? Or does it have
25 to go through local jurisdiction --

1 MR. PEREZ: Yes, under the State Energy Program,
2 we are specifically looking at targeting a good chunk of
3 that money towards the private sector and other
4 organizations, so that is definitely under consideration, so
5 it is not just local government.

6 MR. HUTCHISON: Yeah, I think she might be
7 referring to the Block Grant discretionary pot.

8 MS. KRAVITZ: That is correct.

9 MR. SUGAR: With the small jurisdiction block
10 grant, a small jurisdiction may decide to use -- I want to
11 make sure that I can really hear myself, which I would
12 prefer not to -- a small jurisdiction may use those funds
13 for projects in the community. So, for instance, if there
14 were building renovation or retrofit projects, you know,
15 with significant energy efficiency impacts, even in
16 privately owned construction, a city or county could put
17 that in as their project that they wanted to put forward.
18 Similarly with the direct purchase option, if they were
19 purchasing and installing high efficiency light fixtures,
20 high efficiency motors, high efficiency controls for heating
21 and ventilating, and air-conditioning systems. We are not
22 asking that that be in a public building, we are just
23 asking, you know, some specifics on the types of locations
24 in which those installations would take place and the types
25 of use that go on there. But that can be private, as well

1 as public.

2 MR. HUTCHISON: Right, but to clarify, AB 2176
3 limits applicants to local jurisdictions and state entities.

4 MR. SUGAR: Yeah, well, Department of Energy --
5 the program itself requires that we provide the money to
6 local jurisdictions, and then state regulations require that
7 we focus on energy efficiency. Now, there were some changes
8 with the budget bill that allow some of those funds to be
9 used for climate change planning. The Commissioners may
10 decide -- there is a balance left in that program, the small
11 jurisdiction program is going to use about 70-75 percent of
12 the money, a few percent are going to go for our
13 administrative costs, and then the balance will be in
14 another program. The Commissioners have begun discussing
15 how they believe it would be best to use those funds, no
16 decisions have been reached yet, there, because the time
17 that we are allowed to develop those programs is longer.
18 And so the Commissioners first focused on the small
19 jurisdiction program because we had very tight deadlines.
20 They had been focusing on the State Energy Program, which
21 includes the jobs programs, as well as the other portions
22 that Pat discussed, and then they are going to be getting
23 back to looking at the remaining \$10-12 million in the small
24 Block Grant Program, and determine how best to use those.

25 MR. PEREZ: I just want to follow-up that when you

1 are looking at the funding allocations, the \$226 million
2 for the State Energy Program, I would strongly encourage you
3 to look at those Draft Guidelines that will be out this
4 afternoon, or this evening, because the eligibility
5 requirements are broader in terms of who can apply for the
6 various funding programs under them. I strongly encourage
7 you to look at that, that source, whereas the Block Grant,
8 yes, it is \$49.6 million, but it is substantially less than
9 the State Energy Program, as John correctly pointed out, a
10 big chunk of that is focused directly on state and local --
11 not state, but small jurisdictions.

12 MS. KRAVITZ: Okay, so I have a question about the
13 State Energy Program. And it seems that, if I understand
14 correctly, the presentation, the only technologies that are
15 being targeted with those funds, the renewable energy
16 technologies, are biomass and combined heat and power for
17 small systems, and why are you not looking into solar and
18 wind?

19 MR. SUGAR: The Commissioners are still discussing
20 how to use the funds, what the limitations will be on the
21 Clean Energy Program portion of the State Energy Program.
22 They are currently looking to focus on combined heat and
23 power systems, as well as biomass and biogas projects.
24 Their take is that there are currently incentives out for
25 solar energy systems, particularly photovoltaic systems, and

1 photovoltaic systems tend to be quite expensive. Given
2 that there are already incentives that are available for
3 those systems, they are looking to broaden the incentive
4 structure to try to get a little bit wider variety of
5 distribution generation options available.

6 MS. KRAVITZ: And we are talking about the federal
7 tax credit?

8 MR. SUGAR: No, no. This would be -- what we are
9 trying to develop is a low-interest loan program that would
10 be targeted to assist combined heat and power projects, and
11 biomass, fuel biomass, and biogas fueled generation, or
12 having -- developing Methane that would be then injectable
13 back into the utility natural gas system. And that program
14 is still under development. We are working on the
15 guidelines. There are some administrative challenges for us
16 there, which we are trying to overcome because, you know,
17 with enough time, we can overcome a lot of administrative
18 challenges, and we do not have a lot of time on these
19 programs.

20 MR. PEREZ: And perhaps to add to what John just
21 stated, one of the things that was under consideration in
22 terms of designing the types of technologies that we were
23 going to target the funding for, we looked at what existing
24 utility programs, as well as the programs that were
25 authorized by the California Public Utilities Commission are

1 already in place to advance solar energy and other
2 technologies, we looked at those and then asked ourselves,
3 what other technology areas are not receiving adequate
4 funding and support. So that was one of the considerations
5 for why certain technologies were elevated. But, as John
6 said, these are only draft proposals that could be expanded
7 and modified, certainly, before they make their final vote
8 on it.

9 MS. KRAVITZ: Okay, I have a very quick last
10 question. You mentioned \$5 billion for weatherization and
11 you said there was a part of it that was going to low income
12 communities. What share of the \$5 billion is that?

13 MR. PEREZ: Well, actually, in terms of that \$5
14 billion, that is the national program, the Weatherization
15 Assistance Program, of that total, California is receiving a
16 little over \$180 million. That money is actually going
17 through the California Community Services Development
18 Department and they are administering that program, and you
19 can get the details by simply going on the Google site and
20 putting California Department of Community Services and
21 Development, and you will get the details on that. I do not
22 know if their solicitations are out. We do not administer
23 that program, we are certainly working with them
24 collaboratively because much of what they are doing with
25 this weatherization supports our efforts in terms of energy

1 efficiency retrofits in buildings, so we want to compliment
2 what they are doing.

3 MS. KRAVITZ: Okay, thank you very much.

4 MR. PEREZ: You are welcome.

5 MR. CHOY: Hi, I am Howard Choy with L.A. County
6 and I have a couple of questions. We are investigating and
7 hopefully moving forward with implementing an AB 811 program
8 for the entire region, entire L.A. County region. It seems
9 that many many of the technologies and the measures and the
10 projects that you are targeting in all of your other
11 programs would qualify also as projects that can be financed
12 under an AB 811 program. Given the restrictions that the AB
13 811 legislation has on who can finance projects, from your
14 end, you do not see any reason why any of these other
15 measures cannot be financed under AB 811, or AB 811 be used
16 to leverage funds to implement more projects. From your
17 end, do you see any reason why all of the projects in your
18 other programs cannot also utilize a municipal financing
19 program?

20 MR. MIR: So most of the areas are going directly
21 to cities and counties, whereas the AB 811 would be -- it
22 would go for the city and county, but it would be to
23 commercial and private -- commercial businesses and private
24 homes. So those homes or those commercial businesses would
25 not really be using that block grant funding directly unless

1 that city or county decided to use that block grant funding
2 for the same purpose.

3 MR. HUTCHISON: No, but I think his question is,
4 is the other energy efficiency retrofit programs, the type
5 of technologies and energy -- actually, not technology, but
6 the retrofits -- his question is, would those also be
7 eligible under an AB 811 type program, and I think the
8 answer is yes, it kind of just depends on, you know, it will
9 be a competitive program, the 811 program, the municipal
10 financing program, and then we will be looking for
11 applications to come in, and the local jurisdiction can kind
12 of design what type of retrofits they would want to have.
13 And I think there is some latitude there, if that answers
14 your question.

15 MR. CHOY: Yeah, that absolutely does.

16 MR. MIR: In the Guidelines, it lays out what we
17 are looking for and it is going to be competitive, so the
18 more that you follow what we are asking for, the higher, the
19 better you will do.

20 MR. CHOY: Okay. On the State Energy Program, the
21 Guidelines that are going to come out today, will it include
22 the DOE requirements on how the money -- or terms and
23 conditions on the projects themselves, and will you have a
24 breakdown of the dollar amount on the \$95 million energy
25 efficiency programs between AB 811 support, residential

1 retrofits, and the municipal and commercial building
2 targeted measures? Will that be broken out?

3 MR. HUTCHISON: Let me answer the first part of
4 your question. The federal pass-down requirements, we
5 certainly captured as much as we could in the Guidelines.
6 The solicitations that will be coming out will further drill
7 down. There is going to be some general language in there
8 that basically says, as additional federal requirements will
9 come down, we will be passing them onto you because,
10 frankly, we have not nailed down all of the DOE
11 requirements. We have got the OMB stuff fairly well nailed
12 down, but Department of Energy is still trying to solidify
13 some of their reporting requirements, so that will be passed
14 down as we get additional information there. Relative to
15 the \$95 million, we purposefully kind of left a broad bucket
16 there, the allocations to those subgroups, the residential,
17 the commercial, and the municipal financing. We are going
18 to let demand kind of dictate that, and the Commission will
19 then allocate funds, depending on, you know, if more is
20 needed for the residential versus the commercial. So there
21 is no hard lines drawn for any of those three programs.

22 MR. CHOY: Okay. And last question. On the
23 municipal and commercial building targeted measures, you
24 said that you were looking for -- you wanted to emphasize
25 strategies that impact the buildings and programs that

1 transform the economy. I am wondering how much is cost-
2 effectiveness going to play a role in your evaluation, and
3 to the extent that you ask for collaboration, regional
4 collaboration, would a statewide collaboration of local
5 government submitting something kind of fit that bill?

6 MR. MIR: So a couple parts on that. The
7 technologies are things such as bi-level parking light
8 fixtures that are not new technologies, that were developed,
9 that have not been used as much, so we are trying to get
10 those technologies into the marketplace, and so that they
11 will continue after the end of the ARRA funds. And a lot of
12 it, based on the proposals, you know, we will be looking at
13 the proposals, and a larger group might be able to score
14 better compared to a group that is targeting a smaller area.

15 MR. CHOY: So the cost per Kilowatt hour to
16 implement a specific measure is part of a larger, regional
17 collaboration that has these strategies and transforms the
18 economy, the cost per Kilowatt hour is something you will
19 look at, but may not be the most important factor?

20 MR. MIR: It is not the only -- there are a lot of
21 factors. You know, a large factor will also include
22 leverage, how much -- what ARRA funds you will leverage with
23 this program.

24 MR. CHOY: Okay. Thank you very much.

25 MR. PEREZ: Thank you. And I just want to point

1 out that the State Energy Program Guidelines are now out,
2 so you have got some homework for the weekend. Good
3 reading, by the way, I am sure.

4 MR. BRENNAN: Thank you for that. Good afternoon,
5 my name is Randy Brennan. I am the Director of
6 Sustainability Initiatives for the Los Angeles Unified
7 School District. We have 700,000 students, 12 percent of
8 the state's total, 70,000 employees cover 700 square miles
9 and our need is great. We are glad to hear of your
10 presentation and your program today because we intend to
11 take advantage to the fullest extent possible, in several
12 areas. One is that we intend to reduce our energy
13 consumption by 50 million Kilowatt hours over the next three
14 years, and so assistance in that area would be very
15 welcomed. We also intend to install 50 Megawatts of
16 renewable energy and we have 114 shovel-ready projects ready
17 for that funding, as soon as possible. In addition to that,
18 we intend to reduce our water consumption by 250 million
19 gallons over the next three years, with 600 shovel-ready
20 projects for smart irrigation controllers, and would love to
21 get funding for those projects, as well. In terms of
22 workforce development, we have programs with ICISE, which is
23 I am a Student Exploring Excellence. We build green, which
24 teaches post-graduate students how to install photovoltaic
25 systems, as well as other energy conservation means, and we

1 are also in partnership and collaboration with the
2 Infrastructure Academy, particularly in water conservation
3 surveys, so that we hope to be able to access funds for
4 those supported programs for academic, as well as for, of
5 course, development training going forward. I do have a
6 question with regard to ECAA funding. You mentioned that
7 there is \$3 million per application. Is this per site? Or
8 is this per entity?

9 MR. SUGAR: It is per project. Now, our loan
10 program has probably a 30-year history of being available.
11 We have recently reduced the interest rate from 3.95 percent
12 to 3 percent, and now with the ARRA funding, it is going for
13 at least some projects to 1 percent.

14 MR. BRENNAN: Oh, most welcome.

15 MR. SUGAR: Yeah, and the criterion on the size of
16 the loan is that the utility bill savings are able to pay
17 for the loan service, and the maximum loan duration is 15
18 years. It is possible that, with the ARRA funding, we would
19 require a shorter loan period, so that we can turn the money
20 over more quickly. So in evaluating how much money that you
21 could get for a specific project, right now a simple payback
22 of 13 years is a pretty good indication of whether it will
23 make it at 1 percent and 11 years is a pretty good
24 indication of whether it will make it with the 3 percent
25 rate. And we are always ready to talk to school districts,

1 local agencies about that program.

2 MR. BRENNAN: Mechanically then, how would it work
3 if, for example, I were to do a solar project at a site and
4 I were to want to access grant funding, the loan funding to
5 match, and then utility incentive funding? What combination
6 of funds -- how do you see that working in a mechanical
7 sense?

8 MR. SUGAR: Right now, while there is discussion
9 of the schools' portion, schools' element to the State
10 Energy Program, that has not -- the Commissioners are
11 discussing it, we have not firmed up how that is going to
12 work. Currently, with solar projects, with photovoltaic's,
13 they tend to be relatively non-cost-effective compared to
14 efficiency, so we are unable to loan on the full amount of
15 those projects. Usually we are able to loan on something
16 like half of the project, or pay for half of the remaining
17 cost of the project, after the project has received all the
18 various usually utility incentives that are available. In
19 some cases, local jurisdictions, or school districts have
20 bundled low cost, extremely cost effective efficiency
21 projects with the less cost effective solar projects, and
22 they are able to get a little bit more of the solar covered.
23 Being an efficiency person, I have no understanding of why
24 they are pursuing the photovoltaics when they can save more
25 money with efficiency, but this seems to be -- we get quite

1 a few applications this way and we try to work with people.

2 MR. BRENNAN: I understand, except that in many
3 other markets and in the private sector, which I came from,
4 and also the school district, many efficiency measures have
5 already been taken. We already have high T8 efficiency
6 lighting, we have already done all the AC retrofits we can
7 do, we are really down to smaller kinds of things we can do
8 on an efficiency basis. The 50 million Kilowatt hours I
9 speak about really has a lot to do with deriving
10 efficiencies through discipline, and through some
11 installations of some energy management systems. Really,
12 the low hanging fruit is not as plentiful as it once was,
13 maybe 5-10 years ago. So we are really looking at the next
14 level of benefit, which would really work out to be, in this
15 case with current technology available, until LED lighting
16 becomes available, anyway, we would be looking at solar
17 installations, and that is where we need to invest our
18 money. Thank you.

19 MR. PEREZ: I think I would like to change with
20 Joelle Kelly on -- have we received any questions? Okay,
21 why don't we take a minute or two and -- first of all,
22 before I take questions online, how many more people would
23 like to speak in-house today? We have three. Okay, why
24 don't we just take these three, and then we are going to
25 take questions from those who are listening in via the

1 Webcast.

2 MR. ROSEN: Thank you, Commission, for being here
3 today. My name is Spencer Rosen. And I am with the
4 company, Greater Dawn. And Greater Dawn is an energy
5 consultant specifically addressing the existing residential
6 retrofit market, and designing and implementing programs for
7 cities in California to create a foundation for what you
8 guys have done an amazing job of leading the way for these
9 programs. And I am going to address a specific challenge
10 that I have seen so far and it is specifically related to
11 leveraging funds and leveraging other programs. And within
12 the SEP Guidelines you guys have done an amazing job of
13 outlining the Neighborhood Stabilization Programs as an
14 opportunity to begin home energy retrofits. And within the
15 State of California, the Neighborhood Stabilization
16 Programs, they often come in the form of either first-time
17 home buyer assistance, or rehabilitations, acquisition
18 rehabilitations, and sale of properties, and there is a huge
19 opportunity right now to leverage those programs and begin
20 to do whole house comprehensive energy work, and create a
21 foundation for the future, and the future is incentives
22 coming from the Waxman-Markey Bill, a required point of
23 sale, and the initiation of comprehensive whole house energy
24 work comes from an energy audit, right? A whole house
25 energy evaluation. And as we reach out to cities, there are

1 cities that are actually very interested in integrating
2 energy audits into their acquisition and rehabilitation of
3 properties. And the knowledge and information is not really
4 available and has not fully been disseminated to the local
5 agencies to encourage their participation and just
6 investigation of the benefit of this would contribute to
7 their city and their local programs. And I was speaking
8 with the Director of the Programs from HUD for the State of
9 California yesterday, and they just said, "Well, call the
10 individual cities and talk to them." And we are, we are in
11 communication with them. And so I am really encouraging the
12 Commission to see what is possible on the highest level so
13 that integration of programs can come from top down, because
14 integration of programs from the bottom up is a real
15 challenge. It is really challenging to communicate that
16 message, and there is a huge opportunity, you know, dollars
17 are being spent on retrofits, dollars are being spent by
18 first-time home buyers, and imagine if those dollars were
19 actually spent in a way where we are getting the workforce
20 that we all talk about trained. You know, I do technical
21 home energy work and develop the policies and programs, and
22 the amount of training necessary to get a workforce up to
23 speed is really experientially based. They really need to
24 be in the home, develop their green lens for home energy
25 audit and retrofit evaluations. And so the experience that

1 the workforce could get through an apprenticeship program
2 with NSP is available now, and so I am really encouraging
3 you guys to be in communication about that and see what
4 would be possible from the highest level to begin to
5 integrate the programs from the top down. So thank you
6 guys, very much for listening and if you have any questions,
7 my contact information is on the form. Thank you.

8 MR. PEREZ: Thank you very much.

9 MR. MUIR: My name is William Muir from
10 Alternative Consumption Technologies. My first question is,
11 with all this money coming from the federal government for
12 our state, why aren't there more smiles on your faces?

13 MR. PEREZ: It could be the long hours.

14 MR. SUGAR: Yeah, it could be we are worried about
15 getting the money out.

16 MR. MUIR: My second question is, what is bi-level
17 parking lighting? We manufacture LED linear retrofits, and
18 I was curious if I could just get a quick explanation as to
19 what the Energy Commission is looking for.

20 MR. MIR: The bi-level parking lighting was
21 developed, I believe, by the PIER research and what it does
22 is it has got an occupancy sensor, or a motion sensor, so
23 when nobody is around, it goes on to a lower level, and
24 then, as someone comes by, it goes back to the higher level,
25 and it is more efficient than the lighting that is already

1 there. So you are saving in several ways.

2 MR. MUIR: Okay, is there on the State Energy
3 Program, is there a section for Solid State lighting, or is
4 it just anything pertaining to Kilowatt hour reduction?

5 MR. MIR: For the municipal program, municipal and
6 commercial retrofit program, we did not specify LEDs
7 probably because, based on the timeline, the technology --
8 if you propose something like that, that is something that
9 you could propose, we were giving examples of things that we
10 know are available right now, the type of things that we --
11 and if you read the Guidelines section, it talks about the
12 type of measures that you can propose as a part of your
13 program.

14 MR. MUIR: Okay, so one of the issues we have had
15 is that, while we have a UL listed American made LED light,
16 the Department of Energy has not issued Energy Star
17 standards for LED Luminaires. Could we propose standards in
18 our feedback with the draft that is coming out? Or does the
19 Energy Commission have anyone specifically looking into
20 standards in terms of, you know, lumens per watt, or
21 efficiencies, or warranty useful life?

22 MR. SUGAR: I do not -- my answer may ramble just
23 a little bit. To directly answer the question, I do not
24 believe we have anyone who is working on standards for LED
25 lighting. DOE may be doing that, Energy Star would be -- I

1 think that would be an EPA call, what they would end up
2 using. We do have work going on -- the Energy Commission
3 has funded work at the Lighting Technology Center at UC
4 Davis, where they have been working with Solid State
5 lighting and they have done quite a bit of work with bi-
6 level lighting. I do know that, for the small jurisdiction
7 program, we have two options for small jurisdictions. They
8 may either propose a project which requires an assessment,
9 you know, a feasibility study to support the use of the
10 funds, or they may directly purchase specific types of
11 equipment, and we will deem that to be cost-effective. Now,
12 within that equipment, we include LED traffic signal and
13 pedestrian signals and then LED or induction lamps for
14 street lighting applications -- parking lot, garage
15 applications, and exterior applications. So we are already
16 loaning on LED lighting. And we are accepting LED lighting
17 as an option for local agencies for their use of their block
18 grant funds.

19 MR. MUIR: But under the State Energy Program, for
20 instance, we have a commercial building here in town that
21 has got 37 stories, and there is some subsidy dollars from
22 local utilities. Could that money be bundled as a cost
23 share to take advantage of the funds under the State Energy
24 Program?

25 MR. SUGAR: Well, under the State Energy Program,

1 the Block Grant Program, yes. We are encouraging local
2 entities to use the block grant funds and leverage them as
3 best they can, and we are making loans available, as well.
4 So for instance, like with LAUSD, I mean, not being a
5 jurisdiction, they cannot take advantage of this specific
6 program, but we are encouraging local agencies, if they are
7 interested in maximizing energy efficiency, to use whatever
8 utility incentive funds they can get. They can certainly
9 apply to our loan program. We are trying to set this up so
10 that it is going to be very easy to combine the grant funds
11 with loans.

12 MR. MUIR: Well, that is one of the block grants,
13 I am talking about the State Energy Program for a private
14 commercial skyscraper here in town. Can they apply under
15 that program? Or is it only through public entities?

16 MR. MIR: You know, the State Energy Program
17 Municipal and Commercial Retrofit, there we are not looking
18 at individual buildings, we are looking at, you know, a
19 portfolio, so you might propose that I am going to go in and
20 I am going to contact -- here are my partners and I am going
21 to go retrofit these parking lots, or these buildings, so it
22 is not one building, it would be a portfolio of buildings.

23 MR. MUIR: Okay, so you would prefer to have a
24 portfolio of buildings of a private owner, rather than just
25 one private owner of one building?

1 MR. MIR: Correct. I mean, you could be talking
2 to all the Big Box stores and saying, "I am going to go do
3 these retrofits in all the Wal-Mart's, all the Targets, all
4 the --

5 MR. MUIR: Okay, but -- well, that answers my
6 question. Thanks very much, guys.

7 MR. PEREZ: Any more questions from the audience?
8 If not, yes sir? This will be our last one because we have
9 got a number of questions online.

10 MR. EDER: Hello. My name is Harvey Eder, I am
11 with the Public Solar Power Coalition. And at the end of
12 May, I believe, there was a meeting that had some of your
13 Commissioners and PUC Commissioners on the AB 811, and they
14 had a fellow, I forget his name and what law firm he was
15 from, and then a woman who was with a financial group, the
16 fellow was a Bonds specialist, and he talked about the legal
17 situation with Bonds and some of the impediments, and I
18 believe it was asked for by the Commissioners that he submit
19 something in writing, summarizing this in more detail to the
20 Commission. I wondered if you knew anything about that, by
21 chance, or who would know that with the Commission.

22 MR. HUTCHISON: Yeah, we held a workshop late
23 April and we had a number of what we call AB 811 experts
24 come and testify, and I believe a lot of information was
25 docketed. Rashid, do you know if there --

1 MR. MIR: I am not sure if that specific document
2 is out there. I know there are documents on our website,
3 the presentations for that meeting are there. I am not sure
4 if the public comments are --

5 MR. HUTCHISON: Yeah, I do not know that we have
6 specifics to answer your question there, but we do not
7 believe that there are significantly legal barriers to
8 moving forward with this program henceforth. That is one of
9 our program concepts under the State Energy Program.

10 MR. EDER: That is not the impression I got from
11 listening to this. It was in the morning. I know there is
12 a transcript available and whatnot, but they brought up some
13 legal issues, for instance, that sounded like they had to be
14 resolved, then there was the issue of filing proposals that
15 would then be challenged in court, or something to this
16 effect.

17 MR. MIR: I mean, for those AB 811 programs, that
18 is the City or the County who are setting those up, and it
19 is really up to their legal counsel to decide, you know, are
20 they comfortable with the AB 811 program. There were some
21 comments back in relation to that, but there are cities and
22 counties that are going forward with AB 811 programs right
23 now.

24 MR. EDER: Okay, I guess I will try to get a hold
25 of this bond counsel and ask him if he has worked with you

1 on --

2 MR. PEREZ: Sir, you may also be referring --
3 there were a number of forums on AB 811 held in Northern
4 California, I believe in Berkeley and San Francisco, and I
5 do know they were not sponsored by the Energy Commission,
6 but we did have Commissioners that participated both at the
7 Public Utilities Commission and the Energy Commission, so it
8 is probably one of those forums where you may have heard
9 about some of these issues and challenges about implementing
10 AB 811 type programs, as well as do the counties and cities
11 have the authority in place, they have to do a ballot
12 measure to get authority to set these up, so there are a
13 number of steps you have to go through before you set up
14 such a district. And those are the focus of many of those
15 workshops.

16 MR. EDER: Okay, I will have to go over the
17 transcript of the meeting. Thank you.

18 MR. PEREZ: Thank you, sir. Okay, why don't we
19 take some of the questions that have come in through the
20 Web, and, Chris, why don't you read them into the record?

21 MS. GRAILLAT: We have about 25 questions. The
22 first one: "Is it true that the cost effectiveness criteria
23 for small cities are more stringent than for large cities?
24 For example, the \$10 maximum cost per therm? Is this true?
25 And why?"

1 MR. SUGAR: The small jurisdiction program for
2 larger cities is handled through the Department of Energy
3 and there is quite a wide variety of uses to which those
4 funds may be put. The funds that are coming through the
5 Energy Commission are subject to the edicts of AB 2176,
6 which requires that the funds be spent for cost effective
7 energy efficiency projects. We are using a cost
8 effectiveness criterion that the Department of Energy put
9 forth in their SEP Program Guidelines. That seemed to us to
10 have some tremendous advantages over other criteria we have
11 seen and it is a criterion which our engineering staff
12 believes is quite reasonable and does not severely tie the
13 hands of local jurisdictions.

14 MS. GRAILLAT: Okay, the next question: "Did you
15 say a city can apply for the small cities block grant, but
16 do retrofits on a building in the city that is privately
17 owned, or at a school that is under the city's jurisdiction,
18 for example?"

19 MR. SUGAR: Yes. Yeah, the Applicant must be
20 either the jurisdiction, or, in the case where we are
21 encouraging partnerships, or collaboratives, the lead agency
22 for the collaborative, which can be either a public
23 jurisdiction or a nonprofit, which has authority given to it
24 by the local agencies to apply for the funds on the local
25 agency's behalf. And then the local agencies may spend the

1 money on schools, or other energy efficiency projects
2 within the jurisdiction that meet the cost effectiveness
3 criterion.

4 MR. HUTCHISON: No swimming pools and no golf
5 courses.

6 MR. SUGAR: No bingo parlors or gaming
7 establishments.

8 MS. GRAILLAT: Okay, number 3: "One of the goals
9 seems to be using funds, both in EECBG and SEP, to kick-
10 start market transformation, particularly where those
11 technologies are manufactured in California. However, in
12 the EECBG Program and the SEP, there seems to be a bias
13 against technologies that lack large market penetration.
14 These positions seem to be in conflict. Could you please
15 discuss the steps the technologies that currently have low
16 market penetration would need to complete to meet the CEC
17 smell test?

18 MR. SUGAR: For the Block Grant Program, speak
19 louder, oh, okay -- for the Block Grant Program, new
20 technologies may be part of a local jurisdiction's proposal,
21 the technology would need to have documentation supporting
22 the energy savings and cost estimates that would be included
23 in the proposal. As far as I know, we are not biasing
24 against sort of low penetration technologies. It is up to
25 people who have the technologies to encourage cities and

1 counties to use them, because we are not going to be
2 promoting either specific technologies or brands of
3 technologies. It is up to the local agencies to propose to
4 us what they plan to use.

5 MS. GRAILLAT: Okay, next question: "Are energy
6 audits an eligible use of the EECBG small jurisdiction
7 funds, specifically, can an in-home or firm-based audit
8 which is not directly tied to a physical energy efficiency
9 retrofit qualify for this funding provided it does lead to
10 energy savings which meet the cost effectiveness threshold?
11 As an example, the audit could lead to consumer behavior
12 changes such as reduced use of equipment and appliances
13 which save significant energy, but do not require any
14 retrofit actions?"

15 MR. SUGAR: That is going to be extremely
16 difficult to do. I doubt that it would be possible to use
17 the funds for that. When the application comes in, the
18 application will have to provide documentation on what the
19 energy savings will be from the undertaking. The energy
20 savings have to meet the cost effectiveness criterion and
21 the law prohibits us from paying for any activities that
22 have gone on prior to the grant being approved by the Energy
23 Commission, and signed by the local agency. So assuming an
24 audit were used to identify where the savings would be
25 found, that audit would have to occur before the grant could

1 be issued because we would need the information from the
2 audit for the grant application.

3 MS. GRAILLAT: Okay, "I understand that the CEC is
4 offering technical assistance with EECBG projects. We are a
5 small city undergoing serious budget problems. While the
6 useful life expectancy for an HVAC system is 30 years, the
7 existing HVAC system for City Hall is 40-years-old, and in
8 need of replacement. We cannot afford to hire a mechanical
9 engineering firm to help us with the feasibility study to
10 replace the boiler. Please let me know how we can receive
11 technical assistance with the feasibility study."

12 MR. SUGAR: Please send a note in to EECBG (for
13 Energy Efficiency and Conservation Block Grant) --
14 EECBG@energy.state.ca.us. Please very briefly just note
15 that you asked this question and you would like to discuss
16 technical assistance with us, and then give us contact
17 information, and a salesman will call.

18 MS. GRAILLAT: "Would a special district be
19 eligible for any of the ERAA funded programs? I see that a
20 special district is eligible for the loan program, but want
21 to confirm that is the only available funding source."

22 MR. SUGAR: The special districts are not eligible
23 for the small grant program, it seems there may be some
24 opportunities in the State Energy Program as it goes
25 forward, and I will turn to Rashid Mir.

1 MR. MIR: For the 811 programs, currently the 811
2 does not allow special districts. If that legislation
3 changes, then they would be eligible for 811 type funding
4 through the State Energy Program.

5 MR. SUGAR: We are having a little side discussion
6 here. They are eligible for loans, and at the moment that
7 is all we can identify.

8 MS. GRAILLAT: "I wanted to clarify whether
9 feasibility studies such as building audits are reimbursable
10 with EECBG funds. I understand that a study itself would
11 not meet the cost effectiveness eligibility criterion, as no
12 energy savings would be realized, however, this is an
13 important step in helping a city or county determine which
14 projects are most cost effective. Using the coupling
15 strategy described on page 9 of the Preliminary Guidelines,
16 could a study that reveals a highly cost effective
17 opportunity be coupled with the implementation of the
18 retrofit itself to meet the criteria?

19 MR. SUGAR: The problem that we encounter is the
20 one that, you know, I just discussed a few moments ago, and
21 that is that we cannot pay for activities that occur before
22 the grant is approved. The grant is approved based on the
23 savings and costs that the project is expected to incur and
24 provide. So this is why we have technical assistance
25 available, to try to help local agencies get over that

1 hurdle, and we are encouraging local agencies that need the
2 assistance to get to us as soon as possible because we
3 expect to be very busy.

4 MS. GRAILLAT: "You mention the State Energy
5 Program and funds will be available to target reductions in
6 consumption of natural gas-fired gas oil-fired electricity.
7 I am wondering if reduction in coal-fired electricity
8 consumption will also be an area that funds will be
9 available for?"

10 MR. MIR: The ERAA requirements has a source Btu
11 requirement, so I do not believe we care what the source of
12 Btu's are.

13 MR. SUGAR: No. We do not care what the fuel
14 source is that is generating the electricity. We are not in
15 a position to dictate how reductions in energy and
16 electricity use would be handled by utilities in their
17 planning and procurement processes, we can only encourage
18 and fund reductions in use of electricity, depending on what
19 sources the utilities are using, pricing of those sources, a
20 variety of factors will determine what fuels experience a
21 reduction.

22 MS. GRAILLAT: "Will local agencies require DBE
23 goals for these federal energy type funds similar to
24 transportation federal funds? Will the local agency require
25 an application approval process when moving between phases

1 of work such as design, advertising, construction, etc.?"

2 MR. SUGAR: Yeah, it is all required. The standard
3 federal requirements exist. What was the second part,
4 Chris?

5 MS. GRAILLAT: "Will the local agency require an
6 application approval process when moving between phases of
7 work?"

8 MR. SUGAR: For the small grant program, we are
9 looking into being able to provide interim payments. And we
10 are going to have that, whatever we are able to come up with
11 will be in our application and we will be pleased to discuss
12 it with local agencies that have questions.

13 MS. GRAILLAT: Okay, next question: "We
14 understand that schools may be the recipient of funds if
15 working with cities or counties. Does this include the use
16 of ERRA funds under the EECBG or SEP, including
17 discretionary funds under either program for school
18 construction programs, specifically assisting schools fund
19 energy efficiency technology or renewable energy when
20 undertaking new construction?"

21 MR. SUGAR: If a school district is working with a
22 local agency that is receiving, you know, block grant funds,
23 it seems that they should be able to use those funds for
24 incremental efficiency and equipment if it meets the cost
25 effectiveness criterion. So, for instance, we probably

1 could not buy -- you know, the grant would not work to
2 purchase an entire HVAC system; it might work to pay the
3 additional cost of improving the efficiency of the HVAC
4 system that is installed in the school.

5 MR. HUTCHISON: And the other thing they need to
6 be cognizant of is that these projects really need to be
7 shovel ready, and when you are dealing with new construction
8 projects, they might end up dealing with some issues of
9 completing the project within the timeframes.

10 MS. GRAILLAT: Okay, next question: "There has
11 been a great deal of success throughout the world using
12 micro hydro systems to generate electricity. California has
13 a plethora of rivers of streams that would support micro
14 hydro systems. Why is there no support by this state to
15 help micro hydro development?"

16 MR. SUGAR: We are not on the generation side of
17 the equation, so I do not think we are really qualified to
18 comment.

19 MR. HUTCHISON: And there may be some federal
20 competitive funds that they might qualify for, and I
21 recommend that they look at our website on the federal
22 competitive programs.

23 MS. GRAILLAT: "Could you please discuss the
24 estimated amount of funds to be allocated to each Grantee of
25 the SEP residential and commercial retrofit programs? Also,

1 can an applicant apply for both programs, or just one?"

2 MR. MIR: I do not believe we have a dollar amount
3 listed. We will look at the proposals and, yes, they can
4 apply for AB 811, the residential retrofit, and the
5 commercial retrofit program.

6 MS. GRAILLAT: "Could you please discuss the match
7 requirements of the SEP municipal financing district
8 program? If a city is already planning on using allocated
9 EECBG funds on a project, can the city match SEP funds with
10 other funds such as General Reserve funds or redevelopment
11 funds? If so, does the amount of those other funds have to
12 be the same as the EECBG allocated funds?"

13 MR. MIR: We received comment on this when we were
14 doing the SEP workshops. The revised Guidelines, I believe,
15 will have some different language, and what we will be
16 looking at is evaluating the proposals based on the
17 leverage, so the more funds that you have available,
18 matched, or leveraged, the better you will do in the
19 evaluation.

20 MS. GRAILLAT: "For the SEP Municipal Financing
21 District Program, if a small city is the applicant and
22 administrator of the program, can the city use allocated
23 funds to retrofit city-owned buildings or city-owned housing
24 projects in the residential program?"

25 MR. MIR: I believe that the program was targeted

1 to residences and commercial buildings in the city that
2 were not owned by the city. And I might have to get back to
3 them on this point, if they could actually use the money to
4 fund their own buildings. It was more to target the local
5 community within that city.

6 MS. GRAILLAT: "How can contractors, electrical
7 HVAC, and plumbing be involved with these projects that will
8 be engaging in these energy efficiency projects? Is there
9 an RFP site that is directly for these projects, or another
10 way of identifying these opportunities?"

11 MR. PEREZ: Much of this funding will actually go
12 to local counties and cities. One of the things that the
13 Energy Commission will be doing with every single award, it
14 will be posted on their Energy Commission's website with the
15 contact information. For those parties that are going to be
16 out there, that are actually doing the work, such as private
17 sectors, we are encouraging them that, once that contact
18 information is up there and you see who the award was
19 granted to, that you begin dialogue with those respective
20 parties, counties, cities, or whatnot, to see what role
21 there might be, or opportunities for you to bid for the
22 work.

23 MS. GRAILLAT: "Is there an anticipated schedule
24 for the second tier energy efficiency programs specifically
25 for an AB 811 type program?"

1 MR. HUTCHISON: It is -- the timeline is
2 specifically for the AB 811 type program, it is probably
3 going to be similar to the Energy Efficiency Retrofit,
4 hopefully we will have a solicitation package out in the
5 next 60 days, and then review proposals, accept proposals,
6 review them, and hopefully, some time after the first part
7 of the new calendar year, be able to select projects, just a
8 rough timeline there.

9 MS. GRAILLAT: "When will guidelines be available
10 for the clean energy program biomass combined heat and
11 power? And what is the contact information?"

12 MR. SUGAR: At the moment, we do not have draft
13 guidelines put together, so we really do not have a contact.
14 We anticipate, I think within the next month, getting
15 guidelines out. There is still some discussion on aspects
16 of the program within the Commission. I hate to commit us
17 to a date and then other issues intervene and we do not make
18 it.

19 MS. GRAILLAT: "For the SEP Municipal Building
20 Retrofit Program, can a private for profit entity receive
21 funds and be an applicant for the grant?"

22 MR. MIR: So it is actually the Municipal and
23 Commercial Building Retrofit Program. So, yes, private
24 corporations can apply. But they are supposed to be
25 bringing a portfolio of projects together. We are not

1 trying to fund individual buildings.

2 MS. GRAILLAT: "Page 19 of the ARRA workshop
3 presentation notes that SEP funded grants will be available
4 to public schools in areas with greatest need. Will schools
5 need to apply for these funds? Or are they already
6 allocated base on need? In short, how can K-12 gain access
7 to the funds?"

8 MR. HUTCHISON: This is another program area that
9 is still under development. I would anticipate that schools
10 will be applying perhaps not individually, but as a
11 district, or through the district. But they should be
12 plugged into our website and watch for some program
13 guidelines that I expect will be out on these hopefully in
14 the not too distant future.

15 MS. GRAILLAT: "Please confirm that our project
16 budget on the Block Grant Application can include staff time
17 to carry out the project. We are asking about a separate
18 item from the administrative percentage to administer the
19 grant itself."

20 MR. SUGAR: Yeah, the cost of a project includes
21 the cost of installation. And both for a project and if a
22 jurisdiction wants to use the direct buy option, the cost of
23 installing the products which they purchase is a reasonable
24 use of the funds. We do have a quick look at the costs of
25 installation, so please be reasonable in estimating the

1 costs.

2 MS. GRAILLAT: "The block grant Q&A gave two
3 different answers about whether climate or energy action
4 plans are allowable. We do not want to fund a climate
5 action plan, but would like to bundle energy conservation
6 planning and training with highly cost effective projects
7 such as equipment installation. This combination will
8 ensure that we are continuing to generate savings. Would
9 you recommend that we propose that be allowable?" I am
10 sorry -- "What would you recommend we propose that would be
11 allowable?"

12 MR. SUGAR: The formula program which is currently
13 on the street in the form of the draft Guidelines, hopefully
14 adopted by mid-September, does not include either climate
15 change planning, nor efficiency planning or strategy
16 development, or training. When we were developing the
17 program, as the Commission developed the program, we were
18 restricted to cost effective energy efficiency projects.
19 The budget trailer bill expanded allowable uses of funds to
20 climate change planning. That may be included as a possible
21 use of the additional funding and the \$12 million which
22 remains. The term "climate change planning" does not appear
23 as one of the uses that the Department of Energy has for the
24 funding. They do have Energy Conservation Strategy
25 Development and Planning. Our legal staff has not yet

1 addressed the question of whether those two could be
2 consistent enough that we actually could put money in that
3 direction. But for the current grants that we are looking
4 at, these are really strictly cost effective energy
5 efficiency projects.

6 MS. GRAILLAT: "The block grant guidelines say
7 applicants must certify that proposed projects are the most
8 cost effective energy efficiency project opportunities.
9 What is most cost effective relative to? Does this assume
10 we have done a comprehensive study of all possible measures?
11 And how can we certify this?"

12 MR. SUGAR: That is a very reasonable question.
13 We were working on this one yesterday. AB 2176, the state
14 legislation that controls how we use those funds, directs us
15 to fund only most cost effective energy efficiency projects.
16 Because we are not making this a competitive program where
17 we would compare cost effectiveness of efficiency projects,
18 but rather are accepting projects that meet a criterion so
19 that all local agencies can receive funding, we need to
20 balance those two somewhat competing initiatives. We are
21 looking into that so that we come up with a reasonable
22 compromise with which small jurisdictions can live. We do
23 not want to leave them in the position where they could be
24 caught short because there was some very cost effective
25 option of which they were not aware, or which would be a

1 poor fit for a grant.

2 MS. GRAILLAT: "When is the earliest date that
3 block grant funding award agreements will be issued?"

4 MR. SUGAR: If all goes well, we anticipate the
5 Energy Commission approving the Guidelines September 16. We
6 are hoping to get our application package, at least a draft
7 one, out on the 17th or 18th. Again, if all goes well. Then,
8 as soon as the Department of Energy approves our plan, we
9 should be able to begin accepting applications. We are
10 hoping to have that approval before the end of September.
11 Actually, we are hoping to get it at the end of September.
12 If the Department of Energy wants changes in our proposed
13 program, if those involve either the Guidelines or the
14 application package, then that would slow us down by two
15 weeks.

16 MR. HUTCHISON: But I think, too, more
17 specifically, I think the soonest we would actually be
18 issuing grants would probably be early November, maybe the
19 first week of November. I think that is a best case
20 scenario.

21 MR. SUGAR: Yeah, we could begin accepting
22 applications, we assume, the end of September.

23 MS. GRAILLAT: "We have identified a highly cost
24 effective block grant project with predictable savings,
25 creating a policy for building temperature and implementing

1 it by adjusting building thermostats to save energy. Would
2 this be allowable?"

3 MR. SUGAR: I think we would need more detail and
4 if you could please send that question to
5 EECBG@energy.state.ca.us with a little more detail on how
6 you plan to do that, we would be happy to look it over and
7 discuss it.

8 MS. GRAILLAT: "Will there be incentives for
9 industries that are manufacturing and do not have buildings
10 per se, that convert power usage to natural gas produced
11 using equipment that is CARB approved and meets their
12 requirements?"

13 MR. SUGAR: Oh, it is not clear whether that is
14 manufacturing specifically, or whether it is combined heat
15 and power distributed generation.

16 MS. GRAILLAT: They have examples such as getting
17 off the grid and using micro turbines that use natural gas
18 for power supply.

19 MR. SUGAR: Right. That is probably combined heat
20 and power. We are not -- at the moment, the program that is
21 developing is not specifically for distributed generation
22 that does not use waste heat, so if it is a combined heat
23 and power project, depending on how this program shakes out,
24 we may be able to offer low interest loans for those sorts
25 of projects.

1 MR. HUTCHISON: I recommend that they stay tuned
2 for the Clean Energy Program Draft Guidelines that will be
3 coming out, too, to see if those type of projects are going
4 to be eligible.

5 MR. SUGAR: Yeah. Our list -- they should be
6 signed up for our list server at the Commission's website:
7 energy.ca.gov.

8 MS. GRAILLAT: "Can EECBG funds be used for
9 residential energy audits that include energy retrofits?"

10 MR. SUGAR: We are discussing this. It is
11 difficult to get the audits in. We would need very good
12 assurance that the savings that are estimated, that the
13 equipment changes that are proposed in the project, and the
14 savings that are associated, would come to pass.
15 Residential retrofits are a very difficult one because, to
16 get savings you generally need quite a few retrofits, and
17 people have a way of looking at many characteristics of a
18 situation, other than just the energy savings. So we would
19 have to discuss that. If, again, people could contact us at
20 EECBG@energy.state.ca.us, we are discussing this issue.

21 MS. GRAILLAT: "I think we have two more questions.
22 ARRA and the CEC both strongly encourage leveraging. Could
23 a municipality or group of local governments apply for SEP
24 funding for projects that were already getting at least a
25 portion of their funding from other ARRA based programs?

1 MR. PEREZ: Yeah, that is a difficult and complex
2 question because, if indeed they are using other ARRA
3 funding sources to match, and they are competitive ARRA
4 funding programs, in some cases DOE precludes the use of
5 some of the ARRA funding programs. So it is dependent on
6 the nature of the project and what other ARRA funding
7 sources they are using.

8 MS. GRAILLAT: Okay, I think this is the last
9 question. "When will the list of specific products
10 available under the Direct Purchasing Program be available?
11 We are interested in a chiller replacement and want to know
12 what makes or models will be possible?"

13 MR. SUGAR: We will not be listing specific makes
14 or models in the Direct Purchase option. The last I have
15 seen from our engineers is simply some criteria regarding a
16 Seer for the new equipment. And that will come out in the
17 application, which should come out as soon as the guidelines
18 are adopted, or very shortly thereafter, in mid-September.

19 MS. GRAILLAT: Okay, a few more questions came in.
20 "Is there a minimum energy savings that has to be
21 maintained? Is there a certain number of years over which
22 the project must provide the annual energy savings per
23 dollar spent?"

24 MR. SUGAR: We -- excuse me -- we are not
25 requiring, you know, we do not have any requirements related

1 to longevity of the equipment or the savings. We would
2 hope that people would be -- if proposals are along the
3 lines of putting in compact fluorescent lamps, I think we
4 will probably get back to a jurisdiction and ask if that is
5 really how they want to spend their money. Most of the
6 options that are most cost effective for local jurisdictions
7 tend to be projects that are going to result in long lasting
8 savings.

9 MS. GRAILLAT: "Could the staff time spent on
10 green jobs training, or wages for green jobs training, be
11 included in a project budget if it still meets the cost
12 effectiveness criteria? Would this aspect include it?"

13 MR. SUGAR: Yeah, if it meets the cost
14 effectiveness criterion and it ties in with the balance of
15 the project, it seems like it would work. If it is
16 something that is sort of added in because you have money
17 left over, it might be difficult for us to justify that when
18 the auditors come around and ask what we have approved.

19 MS. GRAILLAT: "Could you please further explain
20 the rationale for saying outreach projects are unfundable?
21 We can document their cost effectiveness using the same
22 predictive method by which we calculate expected savings
23 from equipment changes."

24 MR. HUTCHISON: I am not quite sure where that
25 question came from, but we talked about marketing and

1 outreach earlier on, and we are trying to do as much
2 marketing and outreach as we can. We did not carve up any
3 of the SEP or Block Grant funds from marketing and outreach
4 just simply because we have energy efficiency requirements
5 as regards to DOE's past on requirements, and just frankly
6 the timeframe that we have to encumber and expend these
7 funds and for projects to complete, there just was not
8 enough time.

9 MS. GRAILLAT: "Could you please publish DOE's
10 small county population figures?"

11 MR. SUGAR: They are on the Web. If you go to our
12 website, energy.ca.gov/recovery, click on Block Grants, and
13 then there is a list of documents available and the fourth
14 or fifth one down is the population estimates, which is a
15 list of the population estimates from DOE that we are using,
16 and the grant amounts, the estimated grant amounts are an
17 attachment that you can find by clicking on the guidelines
18 themselves.

19 MR. PEREZ: All right, thank you, Chris. And that
20 pretty much concludes today's workshop. I wanted to share
21 with you the next steps in terms of where we go from here.
22 We very much appreciate the input and the types of questions
23 that you had today, not only here in Los Angeles, but those
24 listening in on the WebEx, and we will address those
25 questions as part of the guideline development. We also

1 look forward to your review and input on the State Energy
2 Program Guidelines that were released a few hours ago. And,
3 as John, Mark and Rashid and others have noted today, we
4 have got the Energy Commission actually taking formal action
5 on the Draft Energy Efficiency Conservation Block Grant and
6 the State Energy Program Guidelines in the month of
7 September. So stay tuned, provide input, if you wish to
8 come to Sacramento and provide comments in person, you are
9 welcome to do that, or certainly contact us either through
10 the recovery site, or give us a call, and we will do what we
11 can to work with you to design hopefully a very successful
12 program. So with that, we are going to go ahead and
13 conclude this public workshop. So thanks again for your
14 patience and for being here today.

15 MR. SUGAR: Thank you for coming. Thank you for
16 listening.

17 (Whereupon, at 4:09 p.m., the workshop was adjourned.)

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CERTIFICATE OF REPORTER

I, LEE MILLER, an Certified Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Workshop; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of September, 2009.



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