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STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

In the matter of:

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COMMISSIONER RETREAT 2023

REMOTE VIA ZOOM

THURSDAY, MAY 11, 2023

12:00 P.M.

Reported by:

E. Hicks

APPEARANCES

COMMISSIONERS

David Hochschild, CEC Chair

Siva Gunda, CEC Vice Chair

J. Andrew McAllister, CEC Commissioner

Patty Monahan, CEC Commissioner

Noemi Gallardo, CEC Commissioner

PRESENTERS AND SPEAKERS

Mona Badie, Public Advisor, CEC

PUBLIC SPEAKERS

Josh Dean, California Energy Alliance

Bob Yapp, National Lighting Contractors Association of
America

Tomas Garcia, CodeCycle

OTHER SPEAKERS

Nancy Ander

Katerina Robinson

Michael Sokol

David Erne

Elizabeth Huber

Drew Bohan

Aleecia Gutierrez

Deana Carrillo

OTHER SPEAKERS (cont'd.)

Jonah Steinbuck

Charles Smith

Jennifer Martin-Gallardo

Andrea McGary

Linda Barrera

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P R O C E E D I N G S

12:00 P.M.

THURSDAY, MAY 11, 2023

MS. BADIE: Good morning. This is Mona Badie, the Public Advisor of the California Energy Commission.

This is the Commissioner Retreat 2023. It is an open public meeting via Zoom, and this will be the only public comment portion of today's meeting, and we will take public comment via Zoom.

Please use the "Raise Hand" feature on your screen -- it looks like an open palm -- to notify us, like, to make a comment, and if you're joining by phone, you can press star, nine to notify us. Comments will be limited to two minutes or less. Let's give it a moment, here.

Okay. We have one comment from Josh Dean. Josh, I will open your line, and you may begin.

UNIDENTIFIED SPEAKER: (Indiscernible.) Thank you.

MR. DEAN: All right. Thank you. Good afternoon, Commissioners. My name is Josh Dean, and I'm the Executive Director with the

1 California Energy Alliance. Thank you for the
2 opportunity to provide comments during this
3 Commissioner Retreat.

4 The California Energy Alliance is a
5 leading advocacy organization for California's
6 energy stakeholders, founded in 2016. CEA is a
7 nonprofit organization bringing on-the-ground
8 experience in the clean energy economy to
9 discussions of California energy policy.

10 A core group of CEA members are part of
11 California's acceptance testing community,
12 working to help the CEC ensure that the building
13 efficiency standards in Title 24, Part Six, as
14 I'll refer to as "Title 24" moving forward, work
15 as intended.

16 Other CEA members focus on assisting
17 authorities having jurisdiction, enforcement
18 efforts, and many of our members are
19 manufacturers that make the type of advanced
20 controls, or lighting and HVAC systems, that have
21 helped Title 24 become one of the most
22 energy-efficiency policies in the world.

23 However, these members share a common
24 concern that Title 24 is not achieving anywhere
25 near its full potential due to compliance and

1 enforcement challenges across the range of
2 construction types, so residential, multifamily,
3 and non-res, and across all phases of
4 construction. That's design plan, check
5 construction, accepting testing, and inspection.
6 We feel the state can and should be doing better.

7 CEA shares the same sentiments as the
8 CEC's energy equity imperatives that require a
9 heightened awareness of disparities in the state
10 energy programs, including disparities in the
11 implementation of Title 24.

12 CEA has been reviewing correlations
13 between Title 24 compliance rates and
14 socioeconomic criteria, and it's our observation,
15 based on both observations and data, that
16 compliance and enforcement levels are higher in
17 more prosperous parts of the state, and so lower
18 resource jurisdictions are not able to enforce
19 and follow through with the Energy Code
20 requirements, whether it be, you know, the base
21 part of the standards or acceptance testing.

22 Our members do have this data on
23 acceptance testing rates by jurisdiction, and are
24 conducting surveys within the acceptance testing
25 community to identify this disparity.

1 The CEA would like to pose the following
2 questions to the Commissioners. What can the CEC
3 do to ensure that in all jurisdictions, including
4 those with lesser resources, can properly manage
5 and enforce Title 24, and what is the CEC doing
6 to prevent a tiered Title 24 system, as in, you
7 know, good Energy Code for some cities and then,
8 potentially, no Energy Code for other
9 Californians?

10 CEA and its members thank the Energy
11 Commission and the Commissioners for the
12 opportunity to share these comments, and we would
13 encourage you all to continue to convene
14 workshops and other conversations with
15 stakeholders on these topics.

16 CEA is eager to collaborate with the
17 Energy Commission and our industry partners to
18 help solve California's compliance and
19 enforcement problems. Thank you.

20 MS. BADIE: Thank you.

21 Next, we have Bob Yapp. I'm going to
22 open your line, Bob. Please announce any
23 affiliation and begin your comment. We're asking
24 for comments to be limited to two minutes or
25 less.

1 MR. YAPP: Yes. Thank you for the
2 opportunity to address the Commission. NLCAA is
3 an acceptance test certification provider focused
4 on lighting, and we are working with the CEA on
5 what we can do to improve Title 24 compliance
6 throughout the state.

7 At our last working session, the number
8 one obstacle that we listed -- and this is coming
9 from the acceptance test community -- is there's
10 a lack of enforcement among various AHJs having
11 jurisdiction over the enforcement of Title 24,
12 and this is based on a growing number of reports
13 from our field ATTs in the field. They're
14 experiencing this lack of enforcement amongst
15 some AHJs, not throughout, but there are enough
16 that it's problematic.

17 What's happening is, in addition to the
18 lack of enforcement, there are also growing
19 reports of RATTs losing projects for testing to,
20 I'll call it, quotes, "ATTs," that are merely
21 signing off on projects, and the result of this
22 is that we're having a lack of enforcement, and
23 what happens is, without enforcement, Title 24
24 becomes just a mere paper exercise, and what's
25 happening is projects are being approved as

1 compliant, which they aren't.

2 What's happening also, in addition to
3 this, is our ATT community is becoming
4 disillusioned, and we have them leaving the
5 program, and with that happening, the
6 sustainability to an ATTCP such as us is at risk
7 here. To continue to support the energy goals in
8 California, we need to have our ATTs in the
9 field, involved.

10 The current situation is -- we believe
11 it's undermining California's climate and energy
12 goals, and what we're requesting to do is -- what
13 we're requesting today is assistance from the CEC
14 in addressing this current issue, and it's an
15 urgent one, and we stand committed to the energy
16 codes, and we look forward to working with the
17 Commission in some way to solve this urgent
18 problem.

19 MS. BADIE: Thank you for your comment.

20 Next we have Tomas Garcia. I'm going to
21 open your line. Please announce any affiliation
22 and begin your comment.

23 MR. GARCIA: Yes. My name is Tom Garcia.
24 I'm a cofounder of CodeCycle, and I just had a
25 quick comment, here. CodeCycle continues to see

1 significant instances of noncompliance in
2 nonresidential construction, new construction,
3 and alterations where we are supporting cities
4 with Title 24 enforcement.

5 The situation is really no different than
6 when I was a building official, and it's no
7 different than when I was testifying before the
8 CEC 15 years ago as chair of the CALBO Energy
9 Committee.

10 We have heard that there is excellent
11 data showing Title 24 compliance rates in
12 California for new construction, but we are not
13 sure which studies are being referenced, and we
14 don't know how that research was conducted.

15 Can the CEC be more transparent with its
16 analysis regarding compliance rates in
17 California? Can you share with the public what
18 data you are relying upon for your decision
19 making, so that it can be more openly debated?

20 Ideally, the CEC would also make an
21 estimate of the excess energy bills that
22 Californians are paying every year on account of
23 code compliance problems. That information will
24 help the CEC to scale and prioritize its response
25 to California's compliance challenges.

1 By CodeCycle's estimate we have shared
2 with the CEC, Californians are likely wasting
3 1,000,000,000 to 5,000,000,000 per year due to
4 Title 24 compliance problems. That is over
5 1,000,000,000 per year, 1,000,000,000 per year,
6 of excess expense that could be avoided with more
7 robust energy enforcement programs in California.
8 Thank you.

9 MS. BADIE: And with your comment, that
10 concludes our public comments today.

11 Back to you, Chair.

12 CHAIR HOCHSCHILD: Thank you, Mona, and
13 thank you to those of you provided public
14 comment.

15 So we typically try to do an offsite
16 Commission Retreat once a year. We're not going
17 to be voting on any items today or tomorrow.
18 This is really a chance to go a little bit deeper
19 and have a little more dialogue between
20 Commissioners, but also between key staff and
21 directors who are here. I really want to make
22 that clear. This is a collective conversation
23 with everybody in the room.

24 I just wanted to make a few comments,
25 kind of high-level. I've been on the Energy

1 Commission now for 10 years, which is amazing
2 how -- I don't think I had any gray hair when I
3 started, but that has changed. But I really
4 believe, you know, if you're lucky in your life
5 and your work, you get the opportunity to do
6 something that really matters, and to do it with
7 amazing people, and that's really, for me, what
8 this experience has been. I am so incredibly
9 proud of the team, and the dedication and the
10 commitment and the teamwork, the culture.

11 I think the older you get, you know, for
12 me, it gets very simple. The work is really
13 about -- it's like what you're doing and who
14 you're doing it with, you know, like, the culture
15 you're a part of, and I just want to reiterate, I
16 think we've got something really, really special
17 going at the Energy Commission right now, and,
18 you know, in the senior leadership team, the
19 drive is absolutely amazing.

20 So I just really want everybody to take
21 it in, how much this matters. We are literally
22 leading the world on many of the things that
23 we're doing, and, you know, there's no way that
24 President Biden comes out and makes 100 percent
25 clean energy a goal for the United States without

1 California doing that, without a successful SB
2 100 process. Presumably, electrification works
3 without grid reliability.

4 The whole drive towards the innovation
5 economy, you know, we're -- you know, the
6 majority of U.S. clean tech venture capital is
7 here, and it's here because, in large part, of
8 what we're doing, and so I just really want to,
9 from the bottom of my heart as Chair, just thank
10 all of you for being in this together, being
11 great teammates, and just going all in on this
12 vision.

13 There's a quote -- I think it was
14 originally from Governor Inslee in Washington a
15 few years ago -- that just really stuck with me,
16 which is, you know, "We're the first generation
17 of Americans, citizens of the world, to fully
18 understand the consequences and the threats posed
19 by climate change, and we're the last generation
20 that can really make an impact and change the
21 course of history."

22 So, you know, I think we're "tip of the
23 spear" here, and so I wake up every day --
24 I'm still super charged to work, and to bring
25 everything I have, and to support all of you, my

1 fellow Commissioners and staff, in the mission.

2 So I just want to really -- again, it's
3 just incredible, overwhelming gratitude that I
4 feel, to get to do this work and be a part of
5 this amazing organization, and also to just pay
6 tribute to the people who created the Energy
7 Commission, the boldness there.

8 There is so much embedded wisdom,
9 actually, in this nearly 50-year-old document,
10 just the granting of substantial authorities to
11 an entity outside the legislature when we're
12 setting energy codes. How much more tedious
13 would it be -- you know, every big policy has to
14 then to go through (indiscernible) votes.

15 So, you know, Commissioner McAlister, to
16 do what you've done on codes and stuff, and just
17 the ability to do that on so many levels, you
18 know, it was really due to the (indiscernible)
19 foresight of people like Charlie Warren, and so
20 we know that we stand on the shoulders of giants
21 here, and just to make every day in this job
22 count.

23 So I really want to begin with that, and
24 then, just to kind of walk through a
25 high-level -- you know, I've been here now for

1 four years, and I'm going to keep -- I already
2 said I promised the Governor, you know, we're
3 going to deliver. I just want to report, like, I
4 think we're moving the needle really
5 substantially.

6 Offshore wind, I'll maybe just start with
7 that. We had almost 750 people in Sacramento
8 this week for an offshore wind conference.
9 They're here because of the experts in
10 (indiscernible) that were actually doing this in
11 a big way, and that's -- investors and innovators
12 and policy folks from other states, you know,
13 engaged, and I want to thank our Vice-Chair for
14 meeting at this tremendous panel, but Lieutenant
15 Governor and Secretary Crowfoot and some of the
16 others, and we're really now in an implementation
17 phase.

18 It's hard. I feel like, you know,
19 particularly with the vote yesterday adopting the
20 permanent road map, you know, we have three of
21 the four big deliverables from 5.5 are done, and,
22 you know, we've got to focus now on, you know,
23 (indiscernible), and those are all hard, but
24 there's nothing about it that's, you know,
25 outside the realm of a solvable problem, and I

1 think that's, you know, really gotten attention,
2 you know, all over. So I'm incredibly proud of
3 that.

4 You're going to talk, VICE CHAIR GUNDA,
5 about Lithium Valley in more detail, but, you
6 know, that is also moving, and, you know, really
7 significant (indiscernible) mined up there. The
8 60 Minutes story, I think, you know, captured it,
9 captured it perfectly, and, you know, the chance
10 for California to go further upstream and the
11 (indiscernible) and do the model the right way in
12 its closed consultation is incredibly exciting,
13 and the greenest way to produce lithium, you
14 know, in the world, and we're just geographically
15 fortunate to have a resource like that, and now
16 we've got to make it count and do it the right
17 way.

18 On the building decarb and
19 electrification, Mr. McAllister will go into
20 that, but there, too, you know, we have totally
21 changed the game. You know, with the solar
22 mandate, which really is led by Commissioner
23 McAllister, you know, that was the first -- we're
24 the first state to do that. So now we're doing
25 it for all buildings, and, you know, adding a

1 gigawatt every two years, just from our code for
2 rooftop solar, and all the good that that has
3 done, and on efficiency as well, just, you
4 know -- that's still an underappreciated policy,
5 because it is really so important. It's the most
6 important policy of all, just to reduce, before
7 we get into, you know, anything else, and we're
8 pushing the envelope there, and the team is, you
9 know, incredibly talented.

10 I want to just share a little bit of
11 appreciation for the tribal work. This was, I
12 think, for all of us, an incredibly moving
13 experience, to go do the tribal en banc together
14 with the COGs (phonetic) of the PUC for three
15 days, and that tribal energy sovereignty
16 resolution was, you know, really meaningful, I
17 think, for the tribes, for us, for the state.

18 Now this proposal that Alex and Janet and
19 others are driving to do, you know, half a
20 billion dollars for the next set of tribal energy
21 microgrids and energy sovereignty, is really
22 putting meat on the bones of that, and that,
23 hopefully, will get submitted in a week or so.
24 May 19th is the deadline. But I just want to
25 really thank the team who's been working so hard

1 and so closely with all the tribes on that.

2 We have 20 percent of the federal
3 recognized Native American tribes in the country
4 that are in California, and we have a real
5 opportunity to, you know, I think, lift up a new
6 model and do a lot of good, not just for the
7 tribes, but, actually, these projects can also
8 help support the (indiscernible).

9 So that's a historic project, and, you
10 know, again, like all these things, the staff
11 that are working on this are working nights and
12 weekends, you know, regularly, and so
13 just -- that is just incredible, incredible
14 dedication, but to do something that is so
15 meaningful and so important, and I just really
16 wanted to lift up that piece in particular.

17 On research and development, I want to
18 especially thank Jonah (phonetic) and his team
19 for, you know, just continued innovation and
20 foresight and seeing around corners, you know,
21 pretty much every grant that comes to us.

22 I am just thrilled, you know, with the
23 diligence and the perpetualism and, you know, the
24 public works, you know, the development of EPIC
25 for -- I think you engaged 1,900 stakeholders,

1 1,300 workshops, and, you know, we're getting
2 good results because we have a good process, and
3 I think it's the best A and G research and
4 development program in the world, and I have had
5 a chance to see a bunch of these in Japan,
6 Germany, and elsewhere, and I'd match our program
7 against anybody's, and just really wanted to lift
8 up that work, and really thank the PUC as well
9 for the vision to extend it for two years,
10 because it's such an important piece of the
11 puzzle, and, again, you know, our industrial and
12 economic policy is so inextricably tied to our
13 climate policy, and this is really just the
14 seedbed for some of the great new technologies
15 that we need. So thank you for that.

16 On the efficiency, I did also want to
17 add, on water efficiency, we have four new
18 standards that are coming that are in development
19 now, super excited about that. In my view, the
20 drought is -- you know, we had a wonderful year
21 of rain, a little bit too much sometimes, all at
22 once, but I really think the smart approach here
23 is to assume worst-case scenario. We could be
24 entering another seven- to 10-year drought, and
25 we do not want to be looking back at this moment

1 and asking, "Why didn't we do that sooner?"

2 Yes, Commissioner.

3 COMMISSIONER MCALLISTER: Yes. Just, I
4 was noticing, you know, a slew of articles lately
5 about La Nina that's coming this summer, that's
6 likely to sort of -- now that we've got all this
7 wonderful underbrush from the rain over the
8 winter, you know, it's going to dry out really
9 quickly and --

10 CHAIR HOCHSCHILD: Yes, and more fuel.

11 COMMISSIONER MCALLISTER: -- for summer.
12 So, you know, we're going to -- we're getting
13 whiplash every season now.

14 CHAIR HOCHSCHILD: Yes, that's true.
15 That's true. So, getting ahead of it -- and, you
16 know, obviously, the water use is not in the
17 building sector, but, you know, the stuff that we
18 can control, which is in the building space, for
19 the most part, we want to do that, and so I thank
20 you for your leadership on that, and, Mr.
21 McAllister, thanks for all the work on that.

22 Then, finally, I just wanted to also lift
23 up the Long Duration Storage Program, which, you
24 know, we have had incredible success with energy
25 storage in California. It's been the fastest

1 growing storage market in the world, and, you
2 know, 20X, you know, increase over the last three
3 years is historic. It saved us in September.
4 Without storage, we would have had outages. But
5 it's all for (indiscernible). We do want to, you
6 know, plant the seeds for the eight-hour to
7 100-hour chemistries. We're doing that, and
8 that's, you know, really hard work.

9 There's a lot of hurdles for these
10 technologies to get over, but we're doing that,
11 you know, to the tune of \$330,000,000, super
12 exciting, and similarly with carbon capture,
13 direct air carbon capture, also something we
14 pushed really hard for, and something that we now
15 know we have to do, you know.

16 It's not enough to get 100 percent
17 energy. We have to go after the 15 that's
18 already out there, and look at ways to
19 cost-effectively recover that. So we're going to
20 do that for the first time ever, in this room.
21 So, on all these things, we're just pushing the
22 envelope.

23 What I actually wanted to do, though,
24 with the rest of my time, with your permission,
25 unless there's burning questions on any of those

1 topics, I was going to just ask Nancy Ander to
2 speak. So Nancy is, you know, a long-time CEC
3 veteran and SEE veteran, and Department of
4 General Services leader for a long time, helping
5 green the fleet, state buildings, and who has now
6 come back as a retired annuitant, is in the
7 Chair's office. She's taken on a couple
8 projects, helping support compliance with our
9 codes, but also looking at updating and
10 modernizing the Logimart (phonetic), which was
11 for years sort of the foundational policy for
12 energy in California, and there's been some
13 substantial changes to that that I thought we
14 could just talk to a little bit together, and
15 then, you know, if it kind of comes together,
16 then we could bring that to the other energy
17 principals and other energy agencies to discuss.

18 So, with that, I'd like to turn it over
19 to Nancy. Any you have a (indiscernible), right?
20 You have a --

21 MS. ANDER: Yes, yes.

22 CHAIR HOCHSCHILD: Okay.

23 MS. ANDER: There's --

24 CHAIR HOCHSCHILD: Okay. Yes. Great.

25 MS. ANDER: Beautiful. Does that one

1 (indiscernible)?

2 CHAIR HOCHSCHILD: Do you have it? Good.

3 MS. ANDER: Yes. The signs are --

4 CHAIR HOCHSCHILD: (Indiscernible.)

5 MS. ANDER: Okay. So I'm Nancy Ander.

6 Thanks so much for coming. We really have been
7 having some really good conversation about the
8 Loading Order within the Chair's team, and I was
9 hoping today just to generate some blue sky
10 conversation, just to further the thought
11 process, and thought that this would be an
12 extremely fun topic for today, but I've also been
13 told that my idea of fun isn't (indiscernible) at
14 times. Giving you warning.

15 UNIDENTIFIED SPEAKER: (Indiscernible.)
16 Good topic. You (indiscernible).

17 MS. ANDER: So I just have four slides,
18 so I'm going to be brief, because I think the
19 valuable time will be spent just in having some
20 conversation.

21 Very briefly, the history of the Loading
22 Order. It's embedded in the Energy Action Plans,
23 both one and two, one that was signed by the CEC,
24 the CPUC, and CPA, which some of you may not even
25 remember, because I had to look it up and say,

1 "Who was that?" That was Consumer Power
2 Authority at that time. It's no longer in
3 existence.

4 The second Energy Action Plan was just
5 the CEC and the CPUC, and the Loading Order is
6 embedded in that, but basically it had these
7 principles for implementation, and essentially
8 it's an implementation plan. It's not a policy.
9 It's basically built on all the policies that
10 already existed, but it's an implementation
11 (indiscernible) energy plan, so, one, efficiency,
12 two, demand response, three, renewables, and,
13 four, believe it or not, clean, affordable fossil
14 fuel.

15 So that was our -- that was where we were
16 in 2003. In 2005, it was the same. It was the
17 addition of detail bundled into the next version,
18 but the Loading Order was the same.

19 So what's changed in 20 years? And I'm
20 going to tell you things that you already know,
21 that, even as I was jotting these things down,
22 the totality of them just struck me as so
23 monumental, obviously climate change, and it's
24 not just a rapid acceleration. It's how much
25 data and science has gone into validating,

1 quantitatively, what's actually happening in this
2 space, so, as a result of that, a broader outlook
3 on emissions, as opposed to just energy. Again,
4 the original Energy Action Plans were
5 energy-focused.

6 Third is electrification. It's become a
7 huge part of our solution. I'll opine that it
8 hasn't always been U.S. policy. We've been
9 moving in that direction, but haven't always
10 articulated it clearly.

11 Then, if you look at solar, we went from
12 practically nothing in 2003 to 39,000 megawatts.
13 It's huge. It's huge not just in a number on a
14 slide, but it's huge for the grid. It's really
15 amazing (indiscernible) on the grid.

16 So the duck curve that's become part of
17 our language was not even a twinkle in anyone's
18 eye in 2003. In 2008, it became a projection,
19 since scientists at NREL started throwing numbers
20 together in a model, and they said, "This could
21 happen," and now it's become a reality, for many,
22 many years.

23 In terms of technology advances, we have
24 addressable devices. We have really
25 long-duration batteries, and in terms of EV

1 adoption, again, practically nothing to 1.5
2 million. This is just in California this year,
3 with a goal of 5,000,000 by 2030, which is, I
4 think, very reachable.

5 So, looking at that, I mean, every single
6 one of them is big by itself, but looking at this
7 in totality just tells you our world is so
8 different from where we were in 2003. So,
9 modernizing the Loading Order, this is again for
10 some blue sky conversation, and I brought this
11 (indiscernible) from Kat (phonetic). I just left
12 it because I think it conveys just bringing it to
13 someplace current.

14 Energy efficiency is good. It's always
15 going to be good, but energy efficiency during
16 peak is really good, so something that encourages
17 that innovation and addresses that time value.
18 Energy efficiency is not something thought about
19 in 2003.

20 Demand response. We've really tapped
21 into that demand response potential with the
22 utilities in terms of demand bidding programs,
23 CPP, et cetera. It's been really useful, but we
24 didn't really have the capability then to do load
25 flexibility, and Commissioner McAllister's team

1 has made so many advances in moving us forward,
2 and I know Vice Chair Gunda as well, but being
3 able to have load that's really nimble, that's
4 aligned with peak and real time, that's rate
5 responsive immediately, I think, is so powerful
6 in being able to address that with residential
7 technologies. It's something that
8 (indiscernible) potential.

9 Renewables. The original Energy Action
10 Plan and Loading Order (indiscernible) renewables
11 at scale, but we never really anticipated the
12 duck curve, and what we really need now is
13 storage bundled with that renewable.

14 Clean fossil fuel generation is maybe a
15 good goal to have as a diversification part of
16 the policy, but really it's secondary to a
17 primary electrification policy.

18 And then transportation was not even part
19 of the Loading Order, because it was an
20 energy-focused Loading Order, but, if we're
21 thinking about climate and emissions, there's an
22 opportunity to integrate clean transportation
23 into that though process.

24 And, of course, reliability was talked
25 about separately within the Energy Action Plan,

1 but with 100 percent electrical supply, we're
2 talking about reliability at a whole different
3 scale than we've ever thought about it in the
4 past.

5 Finally, this is just some thoughts for
6 conversation. Why change it? One, recognizing
7 the broader climate outlook versus just an energy
8 outlook, catching up with, actually, what
9 everyone has already been doing. So it's not,
10 again, creating any new policy, because programs
11 and policies have already shifted in this
12 direction, but how does the loading order
13 (indiscernible)?

14 "Providing clear direction on
15 implementation priorities," and I have utilities
16 in here because I think, originally, some felt
17 that the original Loading Order was addressed
18 towards procurement, but I think really it has a
19 much broader audience in terms of regulators,
20 policy makers, researchers, et cetera.

21 I know, when I led the research program
22 for energy efficiency at the Commission, we
23 looked to the Loading Order for guidance on how
24 to prioritize where we set our research
25 priorities. So, it has a much broader audience

1 than just the procurement of energy, and then
2 aligning key agencies that are now a big part of
3 that climate solution.

4 So I'm pulling together some principles
5 just for consideration, but, one, looking at
6 emissions at a policy priority, obviously with
7 cost and reliability as core values, recognizing
8 the time value of all of these initiatives.

9 So, when I had a conversation with
10 Commissioner McAlister about this, he immediately
11 homed in on the fact that what's different now
12 that wasn't in existence then is how important
13 that time value is, and that it's the common
14 denominator for all of those initiatives that
15 really needs to be recognized, so really adding
16 that time value to energy efficiency so it's
17 meeting peak loads, having low flexibility
18 opportunities, (indiscernible) renewables to
19 storage.

20 Clean, affordable electrification is the
21 primary strategy, and, lastly, the wild and crazy
22 thought of integrating transportation as part of
23 that emission strategy. So I wanted to really
24 leave a lot of time for conversation, but just
25 putting some thoughts here to start that.

1 CHAIR HOCHSCHILD: Yes. I'd love to hear
2 some reactions. Thank you for preparing that.
3 That was great. That's great.

4 Any reactions to it? Yes.

5 COMMISSIONER MONAHAN: It was great, and
6 a really interesting conversation topic. So
7 thanks for bringing this one up.

8 MS. ANDER: (Indiscernible) very sneaky
9 as to --

10 CHAIR HOCHSCHILD: Yes.

11 COMMISSIONER MONAHAN: We're all like,
12 "Oh."

13 CHAIR HOCHSCHILD: Yes.

14 COMMISSIONER MONAHAN: You know what? I
15 was thinking about how this is a Loading Order
16 kind of maybe specific to the grid, and then
17 there's sort of the broader Loading Order
18 specific to climate, which intersects very
19 directly with CARB and the Scoping Plan, but I
20 was thinking that there's these different layers,
21 because you could start from this bigger
22 perspective of the energy system, and also do a
23 Loading Order from that lens.

24 So it brings in this -- I mean, we've
25 talked about (indiscernible) applications, but it

1 brings that residential electrification, and
2 buildings, about we should slug in as rapidly as
3 possible, being attentive to the broader
4 (indiscernible) reliability or portability, and
5 safety, but that idea of even doing it bigger
6 than the grid.

7 MS. ANDER: Yes. So, I mean, I think
8 you're hitting on exactly the question. I was
9 debating in my own mind, would we want to update
10 the existing Loading Order, or does that even
11 really not make sense? Because you're really on
12 a different platform. You're on a whole global
13 emissions platform, and building in
14 transportation, et cetera, into that might mean a
15 different foundation, so exactly as you were
16 saying.

17 COMMISSIONER MONAHAN: Yes,
18 because -- and I'm going to say one last thing,
19 and then -- yes. But the idea of, you know --
20 electric vehicles are an efficiency solution, and
21 so, when you kind of go back to this bigger,
22 broader perspective, it brings you to that same
23 angle.

24 MS. ANDER: Yes.

25 CHAIR HOCHSCHILD: Right.

1 COMMISSIONER MCALLISTER: Yes. So I
2 wanted to -- so I've actually been thinking about
3 this for a while. You know, we had a good
4 discussion (indiscernible) --

5 MS. ANDER: (Indiscernible.)

6 COMMISSIONER MCALLISTER: -- and, you
7 know, the Loading Order is definitely long in the
8 tooth, and kind of -- you know, it's from the
9 analog era, really, right? It's not -- yes. We
10 really -- and lots of different reason we need to
11 add that fourth dimension, that is, time.

12 So, really, kind of two levels of
13 comments. One, you know, in the national
14 conversation, you know, we're members of the
15 Alliance to Save Energy. It's mostly a D.C.
16 organization. It tends to be a little bit "least
17 common denominator" in its policies. You know,
18 it's not bought in (sic), you know, and say,
19 "Electrification is the solution," right, because
20 it's got diverse members that represent all
21 the -- you know, all the regions of the country.

22 But the term -- one thing that I've been
23 leading there to try to zeitgeist is this
24 initiative that's called "active efficiency," and
25 so that was a term that we workshopped, and ended

1 up with this term called "active efficiency,"
2 which is really, you know, what you have
3 highlighted, Nancy, which is, you know,
4 efficiency.

5 Efficiency is still the thing. Good
6 efficiency, solid efficiency, makes all of our
7 other problems smaller on the electric -- you
8 know, on electric and gas side, but mostly on the
9 electric side, but having it be active means
10 layering in the controls and the communications
11 and all the kind of widgets that we now have that
12 allow it to be deployed in a much more effective,
13 efficient way.

14 CHAIR HOCHSCHILD: Get off the couch.

15 COMMISSIONER MCALLISTER: All the
16 solutions -- yes, exactly. All the solutions are
17 with us, and they're increasingly cheap and
18 available, and being incorporated into devices
19 that consumers want, right?

20 CHAIR HOCHSCHILD: Right, right.

21 COMMISSIONER MCALLISTER: And so we're
22 seeing tens of billions of dollars of purchases
23 in the consumer market that have all these
24 capabilities that we can leverage, right? So I
25 guess, on the electric side, active efficiency,

1 you know, for me, that's a good perception. We
2 don't have to call it that, per se, but I think
3 that sort of -- if one of the solutions is to
4 take efficiency and modernize that term within
5 the Loading Order, that's a way to do that.

6 Then the other kind of high-level thing,
7 just building on what Patty said, you know, we're
8 really talking about industrial policy here. You
9 know, this is like, where are we investing as a
10 society? And so I agree, you know, the energy
11 transition, it touches all of our sectors of our
12 economy, and this increasing integration, you
13 know, transportation with electricity, and
14 industry with electricity, and kind of, you know,
15 planning across fuel types.

16 I'm not sure how we would do that, but,
17 you know, the concept of having a set of guiding
18 principles, you know, I probably wouldn't call it
19 the "Loading Order," because that does kind of
20 mean the electricity, but maybe there's a way to
21 kind of jack this conversation up to that, that
22 economy-wide level, because that's what we're
23 talking about in our decarbonization journey, is
24 the whole economy. It's not just one piece of
25 it.

1 Then, finally, I think I've said this in
2 business meetings before, but I think we should
3 consider adopting a goal for -- on the electric
4 side -- for capacity factor or load factor, and,
5 you know, that's a nerdy term, but it is a
6 definable term. It's a trackable term. It's a
7 metric that can be used as a very concrete goal,
8 and that just -- you know, that means your
9 utilization factor of your grid.

10 So, you know, as we bring all these loads
11 on, and we're talking about a time, you know,
12 modulating them over time, clipping peaks and
13 filling valleys, and making sure that, if you've
14 got, you know, a transmission line or a
15 distribution line that has a capacity for this
16 many amps, that, as much of the time as possible,
17 you're pretty close to that many amps, you know,
18 and so that you can fill valleys instead of
19 increasing peaks with your new loads, such that
20 you don't have to reconduct in that near-term
21 time frame.

22 It allows you to stage your investments
23 and optimize, and actually lower
24 per-kilowatt-hour costs, and save consumers a lot
25 of money. So, like, that cost-management piece,

1 keeping rates affordable, like with equity and
2 all that, I think the system utilization factor
3 is a really rigorous and very accountable and
4 real metric that affects how we're doing on that
5 front.

6 So you don't -- there aren't that many
7 metrics that, actually, you can link directly to
8 kind of optimization and affordability, and that
9 seems like a really high-level one that we ought
10 to think about adopting at both (indiscernible).

11 VICE CHAIR GUNDA: I think I want
12 to -- first of all, (indiscernible), whatever I'm
13 going to say, 15 to 20 percent I've learned from
14 you.

15 COMMISSIONER MCALLISTER:
16 (Indiscernible.)

17 VICE CHAIR GUNDA: No, no. I mean, you
18 weren't on the board at UC Davis when I was a
19 student.

20 So, just at 30,000-foot level, I think I
21 want to just first say how important of a
22 conversation you just framed. I think it's
23 extremely timely and important. I think it opens
24 a whole can of worms of how to think about this,
25 and I think both Patty -- I'm sorry, it's still a

1 business meeting -- Commissioner Monahan --

2 Commissioner McAllister mentioned --

3 COMMISSIONER MONAHAN: Is it a business
4 meeting?

5 CHAIR HOCHSCHILD: I think we can have
6 first names.

7 UNIDENTIFIED SPEAKER: (Indiscernible)
8 first names?

9 CHAIR HOCHSCHILD: Let's go first names.
10 (Indiscernible.)

11 UNIDENTIFIED SPEAKER: Yes, yes, yes.

12 CHAIR HOCHSCHILD: You're not supposed to
13 say that on my --

14 VICE CHAIR GUNDA: This is the first
15 meeting that he is the least dressed.

16 CHAIR HOCHSCHILD: Yes, exactly. Let's
17 do first names.

18 UNIDENTIFIED SPEAKER: (Indiscernible.)

19 VICE CHAIR GUNDA: Only if
20 (indiscernible). Yes. So yes, if we can go by
21 first names, to make this a little more informal
22 conversation.

23 I think what I kind of want to elevate is
24 what Commissioner McAlister -- sorry, Andrew --
25 and, to some point, Patty -- they raised is

1 that -- I see kind of this big gap between the
2 Scoping Plan, which is our overall economy
3 decarbonation pathways, to the implementation,
4 right? So there's like a huge disconnect
5 between -- I have a global view of kind of some
6 key areas, which is conditions and such, but I
7 don't have an implementation vigor (sic), which
8 has to come separately from the energy agencies
9 and others. That is impossible, to get into a
10 Scoping Area, right?

11 So what I'm kind of elevating is the
12 Scoping Plan, which is supposed to be this
13 30,000-foot level, kind of key strategy elevator
14 and highlighter, right, doesn't necessary do a
15 good job as you come down to "boots on the
16 ground" level." And I think what you're trying
17 to do here could be a really good opportunity to
18 go from boots up, and find a middle path, right?
19 And I'm going to talk about this in my kind of
20 update.

21 The code issue, I feel, is -- you know,
22 you just raise a few factors, you know, equity,
23 right, one of the things, equity, emissions, and
24 so, you know, internal liability cost. How do
25 you take all those variables, which are

1 completely different 20 years ago, and the
2 conversation today, and how do you reorder -- I
3 don't know if I'm going to say efficiency and
4 such, but how do you reorder in priority the
5 (indiscernible) factions that you could allude to
6 as a guiding post? Right? So that's going to be
7 where I'll be going with this.

8 So, to Commissioner Ander's point here, a
9 big part of the question here is, we have limited
10 amount of resources, limited amount of time. I
11 mean, they're not infinite. How do you maximize
12 the environmental energy cause in kind of
13 assessing pointers, right? But that's what it
14 comes down to.

15 My question would be, okay, is energy
16 efficiency the most cost-effective today? I'm
17 not saying yes or no, right? Like, how do I
18 value efficiency in terms of the liability, which
19 has direct implications on health, right?

20 So I think we haven't done that analysis
21 yet to really have a regular process to say,
22 "This is how the energy pattern has to be
23 reconsidered," with the goal of setting this kind
24 of (indiscernible) Loading Order, whatever we
25 call them, but allows for simplicity in our

1 anchor.

2 CHAIR HOCHSCHILD: Yes.

3 VICE CHAIR GUNDA: Right. That's my
4 direction. That's my (indiscernible). So, at
5 least for five years, I know I can do this,
6 right? So I think, if that's the intent, if we
7 could bring that (indiscernible) intent, I think
8 it would be super beneficial.

9 CHAIR HOCHSCHILD: Yes.

10 VICE CHAIR GUNDA: I feel like we are
11 constantly juggling between "What is my priority
12 right now?" and to efficiency last year.
13 Efficiency was not even really a part of the
14 discussion into liability when we were trying to
15 land the \$5,000,000, you support, right, because
16 the question there was "How quickly can you make
17 that happen, and is it really -- I mean, is it
18 easier to put a power plant -- keep a power plant
19 on, versus efficiency, from a (indiscernible)
20 standpoint?" But there is resiliency. There's
21 health benefits, too, especially low-income.

22 So I think what I'm kind of elevating is,
23 I see the incredible opportunity here to set a
24 framing or a modeling paradigm that allows for
25 developing those priorities, taking into account

1 the factors which are different today than in the
2 past. So I'd like to leave that, you know.

3 MS. ANDER: Well, one of the factors you
4 brought up is the Scoping Plan, and it's like,
5 "Duh. I wish I'd remembered to put that up," but
6 you're absolutely right. That's a key part of
7 the framing now. That's different.

8 VICE CHAIR GUNDA: Yes, it's really
9 different, because it kind of tells you what we
10 do with all participating, but it has its own
11 flavor that kind of disassociates with energy a
12 little bit in the overall climate and
13 (indiscernible).

14 COMMISSIONER MCALLISTER: I guess maybe
15 one thing I'll just layer on there. You know, I
16 agree with that overall conception, but when
17 we -- if we are successful at sort of laying out
18 kind of this time basis, you know, then advanced
19 gas emissions and, to some extent, the cost kind
20 of works itself out, right?

21 VICE CHAIR GUNDA: Absolutely.
22 Essentially, it's now energy independence for
23 this country.

24 COMMISSIONER MCALLISTER: And the
25 pollution aspect of it, potentially, as well,

1 right? Because, if we are targeting a solution
2 that incorporates time value, then that really
3 does kind of cross a lot of these important, you
4 know, Waheken (phonetic) silos.

5 VICE CHAIR GUNDA: Yes, I think you made
6 a really good point. I think much of the Loading
7 Order conversation, which was my first study lead
8 for my class (indiscernible), the Action Plan,
9 and kind of write a summary of the Action Plan.
10 So we took it as a Bible back then.

11 COMMISSIONER MCALLISTER: Yes.

12 VICE CHAIR GUNDA: It's the way to, like,
13 do things.

14 COMMISSIONER MCALLISTER: We were so
15 proud of it.

16 VICE CHAIR GUNDA: Yes, I was so proud of
17 it.

18 MS. ANDER: As you should be.

19 VICE CHAIR GUNDA: Yes, yes. So, I
20 think, back to your point, like, which is -- this
21 goes to that analog in the past, to a more
22 digitized future, and how we have done, you know,
23 supply optimization based on understanding of
24 load, and today we have completely opposite. We
25 are trying to, you know, optimize load to meet

1 the grid.

2 And so how do you kind of turn it around,
3 and how do you value efficiency, load
4 flexibility, I think everything you just
5 mentioned, including -- and I will say it out
6 loud, and which I'm going to say to my
7 (indiscernible) -- is just, how do you think
8 about fossil fuels?

9 You know, I mean, how do we elevate the
10 conversation to ensure that the net benefits that
11 we are seeding continue to manifest at a
12 maxillary fashion, but we don't do it at the
13 expense of short-term gains that can throw us off
14 the overall plan? And I think it will be helpful
15 to have a guiding document and a public
16 conversation on this.

17 MS. ANDER: And (indiscernible) the grid
18 as well.

19 MS. ROBINSON: We have maybe about 10
20 minutes before we're going to move to the Vice
21 Chair. I just wanted to make (indiscernible).

22 CHAIR HOCHSCHILD: Thank you.

23 So I want to just lift up, also, the idea
24 of just embedding equity in the Loading Order,
25 explicitly.

1 UNIDENTIFIED SPEAKER: Yes.

2 CHAIR HOCHSCHILD: I think that also was
3 not really in the debate, in the discussion, 15
4 years ago, and now it is, and should be. I just
5 wanted to reiterate -- some people say, "It's not
6 so relevant. This thing is a little bit" -- I
7 disagree.

8 I really think the Loading Order actually
9 does have the attention of investors, has the
10 attention of utilities, has the attention of the
11 agencies, and, actually, I think modernizing
12 itself would get more attention, and could drive
13 more resources in the direction we want, you
14 know, which includes -- I mean, electrification
15 is inherently efficient, right? I mean, there's
16 (indiscernible) pumps for electric vehicles, just
17 by definition, also an efficiency -- major
18 efficiency upgrade, and also --

19 COMMISSIONER MCALLISTER: I mean, I would
20 say that --

21 CHAIR HOCHSCHILD: Yes.

22 COMMISSIONER MCALLISTER: -- devices with
23 sort of the kinds of, you know, controls and
24 communications and stuff that are new, you know,
25 number one, they are subject to modern efficiency

1 standards, right?

2 CHAIR HOCHSCHILD: Yes.

3 COMMISSIONER MCALLISTER: So they're
4 inherent, but they are -- they tend to be better
5 products all around. So there are a lot of
6 two-fers and three-fers, with just this overall
7 kind of approach, and, you know, I would say the
8 Loading Order has been a great kind of vision
9 document, but it hasn't been, you know, treated
10 as aspiration. I mean, I think, you know, it has
11 always been --

12 CHAIR HOCHSCHILD: (Indiscernible.)

13 COMMISSIONER MCALLISTER: It's taken a
14 lot of time, you know, for sure. I want to just
15 manifest -- and I think this is what you're
16 suggesting -- that I do worry that there
17 are -- you know, there are markets out there
18 that, generally, you know, we can -- we work them
19 for good. We adopt regulations, and we push them
20 into good places. But, you know, there is an
21 undercurrent of "Hey. We don't really need
22 efficiency anymore, because we have all this free
23 renewable sloshing around," and I think that's
24 dangerous thinking, actually, because I think we
25 have to have it both ways.

1 I mean, we have to do efficiency, but we
2 also have to do it right, you know, and
3 incorporate the time basis. So it just sort
4 of -- you know, my antenna are always going up
5 for "We don't really do that anymore," because I
6 just don't -- I think -- I deeply disagree with
7 that approach.

8 CHAIR HOCHSCHILD: Well, also, as,
9 historically, it grows, you know, we'll need
10 to --

11 COMMISSIONER MCALLISTER: We'll have more
12 places to put it all.

13 CHAIR HOCHSCHILD: Yes, exactly.

14 I'm sorry. Was there anything you wanted
15 to add to this?

16 COMMISSIONER GALLARDO: Not too much.
17 I'm learning on this, but I love the idea of the
18 Energy Action Plan, the name, and I really just
19 thought about Patty and your wanting to change
20 the name of the IEPR, and making it the "Energy
21 Action Recommendations" or something like that.
22 I just think, in general -- I'm channeling
23 Lindsay (phonetic) right now, and just like
24 having, you know, the public understand what this
25 is.

1 CHAIR HOCHSCHILD: Yes. Right, right.

2 COMMISSIONER GALLARDO: I don't know that
3 much about the Loading Order. I hadn't heard
4 about the Action Plans, either, so I was looking
5 them up just to -- yes.

6 CHAIR HOCHSCHILD: Yes.

7 COMMISSIONER GALLARDO: So, anyway --

8 CHAIR HOCHSCHILD: What basis do we have?

9 COMMISSIONER GALLARDO: (Indiscernible.)

10 CHAIR HOCHSCHILD: I think my
11 recommendation would be, Nancy, if you can kind
12 of just continue to try to solicit input and get,
13 you know, sort of a draft in shape, and I would
14 just also welcome any input from staff and other
15 leadership of the Commission on this, and then I
16 think we need to tee this up for a conversation
17 with the PUC.

18 This way we (indiscernible), you know,
19 try to get a lineman on the energies, jointly, to
20 be the right way to approach that, but I do
21 think, you know, it's time that this be
22 modernized, and we do have some new values and
23 new learning to (indiscernible) into it, and I
24 think it -- from my perspective, it is actually a
25 very relevant thing, to try to enshrine that in

1 the Loading Order, and that message actually has
2 a lot that can actually affect a lot of decisions
3 in a lot of different parts of our energy
4 community.

5 What I want to see -- is there anyone
6 else who would like to add -- David Erne or
7 anyone else -- to chime in on the Loading Order?
8 Mike?

9 MR. SOKOL: Well, just one thought, and I
10 think it was kind of touched on, but I think the
11 importance -- first off, all themes, but equity
12 framing in there, and just how it all intersects,
13 you know, at the home level, really, and at the
14 customer level, and the importance, with the load
15 flexibility active efficiency discussion and the
16 pairing of those two, right? So, like, we were
17 thinking about more flexibility and the ability
18 to shift load. That's highly dependent upon
19 having an efficient loading, to be able to do
20 that with the (indiscernible). So
21 (indiscernible). Those are a short couple of
22 concepts at the top of --

23 CHAIR HOCHSCHILD: Yes. Great.

24 Yes, David.

25 MR. ERNE: I was just going to say that I

1 agree that the Loading Order or new construct is
2 important. I think it really does almost set the
3 stage and vision for the market, but it helps
4 with all of -- when we think about structuring
5 our work and, like, (indiscernible) like how we
6 fit into that and how we can support that, I
7 think it's very important from a broader
8 perspective, not just markets are very critical,
9 but all the things we do in trying to
10 (indiscernible) for the general philosophy of how
11 we want to see the state move forward.

12 So I (indiscernible), but I also think
13 that the nature of it has changed, in the sense
14 that we have more drivers, where I think
15 (indiscernible) more complex of factors to
16 consider (indiscernible).

17 CHAIR HOCHSCHILD: Yes. So, before we
18 (indiscernible), I think why we just re-deputize
19 you as lead curator of --

20 MR. SOKOL: (Indiscernible.)

21 VICE CHAIR GUNDA: David, can I just say
22 one thing? I think, just kind of in the process
23 of (indiscernible), I wanted to reelevate the
24 CEC's role as an agency. I think we are a venue
25 for discussion, and we are a venue for ideation

1 about how we frame things for the broader
2 California community on energy. So I think,
3 within that frame, you know, I think we have a
4 unique opportunity to potentially even frame this
5 as a workshop at some point, right, like once we
6 elevate -- you know, like, elevate the right
7 people, and then, you know, do we want to do an
8 Energy Action Plan, right, that kind of ties,
9 basically -- what I'm kind of thinking is we have
10 right now the SB 100 report process that we have
11 to do on implementation as one way to, like, talk
12 about energy transition, which we're doing
13 already, and we want to elevate this, right? We
14 want to elevate this as a segment within the
15 conversation of "Hey. All this has to be
16 stitched together." Right?

17 UNIDENTIFIED SPEAKER: Yes.

18 VICE CHAIR GUNDA: We're all in this
19 together. I think having an elevated platform
20 would be really helpful.

21 MS. ROBINSON: One other thing that came
22 up as we were all discussing this topic over the
23 last few weeks. There are some good
24 opportunities coming up to kind of seed this
25 conversation, and start socializing, and seeing

1 if all energy leaders are open to this. It kind
2 of couples it in reports coming up so we can get
3 into conversation. I think that will help us,
4 you know, set everybody's -- we've put it in
5 boxes, and we've poured on a more concrete
6 (indiscernible).

7 CHAIR HOCHSCHILD: One suggestion, and I
8 think it's important to bring the ARPD (phonetic)
9 into that as well. I think (indiscernible).
10 Yes. So, I mean, it would be great to get a big
11 slash, like in --

12 VICE CHAIR GUNDA: (Indiscernible.)

13 CHAIR HOCHSCHILD: Yes.

14 VICE CHAIR GUNDA: (Indiscernible),
15 because the valuation is very different today. I
16 mean, energy efficiency and QCF (phonetic) energy
17 and (indiscernible) was (indiscernible) back
18 then.

19 MS. ROBINSON: Yes. Presso (phonetic)
20 was involved in the first one.

21 CHAIR HOCHSCHILD: Well, maybe we drive
22 towards a workshop where we're all discussing
23 this together. I was just -- you know, my
24 observation is, a huge amount of our time and
25 other sister agencies' time is really, on some

1 form or another, crisis response.

2 I mean, that's just, like, the time we
3 put in, and this is in the category of sort of
4 really important, but not necessarily urgent, but
5 it's visionary. It's like an optimistic look,
6 again. It's like (indiscernible). I just feel
7 like there's a great (indiscernible) to do this,
8 and you're kind of the perfect person to -- you
9 can be the sheriff of the Loading Order, and kind
10 of, you know, round up the posse on moving this
11 forward. So I guess --

12 COMMISSIONER MCALLISTER: Can I introduce
13 just one more thing?

14 CHAIR HOCHSCHILD: Yes. Sure.

15 COMMISSIONER MCALLISTER: So the fact
16 that we're talking about time, you know, and
17 we're living in a data-rich world. That's a
18 subtext here, and so I think that, to this point,
19 I mean, the Energy Commission is perfectly poised
20 to kind of shake this discussion in a way that
21 really does respond to grid needs and really sort
22 of based -- is well grounded.

23 VICE CHAIR GUNDA: Yes. Like, you've
24 been using this kind of like "good citizens of
25 the grid," and I think it's ultimately -- if

1 electrification is the backbone, then the
2 (indiscernible).

3 CHAIR HOCHSCHILD: So the one thing I'll
4 say in defense of the first order, it was
5 actually quite simple. So (indiscernible) like
6 10 different terms, and personally my
7 (indiscernible) is actually keep the name
8 "Loading Order." I do think that is understood,
9 and I think modernizing that would be good. But
10 that's going to be the challenge. How do you
11 kind of distill this up into terms that are
12 pretty simple to understand, right, and so that
13 the message -- because it actually gets lost, and
14 it's a kind of thing -- it's too disparate, you
15 know. So, Nancy, could you just sort that out
16 please, so we don't -- but, actually, that would
17 be the request, Nancy, if you could just maybe
18 take this input and then solicit any -- if
19 there's any other input from staff. Yes, please.

20 MS. HUBER: Yes. This action would be
21 acting (indiscernible) again, directed per the
22 CEC in 2005.

23 UNIDENTIFIED SPEAKER: My God.

24 MS. HUBER: (Indiscernible) the impact of
25 2005. And so one thing to echo what the Chair

1 said is, because there's so much in policy in our
2 (indiscernible) mandates, where we can keep
3 terms, but maybe redefine them, then it would
4 easier --

5 CHAIR HOCHSCHILD: Yes, right.

6 MS. HUBER: -- to perform the work with
7 the legislature, and there's a lot of terms
8 within that Loading Order that one tweak could
9 change the meaning of it.

10 CHAIR HOCHSCHILD: Yes, yes.

11 MS. HUBER: (Indiscernible.)

12 CHAIR HOCHSCHILD: So, Liz, if you can
13 just try to compile this, and let's circle back,
14 and then, I think, to the point made earlier,
15 maybe we drive towards a workshop with our sister
16 agencies on this.

17 MS. HUBER: Okay.

18 CHAIR HOCHSCHILD: That would be great.

19 Thank you, Nancy, for (indiscernible).

20 UNIDENTIFIED SPEAKER: Thank you

21 MS. ANDER: Thank you

22 CHAIR HOCHSCHILD: Okay. So we'll turn
23 to Vice Chair Gunda, now, on your -- you have a
24 Deck, or you're just going to present?

25 VICE CHAIR GUNDA: Yes.

1 CHAIR HOCHSCHILD: Okay. Great.

2 VICE CHAIR GUNDA: Thank you. I asked
3 who did not have Decks. I don't think
4 (indiscernible) couple of people until we
5 get -- let me pull up my notes.

6 So, before I kind of jump in into my
7 stuff, I want to just say, Liz is now the Chief
8 of Staff in our office. So I don't -- I mean, I
9 kind of -- you know, we don't get a chance to
10 belabor about our people outside of public
11 meetings, which this is also a public meeting,
12 but, like, the simple way of telling about Liz
13 is, she is a blessing to me.

14 CHAIR HOCHSCHILD: Right.

15 VICE CHAIR GUNDA: And in saying so,
16 she's a blessing to CEC and the state, and she
17 has been in through such much of a personal
18 journey that she had to go through over the last
19 couple of years.

20 CHAIR HOCHSCHILD: Yes.

21 VICE CHAIR GUNDA: You know, the amount
22 of work that she has done for the state, which
23 mostly is invisible, you know, it's just
24 phenomenal, and I just want to say, for those of
25 you who think that I'm doing a good job, 90

1 percent of that is her -- no, actually 110,
2 because I think that (indiscernible).

3 MS. HUBER: That's 100 percent not true.

4 VICE CHAIR GUNDA: Thank you. Thank you
5 for doing everything you do.

6 I also want to just say thanks to David
7 Erne, like, who I work with (indiscernible),
8 David Erne, Aleecia, Nick Fugate, who I
9 don't -- and I always like to elevate Heidi, and,
10 more recently, Deana and Elizabeth. So just
11 thank you guys so much for everything you do in
12 the work that I -- I'm kind of like past it,
13 moving forward.

14 To your point, the starting of the
15 gratitude, everybody -- and I think we've become
16 a really good family. I don't want to put more
17 than just saying, you know, we oftentimes call
18 each other "Brother" and "Sister," you know,
19 amongst the Commissioners, and that is just kind
20 of the level of comfort we have with each other,
21 which is amazing, and I think -- I say to so many
22 other people, "Brother," and that it's just
23 a -- that's where we are.

24 I think, four years ago, coming from
25 staff, I would say there was so much drama at the

1 agency, which is putting it lightly. We had a
2 lot of palace intrigue, and, you know, all those
3 moments of crisis that are manufactured. I think
4 we're in a much better place as an agency in
5 terms of our culture, in terms of our ability to
6 work as one big unit, and not always worried
7 about who gets the credit, who doesn't, and I
8 think the staff do a --

9 CHAIR HOCHSCHILD: (Indiscernible) better
10 for that? (Indiscernible.)

11 VICE CHAIR GUNDA: It's on
12 (indiscernible). So I think we have come a long
13 way in being closer and closer to the ideal
14 public servants, as a family. So I just am
15 grateful, as I said.

16 I want to elevate a couple things so the
17 public hears this (indiscernible). Our staff
18 don't make enough money. Public service is not
19 really attractive, you know, unless you are
20 committed through passion. So I just want to say
21 CEC staff are amazing staff. We have incredibly
22 wonderful leadership right now. So we're in a
23 good place as an agency. So we'll continue to
24 journey on, making sure our staff are compensated
25 well.

1 So I kind of want to start with, like,
2 some of the goals I wrote in my confirmation
3 process. It's what I was hoping to do, ensure
4 reliability, as most of you can imagine -- I was
5 kind of being appointed during the time -- a plan
6 for equity and an affordable energy transition,
7 continue to improve interagency coordination. I
8 want to talk about that, and that was really
9 important, that we all work together well as a
10 family. Otherwise, we are not going to get
11 anything done.

12 Improving equity, which involves
13 stakeholders, data analysis and access. This is
14 about modernizing CEC and its ability to do data
15 analysis by future proving their work (sic).
16 Energy assessments, evolving the energy
17 assessments from purely a planning tool to more
18 of a policy tool, and, finally, emergency
19 planning. So I think -- on all fronts, I think
20 we've made good progress, and will continue to do
21 that.

22 So today I want to frame a few pieces,
23 and I would really like this discussion here
24 teeing off of what Nancy actually started. So
25 what I'm kind of observing over the last two, two

1 and a half years from the vantage point that I
2 have -- a lot of privileged conversations, and
3 incredible privilege in being able to have the
4 confidence and trust of so many colleagues across
5 the agencies -- I think there is a real tension
6 between ideal solutions, and the way we talk
7 about ideal solutions, and the reality of how we
8 implement them. I think we talked about this in
9 the workshop -- in the business meeting
10 yesterday.

11 I think, point A, we are (indiscernible)
12 to everybody, and I think, point B, on where we
13 want to get to, hopefully not later than 2045,
14 but, hopefully, before that, it's very clear,
15 right?

16 We want to come to a place where our
17 emissions are lower, we have equitable energy
18 transition, our affordability is better, and all
19 those fronts, but from here to there, there are a
20 lot of competing pathways, and if we, as a
21 Commission, do not align on kind of a principle
22 on how we do this, and if we inadvertently reduce
23 the trust of the public in us, in being leaders
24 in shaping these difficult conversations, I
25 think, as a state, we'll lose.

1 So I think that's an important part, is
2 how do we create the confidence among
3 stakeholders, through transparency,
4 accountability, on how we move forward, and the
5 different tradeoffs in our paths, and I think I
6 really want to have that as a conversation.

7 So, to that end, I'm hoping that, at some
8 point, we put an en banc (sic), and I want to be
9 fruitful to the communities that we work in, and
10 I want to thank Noemi, who is my sister now, and
11 so we went to -- and I think I said this story
12 before. What "equity" means across the state is
13 different.

14 CHAIR HOCHSCHILD: Right.

15 VICE CHAIR GUNDA: You know, when we go
16 to Lithium Valley and we talk to the tribes,
17 "equity" means very different right there to Kern
18 County and the people who are transitioning their
19 old jobs to, you know, Ventura County or Oxnard,
20 where the people have to live around a port a
21 horribly polluting, you know, power plant. But
22 how do we have this conversation together to make
23 sure that we move forward?

24 So I've been kind of thinking about this
25 in terms of framing a little bit, is how do we

1 talk about consensus building to critical issues
2 on tradeoffs and solutions? How do we ground our
3 analysis a little bit more, and how do we
4 thoughtfully think about implementation, not just
5 policy, in our policymaking process, as we think
6 through that, maximizing that benefits, not just
7 benefits but max benefits along the path that's
8 sub-ideal, maintain reliability, and maintain
9 affordability?

10 So I think there's a lot of tension
11 between us and the other agencies sometimes
12 because we have the opportunity to just ideate,
13 right? We can put something nice, wonderful out
14 there, but then agencies who have to then take
15 and run with them feel like they're doing a
16 suboptimal job, but I think we should share in
17 that suboptimal load as an agency to help improve
18 the trust of other agencies, including PUC, and
19 address some incredibly difficult, you know,
20 decisions to make, but an extremely important
21 partner in making sure we move forward.

22 So I want to frame that, a welcome
23 discussion on how do we, as an agency, move
24 forward through the suboptimal next 10 years? At
25 one end, we can say, "I have maximized our green

1 molecules, and will only (indiscernible) to those
2 green molecules." Right?

3 That could be one bookend. The other
4 bookend is "We'll go full (indiscernible)
5 electrification. We'll make water with molecules
6 we need to get to, electrons we need to get to.
7 On the way, we're going to completely green it."
8 Right?

9 So those are bookends, but there's
10 problems in the middle. So I just wanted to
11 elevate that in our conversation, and I have
12 priorities I don't want to go into if we don't
13 have time, but I want to spend time on the
14 conversation.

15 Anybody going to -- one thing I do -- as
16 you guys think about that, we have a good team
17 here. We have a really good executive team right
18 now. We have 600, 700 people that do not have
19 these conversations followed every day, and it's
20 really important for us to make sure the rest of
21 the staff understand the vision and don't feel
22 scared with this extremely large workload we are
23 taking, and potentially get confused, and I think
24 we need to figure out a way to bring the other
25 700 folk along.

1 Some of them already understand it. They
2 know things better than us. A lot of the staff
3 are junior and don't get excited, but there are
4 also some staff who are like, "What the hell are
5 we doing? One day we talk about, you know,
6 this." So how do we bring everybody along to
7 (indiscernible) the conversation?

8 COMMISSIONER MCALLISTER: I'm interested
9 in -- so I agree with that, and, you know, the
10 pandemic hasn't really helped that, like, in
11 terms of people -- not everybody. I mean, some
12 people thrived, and others have, I think, felt
13 more isolated. But, you know, what is the sort
14 of modern way to communicate priorities and
15 help -- I mean, it can be kind of lonely, right,
16 when you're tasked with a very specific technical
17 task and you're not really seeing how, you know,
18 you fit into the machine, you know, just how we
19 can best support staff and get them resources to
20 help them keep themselves oriented.

21 VICE CHAIR GUNDA: I also understand,
22 right, and I think there is a --

23 COMMISSIONER MCALLISTER: Broader
24 context.

25 VICE CHAIR GUNDA: Yes. There's kind

1 of -- we need to support the objectivity of the
2 staff, and so there is a firewall between the
3 Commission's decision-making process, but we are
4 inevitably more in the realm of legislative and
5 other limits, and how do you make sure that the
6 firewall is leaky enough that there is clear
7 understanding on how we do things as a
8 Commission?

9 CHAIR HOCHSCHILD: Some of it, by the
10 way, goes back to in-person -- you know,
11 something I do -- I will just say I think we
12 polled, and, you know, remote work has generally
13 been very well received by staff, but I think
14 everybody knows that you lose something. This is
15 like -- doing a retreat like this remotely is a
16 very different experience as being around a
17 table.

18 So just being intentional about creating
19 occasions for the face-to-face time regularly, I
20 think, is really important, and it directly
21 impacts our policy work, and particularly for
22 younger, newer employees. If you don't have your
23 network established, it's very difficult to get
24 mentorship, to learn the culture, to learn the
25 institutional knowledge. Just the informal

1 actions are so -- where there's no way to run
2 into people, you know, virtually, right? Because
3 I think it --

4 MR. BOHAN: I was just going to add, I
5 think you raised a good general -- Vice Chair,
6 one thing I'm going to respond to is one
7 (indiscernible).

8 UNIDENTIFIED SPEAKER: (Indiscernible.)

9 MR. BOHAN: Right. I believe I confused
10 this a little.

11 VICE CHAIR GUNDA: No, no. I just wanted
12 to make sure I had a longer (indiscernible) than
13 David (indiscernible).

14 MR. BOHAN: But two things. One we were
15 doing town halls during the pandemic
16 (indiscernible) talk about (indiscernible). So
17 that's one mechanism. It's great (indiscernible)
18 about particularly --

19 UNIDENTIFIED SPEAKER: Yes.

20 MR. BOHAN: -- developments. But one
21 thing I don't think we have done -- I don't want
22 to put any directors on the spot, but
23 (indiscernible) is, I don't think we've been
24 deliberate about trying to take a cluster of
25 messages and work them down through, now that

1 CEAs (phonetic) are now below the directors, and
2 then the managers and supervisors, make sure, in
3 those regular meetings that they're
4 having -- they'll be, you know, largely focused
5 on what they need to get done, but try to find
6 those opportunities to take a step back and say,
7 "(Indiscernible.) What's going on?," making it
8 totally different from (indiscernible) work.
9 Maybe they're related.

10 MS. GUTTMAN: Well, I'll say, for
11 assessments, we have one on the books, where we
12 have invited Vice Chair Gunda and the
13 (indiscernible) team to come and help with a
14 vision reset for the division, and we were in the
15 habit, and I think other divisions are as well,
16 of inviting their lead Commissioner, you know,
17 once a year, at least, but probably more
18 frequently, to --

19 UNIDENTIFIED SPEAKER: (Indiscernible.)

20 MS. GUTTMAN: -- refresh on what those
21 priorities are, and I think it would just -- it
22 would be good to do that across the Commission,
23 or reinvigorate the effort. I think we'd also
24 like to hear from the other Commissioners as
25 well, but maybe soon a town hall setting, where

1 we, you know, share on this event. I don't know
2 how many staff are attending or watching on Zoom,
3 but there's good stuff happening, and good
4 conversations.

5 MS. CARRILLO: If could interject, just
6 to springboard off that, but I think, as the
7 Energy Commission was restructured this past
8 year, to take on this amazing opportunity and
9 challenges that we have, the cross-divisional
10 coordination is really important, and we're going
11 to need to get that right for those town halls,
12 given how -- I'm just making sure that we're
13 comprehensible (sic), providing the -- you know,
14 threading the needle between the divisions,
15 because that policy implementation, it's a
16 marriage, or another -- you know, a broader
17 family. And so it is a publicly noticed town
18 hall, or something along those lines, where we
19 could really engage a lot of (indiscernible)
20 across the different Commissioner leads.

21 VICE CHAIR GUNDA: May I make one thing
22 just kind of contra Deena's point is, like, our
23 office now works with Aleecia, primarily, and the
24 ED, but then, you know, we have the 525, the
25 transmission planning, through Elizabeth, and a

1 whole lot of work of the SESD (phonetic) by LA46
2 (phonetic) through Deana, and we are figuring
3 out, how do we even cross all of the ideas with
4 the staff? And I think we've done a really good
5 job, all credit to you, Chair, in terms of the
6 culture. Well, we need to kind of continue to
7 inspire that for the integration.

8 COMMISSIONER MCALLISTER: (Indiscernible)
9 is important. We're going to (indiscernible)
10 stuff like this.

11 VICE CHAIR GUNDA: Yes. How do we
12 have --

13 UNIDENTIFIED SPEAKER: (Indiscernible.)

14 COMMISSIONER MCALLISTER: We've got to --
15 I mean, we need to navigate that.

16 UNIDENTIFIED SPEAKER: (Indiscernible.)

17 UNIDENTIFIED SPEAKER: Yes.

18 VICE CHAIR GUNDA: I want to AD
19 (phonetic) staff to, like, hear from, you know --

20 UNIDENTIFIED SPEAKER: Yes.

21 VICE CHAIR GUNDA: I'd be like, "How
22 would she be thinking, electrification of
23 transportation?," and inject that infusion of
24 ideas so that we all benefit, and then we don't
25 necessarily have those forums. The equity

1 (indiscernible), I mean, it's such an
2 important --

3 COMMISSIONER GALLARDO: Well, one thing
4 I've been thinking about is also just for our
5 public to better understand who we are, what we
6 do, how we're doing it, I think even leveraging
7 the website that we have to just clearly, you
8 know, have there "What our mission? What's our
9 vision? What are our priorities, are structure,
10 et cetera?," because sometimes I'll get people
11 who are interested in, maybe, a job at the Energy
12 Commission, and I'm like, "Start with our website
13 so you can look," and they're like --

14 UNIDENTIFIED SPEAKER: (Indiscernible.)

15 COMMISSIONER GALLARDO: -- because it
16 does seem still like it's siloed. So I think
17 that would be a good place, on top of all of the
18 interaction, you know.

19 COMMISSIONER MONAHAN: I want to say it
20 kind of -- we have these great technological
21 tools which, if you use them, you do have a lot
22 of, like, conversations all the time, in ways
23 that I never did before, right, constantly
24 chatting on Teams, and I mean constantly, with
25 team members and with FTD, and I have a technical

1 question, and so I just put it on Teams. Within
2 five minutes, I have an answer.

3 I mean, I feel like I get more
4 cross-pollination on a daily basis because
5 technology unlocks that, but not everybody is
6 like -- loves technology, right? So I think
7 there probably is a technological divide between
8 those of us that are like, "I'm getting
9 constant -- I'm having constant contact with
10 people," to others who are like, "I'm all alone
11 in the room."

12 VICE CHAIR GUNDA: Yes.

13 COMMISSIONER MONAHAN: So just thinking
14 about that.

15 VICE CHAIR GUNDA: Your point -- we end
16 up, right? So, like, I did this for a while with
17 the liability issue, where you have, like, the
18 need to reach out to staff, and then Aleecia and
19 David are like, "Yes. Just talk to staff
20 directly," kind of like (indiscernible) moving,
21 but then the structure of management changes, and
22 we need to be mindful of that, and then, also,
23 whoever gives us the data, we keep going to them,
24 and there's a large amount of other people who
25 might just be marginalized.

1 COMMISSIONER MONAHAN: Right, right.

2 VICE CHAIR GUNDA: How do you continue to
3 make them feel like we're all one big team?

4 COMMISSIONER MONAHAN: Right. And it's
5 different strategies, right, depending on the --
6 like, some people are -- you can use technology.
7 Other people, you meet face to face. Other
8 people, you need social time, and I think, in
9 general, you feel the closest to your teammates
10 when you have emotional -- when you rely on them
11 for emotional sustenance. And so it's
12 creating -- like, there are different venues,
13 because there's not one single venue that will
14 work for everybody.

15 COMMISSIONER GALLARDO: I have a couple
16 of other comments for you (indiscernible) on
17 what -- your goals are so impressive. So I
18 haven't done my senate confirmation yet, but I'm
19 like (indiscernible). I took notes, to emulate
20 you there, but it's just so impressive what
21 you're doing.

22 Then, two, you brought up an actionable
23 item, which is the idea of an en banc, and you
24 talked a lot there, so I just want to make sure I
25 captured what you wanted to do there, so, like,

1 an en banc to focus on the tradeoffs
2 conversation, where you include multiple
3 agencies --

4 VICE CHAIR GUNDA: Multiple agencies --

5 COMMISSIONER GALLARDO: -- or all the
6 agencies that --

7 VICE CHAIR GUNDA: -- stakeholders.

8 COMMISSIONER GALLARDO: -- involved.

9 VICE CHAIR GUNDA: We come to
10 (indiscernible) like in a -- this is my vantage
11 point, and this is my struggle. This is my
12 vantage point, and how do we meaningfully be,
13 then, ambassadors to push towards the tradeoffs?
14 I think one of the things -- the easiest thing to
15 do is, whoever is getting the bad tradeoff, to
16 isolate them, let them take the beating, right,
17 and then, you know, everybody moves away from
18 them, right?

19 So my issue is, like, you know, the tough
20 conversations we had on Diablo, the tough
21 conversation we had with petroleum, and of
22 keeping (indiscernible) power plants. These are
23 really, really tough conversations, and for us to
24 at least have the transparency on why we are
25 doing what we are doing, and the importance of

1 this conversation, I think, is what I'm hoping
2 (indiscernible).

3 You know, the communities feel like --
4 you know, the communities who have the -- but
5 really, like, the brunt of this, you know, the
6 emissions and the health effects, how do we ask
7 them for help in the suboptimal place? You know,
8 how do we say, "This is where we are. You know,
9 what do we do together?" And what are the
10 solutions coming from them, in an integrated
11 fashion?

12 I think it's easy to talk silos. Nobody
13 is happy to be on the big table, and I think we
14 end up being polite or confrontational, but not
15 necessarily productive. How do we be ambassadors
16 to have those conversations (indiscernible)? And
17 I want to support PUC. I want to support CARB.
18 They've having some very tough decisions that
19 they have to make, and how do we support a
20 California one-government approach?

21 COMMISSIONER MONAHAN: Well, one reaction
22 to an en banc is that I feel like the federal
23 energy sovereignty resolution that we
24 (indiscernible) tribal en banc, and that was
25 really -- I mean, having an en banc around a

1 specific area, with a specific interest, to me,
2 is a lot easier to envision than a bigger one,
3 because it's more -- your heart can be touched,
4 and you can open yourself in a special way, when
5 you're with a community and you're looking people
6 in the eye. When it's a big, broad conversation,
7 my only concern would be that you can't -- you
8 don't have that intimacy.

9 VICE CHAIR GUNDA: I love that. I mean,
10 like, do we do this in Centra Valley?

11 COMMISSIONER MONAHAN: Right.

12 VICE CHAIR GUNDA: Right? I mean, do we
13 do this in places where it's geographically
14 locked? We have this (indiscernible), but we
15 need to have all stakeholders there, and we need
16 to have IOUs (phonetic) there. We need to have,
17 you know, technology solutionists, everybody, but
18 the community has access to help support the
19 conversation. Totally agree.

20 COMMISSIONER GALLARDO: And I think it's
21 not just the en banc, but it's the -- you know,
22 either before and after, there's space to be able
23 to engage deeper and further about, you know,
24 whatever that topic was. I agree, like narrowing
25 down to a certain scope and then, also, specific

1 (indiscernible). I mean, I'm all about the
2 regional approach. I think it's really, you
3 know, valuable for the participants that we're
4 thinking about, especially the public, the
5 community, the tribes, et cetera.

6 VICE CHAIR GUNDA: Yes. I think the most
7 kind of sobering part -- well, I said it at the
8 business meeting -- we had BUGs running last year
9 to keep the lights on, and we have -- you know,
10 we did an amazing job bringing the
11 (indiscernible) and the BUGs into a program, all
12 thanks to Deana and all, but that's the reality.

13 I mean, like, we are continuing to have
14 to do things like that in our broader goals, and
15 at least being clear about it, right, being "This
16 is what we're trying to do." Is this a good
17 strategy, or are there other ways to do this?
18 And we haven't really had a venue to have that
19 conversation, like, thoughtfully and together.

20 UNIDENTIFIED SPEAKER: Well, that's
21 probably where it would be good to have that
22 those conversations, where the BUGs were.

23 VICE CHAIR GUNDA: Yes.

24 MS. CARRILLO: It's on the list.

25 VICE CHAIR GUNDA: It's on the list.

1 MS. CARRILLO: Yes. But, I mean, to the
2 point that we're identifying Glibe (phonetic)
3 apps to an endpoint, but really fully designing
4 that endpoint, and where our immediate decisions
5 need to be, you know, to get people enrolled, and
6 then three weeks or five weeks, and what's
7 tangible, versus really growing and giving
8 decisions -- you know, indications and signals to
9 the market of where we're going to go, just clear
10 signals of where we are and where we're moving
11 to, and acknowledge that that's going to be a
12 journey.

13 VICE CHAIR GUNDA: Right.

14 CHAIR HOCHSCHILD: I just really wanted
15 to lift up your work and Deana's, yours, on the
16 virtual power plants. I mean, I have -- it is
17 really painful for me personally to see this BUG
18 solution, because it feels like a 1990s energy
19 strategy, but we're in 2023.

20 We're adding now just Tesla Powerwall
21 batteries behind a meter, alone, about 1,200 a
22 week in California. Those dispatch at 5KW each.
23 I think, at the rate of growth we're going, it
24 may be -- by December, it may be double that.
25 That's not including what Sunrun is doing with

1 other batteries.

2 So there is just a huge amount of
3 technology coming on that can help, but we're
4 still not fully there, definitely making a lot of
5 progress, and just really (indiscernible) in
6 that, and the engagement there to make sure we're
7 using that fleet.

8 I mean, it's interesting because this is
9 all, like, basically, you know, two- to four-hour
10 capacity, but that's actually largely what you
11 need for these big events, are like -- it
12 really -- you know, it's like an hour or two.
13 There are (indiscernible) that can help, and
14 that's the difference between a dirty, you know,
15 peaking fossil-capacity (indiscernible) or not.

16 COMMISSIONER MCALLISTER: Also, I mean,
17 you know, lots of two- to four-hour-capacity
18 batteries, run properly, are not a two- to
19 four-hour resource.

20 CHAIR HOCHSCHILD: Yes.

21 COMMISSIONER MCALLISTER: They're a
22 many-day resource, but (indiscernible) staggered
23 (indiscernible).

24 CHAIR HOCHSCHILD: Exactly. Yes.

25 COMMISSIONER MCALLISTER: I mean, so it

1 gives amazing flexibility.

2 VICE CHAIR GUNDA: I think this kind of
3 goes to, then, kind of a couple of other points
4 that I want to elevate, is, how do we have -- I'm
5 going back to what Nancy was kind of getting at,
6 too, in a different frame, is we have a ton of
7 money. How do we use that in a way that we
8 center that around this idea of getting there
9 together?

10 COMMISSIONER MCALLISTER: Yes.

11 VICE CHAIR GUNDA: (Indiscernible), you
12 know, so what are some least regrets, our most
13 beneficial things to do to ensure, you know, the
14 best impact?

15 COMMISSIONER MCALLISTER: Yes. So, I
16 mean, I think there's a -- if we could -- so I
17 tend to think of this as, okay, where's our
18 highest and best value as, like, a
19 standards-making body, a regulatory body?

20 VICE CHAIR GUNDA: Or an ideation body.

21 COMMISSIONER MCALLISTER: Or an ideation
22 body. I mean, you know, we're a policy planning
23 agency, and so we have, you know, a bully pulpit,
24 and a lot of really great expertise on staff, and
25 a lot of ability to do visioning, but we also

1 have concrete authority, right? And so I think a
2 lot of the virtual power plant, you know, the act
3 of efficiency and, you know, flexible load
4 generally, or just flexibility generally. You
5 know, batteries, you know, they're load, but
6 they're not -- they're different, right? So the
7 load and supply.

8 So, you know, how can we sort of -- how
9 can all of this be plug-and-play? You know, what
10 sort of standards -- you know, like, that's what
11 we're doing with LMS, with FDAS. You know, we're
12 trying to push the envelope on standards-making,
13 to sort of bring it into this digital age and
14 this modern, you know, conception of
15 load-shaping. How far do we push that?

16 You know, like -- you know, say, the
17 Apple ecosystem or something, you know, you plug
18 it in. It recognizes what it is, and it just
19 works, right? And so, like the Tesla Powerwalls,
20 what should -- when somebody plugs one of those
21 in, what should it be communicating with, and how
22 should it be behaving on the grid, and it ought
23 to just know that, and, you know, give a couple
24 questions to the consumer, and then set it,
25 forget it, and you're done.

1 VICE CHAIR GUNDA: Yes.

2 COMMISSIONER MCALLISTER: Same with
3 vehicles. Like, you buy that new, you know, Volt
4 or whatever, and it ought to know how it's going
5 to operate on the grid. Now, that's a lot more
6 different stakeholders involved in the auto side,
7 and, you know, I'm not as deep into that, but it
8 seems like there's a part of our leadership, as
9 the Energy Commission and as California, could be
10 working out these communications and controls
11 issues in a way -- you know, that's what we're
12 trying to do in a certain realm, which I think is
13 very important. How far can we push that?

14 VICE CHAIR GUNDA: Absolutely. And can I
15 just kind of (indiscernible)? I think one of the
16 pieces, kind of going back to a theme that Noemi
17 just mentioned about the website, right, like, my
18 ideal thing -- I mean, as a student of energy
19 systems, it would be super awesome if I could
20 come to a page and understand what we're doing in
21 the ecosystem of the (indiscernible), right?

22 There are like three, four things we all
23 agreed that we're going to do, as solid things
24 are evolving, and then we keep bringing those
25 pieces into the realm, right? I don't know

1 if -- it's a really hard thing to do, because
2 there is a -- at a 30,000-foot level, the
3 discussion is so different from boots on the
4 ground, and I think, as an agency, we are -- I
5 think we are in this new period of incredible
6 engagement from CARB, and especially PSA, that
7 did a (indiscernible) there, and the staff, you
8 know, sort of the management staff and the
9 (indiscernible). I think we have this incredible
10 opportunity to bring a nuanced "boots on the
11 ground"-level up into the conversation, but I
12 think we need to foster that.

13 COMMISSIONER MCALLISTER: Yes.

14 VICE CHAIR GUNDA: We need to foster that
15 there is, like, no confusion between the agencies
16 and why we are doing what we're doing, nothing
17 lost in translation.

18 COMMISSIONER MCALLISTER: Yes. I think
19 that's where the Loading Order conversation could
20 help sort of feed that socialization across
21 agencies.

22 VICE CHAIR GUNDA: Yes.

23 COMMISSIONER MCALLISTER: Sorry. No
24 pressure.

25 VICE CHAIR GUNDA: That's kind of like

1 what I'm kind of getting -- what I thought could
2 be of value (indiscernible), like, we need not
3 one but bringing the news to foster that, and I
4 think that could be a deeply important
5 (indiscernible).

6 Okay. So I don't know if anybody else
7 has commented, but I just want to share a couple
8 things, and I'll save some time for you all. So
9 one ask, Chair, is that I would love to do that
10 en banc, visioning the en banc. I think SB 100
11 is the tradeoffs conversations, how we are
12 framing. So I would like to do one as an en
13 banc.

14 CHAIR HOCHSCHILD: My would be the
15 following on that. I've already proposed to
16 President Reynolds that we do an en banc on
17 innovation, and I think we could actually have it
18 be, you know, like a two-day thing, so we
19 actually can do a retreat, have a dinner, blah,
20 blah, blah, but do, you know, first half-day on
21 innovation, and we've actually been looking at a
22 couple sites, prospectively, to view that, but
23 maybe, while we're all together, just --

24 VICE CHAIR GUNDA: Yes, that's possible.

25 CHAIR HOCHSCHILD: -- everything. So

1 maybe coordinate with Kat and Jonah on that, but
2 totally open to that.

3 VICE CHAIR GUNDA: Okay. That's great.

4 COMMISSIONER GALLARDO: Do you guys have
5 timing on that?

6 CHAIR HOCHSCHILD: I don't.

7 Jonah, do we have a -- you were working
8 on that with her office, right?

9 MR. STEINBUCK: Yes. I think fall time
10 frame, roughly. (Indiscernible.)

11 CHAIR HOCHSCHILD: Yes. Let's get
12 through the fire season.

13 VICE CHAIR GUNDA: Yes.

14 CHAIR HOCHSCHILD: Yes, so we're not
15 dealing with (indiscernible). Yes.

16 VICE CHAIR GUNDA: So, then, I will just
17 close off with my -- just providing you all
18 alerts on what we're up to in our office.

19 Obviously, SB 100 is the biggest effort, thanks
20 to Liz. Liz will be leading that effort. If any
21 of you would like a meeting (indiscernible) where
22 we are, Liz is happy to do that any day.

23 Reliability is a big focus, and David and
24 Aleecia are central to that conversation, along
25 with Elizabeth and Deana, and at this point, it's

1 still Liz as well, so we're hoping to have
2 (indiscernible) advice on that one.

3 Third is transmission planning, so
4 transmission planning is -- we're beginning,
5 Commissioner McAllister, through the west,
6 western conversation, just kind of figuring out
7 how do we even have a vision of what the
8 transmission priorities for CEC could be in
9 advance of the conversation.

10 Gas transition has been an important
11 element. We've been working with the Chair on
12 that issue, and last, but not least, petroleum,
13 and thanks, Drew, for helping lead that.

14 Underpinning all of that, none of our
15 work would be possible without the amazing CCO,
16 so, Linda, thanks to you, Lisa (phonetic), and
17 the entire team for helping us. It's
18 (indiscernible) navigating a bunch of priorities,
19 and our com shop, lead shop, and it's just a
20 whole village.

21 Those are our priorities. We'll keep at
22 it, but I would love to -- not encourage, because
23 you all think about all of this all the time, but
24 continue to elevate the need for that public
25 trust around tradeoffs.

1 CHAIR HOCHSCHILD: Yes. Well, sir,
2 before we close out your -- I just wanted to
3 give -- and I know this is from all of us -- just
4 special acknowledgment for you, you personally,
5 your team. You know, I just feel you have
6 shouldered a colossal amount of work, through
7 some very, very stressful times.

8 It's hard to coordinate inside the Energy
9 Commission, but then the amount of interagency
10 work you do with PUC and CARB and CAISO on these
11 just mission-critical things, reliability, and
12 then, of course, the whole, you know, special
13 session ended up, of course, all following on
14 your division's shoulders. Amazing. Amazing.

15 I want to just, you know, note the
16 CEC -- we have a thousand less people than CARB.
17 We have 500 less people than PUC, and we are
18 punching above our weight class, you know, in
19 terms of the things we're doing and moving and
20 getting done, and I just want to acknowledge how
21 incredibly heavy a lift it is. It's my personal
22 hope that, you know, things calm down a little
23 bit next year, and you and I spoke, and, you
24 know, you made the point it's like 10 years of
25 work in one year, and (indiscernible) felt that

1 way, and I think part of it is just this huge
2 confusion with the money, federal money coming
3 in -- thank you, Jen, for all the work to bring
4 that to California -- and, you know, state
5 surplus coming our way, and all these other
6 responsibilities. I don't think -- that's a very
7 unique kind of moment. We've never had a year
8 like this the whole time I've been here.

9 VICE CHAIR GUNDA: (Indiscernible) since
10 2020.

11 CHAIR HOCHSCHILD: I know. I know. I
12 know. (Indiscernible.) Especially, you know, I
13 do think of (indiscernible), but I just really
14 wanted to just acknowledge. I know how much love
15 you have for (indiscernible), and how amazing a
16 job you've done.

17 VICE CHAIR GUNDA: Thank you. That means
18 a lot to me. Thanks.

19 CHAIR HOCHSCHILD: Yes, of course. Of
20 course.

21 VICE CHAIR GUNDA: And I will say back to
22 you I can't do my job without the support I get
23 from you. I mean, I think we've transitioned
24 from "Chair" to "David" to "Brother," you know,
25 very rapidly, and I feel like, you know, I cannot

1 do my job without the support I get from you, and
2 just the ability to -- I think the trust we have
3 that you let me run with the things, and to just
4 thank you for that, and, you know, Noemi, Andrew,
5 and Patty. I think it's just -- I can't do this
6 without -- okay. I'll use this moment.

7 I'm an immigrant, you know, and being so
8 far away from family, you need a lot of support.
9 You need a lot of support to feel like you belong
10 in California, you belong in the States, you
11 belong at the CUC, and, you know, we all have our
12 own insecurities and chips on the shoulder.

13 CHAIR HOCHSCHILD: Yes.

14 VICE CHAIR GUNDA: I have my insecurities
15 with not being born here, and being a person of
16 color, and sometimes, you know, it could close
17 you off, or it could make you kind, you know, and
18 be open to people.

19 I try to take the kinder path, but it's
20 not always easy without the support I get from
21 all of you. I think it's easier to be annoyed
22 with people. I mean, it's easier to cut a
23 conversation off because it's so hard, but being
24 around kind people, being around people who all
25 value being good, helps, right?

1 So, you know, family has taken a lot of
2 the brunt of this work. You know, my wife just
3 kind of works, you know, so much to keep the
4 family going, and I don't get to see my family
5 that often in India. So, yes, a really big thank
6 you to all of you, and thanks for recognizing my
7 strengths, but also my weaknesses, in helping
8 support through my weaknesses is an important
9 element.

10 You know, I break down, and I have a
11 conversation with Patty. She gives a hug and
12 says, "No, we're good. Keep going." And I come
13 to David (indiscernible), and he's like, "No,
14 we're good. Keep going." Same thing with
15 Andrew, you know. So, I mean, without that, I
16 can't do the job I do.

17 I genuinely feel this last three years of
18 my life is the most productive and helpful. I've
19 never worked this hard. I've never felt --
20 definitely, on a scale of zero to 100
21 selflessness, I don't think I'm even 50, but I'm
22 at 50. This is the maximum selflessness I've
23 ever been in my life.

24 I think it's part of being selfless, as
25 humble comes from how much you are loved, and I

1 feel like I'm loved right now by the core people,
2 that I'm stable, my family, the team, David Erne,
3 who has been working with me so much, and in such
4 close quarters.

5 Thanks, David, and, you know, it really
6 helps to feel like I have the backing and the
7 support to do the job I do. (Indiscernible.)
8 That's my big brother.

9 CHAIR HOCHSCHILD: Yes, yes.

10 VICE CHAIR GUNDA: Absolutely.

11 CHAIR HOCHSCHILD: Yes. So I just want
12 to say to you, you belong. You belong, and, you
13 know, there's -- I just -- during the Trump
14 administration, some of the things that were said
15 about immigrants, the derogatory things, it made
16 my blood boil, you know.

17 I go back to the Mayflower on both my
18 mother and my father's side, you know, and, you
19 know, the notion that if you're only -- you know,
20 you look like me or you have, like,
21 (indiscernible) like that, that's real Americans,
22 you know, is so deeply antithetical to the
23 American dream, you know, because everybody is an
24 immigrant at some point, and everybody is -- you
25 know, the story of people who come here are

1 coming, often, escaping something, you know,
2 really rough.

3 You know, to me, you embody, like, the
4 best of the American spirit, and, you know, so
5 just know that, from all of us, you belong, and I
6 think you're also -- it's clear you're also just
7 a role model, too, for younger professionals
8 coming into the field or coming to the Energy
9 Commission, to see the heart that you bring. So
10 it's just a -- it's a total honor, yes, to work
11 with you. So I know we all (indiscernible) that.

12 VICE CHAIR GUNDA: Thank you.

13 CHAIR HOCHSCHILD: Thank you.

14 VICE CHAIR GUNDA: This means a lot.

15 CHAIR HOCHSCHILD: All right. Well, that
16 was a great summary.

17 Shall we go -- let's see. We're
18 at -- what time do we have now?

19 UNIDENTIFIED SPEAKER: 1:40.

20 CHAIR HOCHSCHILD: Okay. Shall we go,
21 Patty, to you, and then do a break?

22 COMMISSIONER MONAHAN: Sure. Yes.

23 CHAIR HOCHSCHILD: Okay. Yes. Great.

24 COMMISSIONER MONAHAN: So I do have a
25 PowerPoint. There it is.

1 VICE CHAIR GUNDA: I wanted to do mine
2 before your PowerPoint opened up in a different
3 shape.

4 COMMISSIONER MONAHAN: Yes, and I love to
5 go after you and your big heart.

6 All right. So I think everybody knows
7 that I'm going on a river-rafting trip starting
8 on Saturday, so I'm being very COVID-careful. So
9 I'm not standing to, like, tower over you. I'm
10 standing so I can take off my mask but not get
11 COVID.

12 So I thought it would be helpful just to
13 run through the different areas that I'm working
14 on, you know, with transportation mostly, a
15 little bit on the hydrogen industry, and then on
16 the Energy Policy Report, which is where I'm
17 hoping the discussion will rest, but I'm open to
18 a discussion anywhere along the line.

19 Before I start, like Siva, I just want to
20 say -- just want to acknowledge some of the folks
21 that are so seminal to my work, and I'm looking
22 at Sarah, who is my CA, has dived right in,
23 really helping me so much, keeping the ship
24 afloat and making sure things get covered. So
25 thank you, Sarah.

1 Ben Wender, who I borrowed. Sorry. And
2 Ben is really leading the ship on the IEPR.

3 Commissioner Carlos -- (indiscernible),
4 I'm sorry -- (indiscernible) as well.

5 (Indiscernible) various, like, problems-related,
6 but also just generally, like, lifting us up in a
7 lot of different ways, I would say.

8 (Indiscernible.)

9 And Catherine is phenomenal, and knows so
10 many of the scheduling things.

11 You know, increasing my work has
12 been -- so FTD is my lead ship, (indiscernible).
13 I see Charles is here, which is one of our branch
14 managers, and him and I are on speed dial. We
15 talk so much it's ridiculous, late at night,
16 early in the morning, on weekends, and he's been
17 just a great thought partner, but FTD in general,
18 just such strong leadership, and the team is
19 really, like, growing on -- growing as fast as
20 they can to get to our goal of 20.2 chargers by
21 2030.

22 On the EAD side, it's been really fun
23 working with Aleecia. Her team (indiscernible)
24 on the IEPR, and it's just amazing, the evolution
25 of thinking on the transportation side, I would

1 say, because, over the last several years, it's
2 much deeper for the rollout of the Zeb (phonetic)
3 dashboard, and (indiscernible) to whoever.

4 (Indiscernible.)

5 I want to say Drew is amazing. I think
6 we all feel such an appreciation for Drew and for
7 Linda. Of course, she gets a round of applause
8 everywhere she goes.

9 So let's see. Am I missing -- of course,
10 the Public Advisor's Office. I'm not going to
11 talk about you, Siva.

12 So I feel like I did -- that we have this
13 really strong team of people, and we want to
14 cultivate them, and we want to keep them happy
15 and fulfilled, and feeling like they are making a
16 difference in people's lives in a real and
17 tangible way, and we want to make sure that
18 they're balancing their needs to take care of
19 themselves and their family, events, modeling
20 that it's, you know, family first, and we need to
21 ensure that people have time and space to take
22 care of their families and have (indiscernible),
23 and themselves, and I think that does leave more
24 space for the work, so that, when you come to
25 work, you feel like you're (indiscernible) by a

1 support network that's broader than just your
2 colleagues.

3 I do want to say (indiscernible) shoutout
4 to the other Commissioners, which I do appreciate
5 each and every one of you. It's been so fun,
6 Andrew, working with you, (indiscernible), Noemi.
7 You're amazing. I work with you all the time,
8 and I just can't wait to work with you more going
9 forward.

10 Siva, you're okay.

11 VICE CHAIR GUNDA: I know. After I
12 told --

13 COMMISSIONER MONAHAN: David, your
14 leadership has been exceptional. I told
15 everybody that the first time I met David, I was
16 like, "I'm not going to get along with this guy."

17 VICE CHAIR GUNDA: He has a tendency to
18 be (indiscernible).

19 COMMISSIONER MONAHAN: Like, the more I
20 work with him, the more I'm like, "Oh, my God.
21 You're amazing in your vision and your
22 graciousness and your, like, social
23 consciousness, and how much you give to others."

24 CHAIR HOCHSCHILD: I am a piece of work.

25 COMMISSIONER MONAHAN: You are. That's

1 for sure. So, all right.

2 UNIDENTIFIED SPEAKER: (Indiscernible.)

3 COMMISSIONER MONAHAN: Let's go to the
4 next slide. So this is just to give folks a
5 sense of -- we did a retreat, and folks came to
6 my house, and these are some of the things that
7 came out of the retreat.

8 So, in terms of priorities, we want to
9 get money -- get money -- and, hopefully, we'll
10 find out at the end of the day where we are on
11 that, including reauthorizing the (indiscernible)
12 transportation program, probably (indiscernible).
13 We want to get it reauthorized through 2035.

14 We want to spend the money smartly, and
15 Hammond (phonetic) and Charles and the team are
16 really thinking through, like, KPIs (phonetic).
17 Like, we want to have performance metrics to
18 really evaluate, how swiftly are we getting these
19 chargers in the ground? How much are they
20 working? Are they working right? Did we oversee
21 the ZEV infrastructure buildout? Then, finally,
22 we want to complete the Replacement Tire
23 Efficiency Order instituting information.

24 So I'm going to cover each one of these a
25 little more in depth. So, again, on the funding

1 side, the program is slated to end at the end of
2 this year, 2023. Goodbye, Clean Transportation
3 Program. So this is the time, if we don't get it
4 reauthorized in this legislative cycle, it's
5 pretty much dead.

6 Supporting the governor's budget for Zev.
7 I think everybody knows he's preserving -- we're
8 proposing to preserve 90 percent of the budget,
9 even in the face of these dark times
10 economically. So that says a lot about where the
11 governor thinks the priority is.

12 And then we're looking for federal
13 funding, so we're trying to get 384,000,000 for
14 rolling out this national electric vehicle
15 infrastructure monies. That's on the light-duty
16 side, mostly, and then we're submitting an
17 application to get additional funds on the
18 medium- and heavy-duty side, together with
19 Caltrans.

20 You guys can stop me if you have
21 questions, but I think this is just sort of
22 reiterating what you probably already know.

23 VICE CHAIR GUNDA: That's good.

24 COMMISSIONER MONAHAN: You're like, "No."

25 VICE CHAIR GUNDA: No, it's good. I

1 mean, it's really good to hear.

2 COMMISSIONER MONAHAN: So priority number
3 two, about spending money equitably and
4 judiciously, effectively, first we want to make
5 sure that we're rolling out an investment plan
6 that gets a lot of feedback from the public. So
7 we have a good, I think, process for that.
8 Charles and his team are pursuing that piece, and
9 we will publish the investment plan once we know
10 what the budget is. So it will happen sometime
11 in the fall.

12 We want to build out ZEV infrastructure
13 to meet our state goals, so the 1.2 million
14 charges. We want to make sure that we're
15 providing community benefits, and we're actually
16 looking more deeply at, how do we quantify
17 community benefits, capitalizing on vehicle grid
18 integration, and then in-state ZEV manufacturing,
19 and I'll cover a few of these a little more in
20 depth.

21 Next slide.

22 So this is our progress report
23 (indicating). So here's where we need to be in
24 2030. Here's where we are. This is our little
25 wedge that they've already funded. These are the

1 chargers in the ground, so 88,000. This is the
2 chargers for which we have funding allocated,
3 172,000, but you can see this piece of the pie is
4 not being that yet.

5 Next slide.

6 VICE CHAIR GUNDA: You said we could ask
7 questions?

8 COMMISSIONER MONAHAN: Yes, yes.

9 VICE CHAIR GUNDA: So, Patty, what's the
10 plan? What's the plan on scaling that last of
11 the pie? How are you thinking about it? What
12 are the barriers or -- I know you said funding is
13 one of them, I mean, obviously, the connection
14 process and all that.

15 COMMISSIONER MONAHAN: Yes.

16 VICE CHAIR GUNDA: What are other pieces?

17 COMMISSIONER MONAHAN: So there is
18 just -- I mean, we are not going to be
19 responsible for building out all these chargers.

20 VICE CHAIR GUNDA: Okay.

21 COMMISSIONER MONAHAN: This is the state
22 goal, but I don't think that's what the state has
23 to pay for. What we want to do is make sure that
24 the equity piece of this gets addressed, and, in
25 these early stages of the market, we want to make

1 sure there's enough infrastructure so people can
2 get from point A, point B, across the state, but
3 there's a lot of infrastructure that is just
4 going to be cost-effective once the market
5 scales.

6 At this point, none of the manufacturers
7 are making money. They're all doing this with
8 the goal of making money in the future, so kind
9 of like Tesla didn't make money for a long time.
10 The charging providers aren't making anything
11 right now.

12 VICE CHAIR GUNDA: And that is all public
13 chargers, 1.2 million, or is it --

14 COMMISSIONER MONAHAN: Public, shared
15 private.

16 VICE CHAIR GUNDA: Public --

17 COMMISSIONER MONAHAN: Public and shared
18 private. So the shared private would mean like
19 at a workplace, or like at like a parking garage,
20 where you have to maybe pay to get into that
21 parking garage.

22 VICE CHAIR GUNDA: And the idea would be
23 to have an equivalent number of, you know, gas
24 pumps today in the state?

25 COMMISSIONER MONAHAN: More.

1 VICE CHAIR GUNDA: Yes. Like,
2 (indiscernible) max because of how long it takes.

3 COMMISSIONER MONAHAN: Yes. So this is
4 based on the 2127 report from last year. We're
5 actually updating it. So we'll have new numbers,
6 but, according to the one that we published, I
7 guess, two years ago now, it was 1.2 million
8 charges by 2030.

9 CHAIR HOCHSCHILD: And the number will
10 come down a little bit.

11 COMMISSIONER MONAHAN: A little bit.

12 CHAIR HOCHSCHILD: Yes.

13 VICE CHAIR GUNDA: Because that's how
14 fast we are able to --

15 CHAIR HOCHSCHILD: Yes. It's based on
16 the range of the vehicles growing, which would
17 end in, also, more fast chargers.

18 COMMISSIONER MONAHAN: The next part,
19 next slide.

20 All right. So here's where we are on the
21 hydrogen (indicating). So that was battery,
22 electric vehicle charging. This is the hydrogen
23 station charging. So we have 64 -- I think we
24 might have 65, actually, I guess -- open retail
25 hydrogen stations. We have funding for 181. So

1 the gap now is 19 stations.

2 I should say we just did a solicitation
3 for hydrogen where we thought we would get to 200
4 stations, but it didn't get a lot of response.
5 So we'll still have a gap to that 200-station
6 goal.

7 Next slide.

8 Then I talked a little bit about, like,
9 we want to make sure we're tracking community
10 benefits, and we've embarked on a public process
11 to get feedback on what matters, what we should
12 be tracking, and being more transparent, and
13 engaging communities to develop those metrics.
14 So we're -- this is -- we're in the process of
15 doing it. By the end of this year, we'll have
16 those metrics defined.

17 Patty?

18 COMMISSIONER GALLARDO: Yes, a question
19 on the benefits. Are the benefits required in
20 statute --

21 COMMISSIONER MONAHAN: No.

22 COMMISSIONER GALLARDO: -- or is
23 this -- okay.

24 COMMISSIONER MONAHAN: We're just doing
25 it.

1 COMMISSIONER GALLARDO: Yes.

2 COMMISSIONER MONAHAN: Yes. So, when we
3 committed to half of the money benefitting
4 communities, there's a lot of -- like, right now
5 we've tracked, historically, if it's in the
6 community. We say that's a benefit.

7 That's, to me, not a good method,
8 because, like, well, (indiscernible) a heavy-duty
9 charger? Do you really want that in your
10 community? Like, you want those chargers, but
11 you may not want it in your community. So,
12 trying to just be more transparent, that we're
13 looking more deeply than just location. Thank
14 you for that question. That was good.

15 Most of you guys know Rey Leon, of
16 course, and one of the things Rey said to me,
17 which has always stuck with me, he was like, "Why
18 do only rich people get Teslas? We deserve to
19 have Teslas. Why can't I get a Tesla?" And he
20 has a Tesla.

21 So I was there at this event just a
22 couple weeks ago, and he had, like, Teslas that
23 he (indiscernible), and it was really just
24 heartwarming to see, and (indiscernible) the
25 driver -- one of the drivers, he was really shy,

1 just like got up to speak, and he said, "I just
2 want to say that I really love those Teslas."

3 I'm not (indiscernible) promote Tesla,
4 Elon Musk, or anybody, but just the idea of, how
5 do we make sure that this is a transition that
6 works, and it benefits directly communities that
7 are lower-income and disadvantaged?

8 Next slide. Back one.

9 Okay. The vehicle grid integration. So
10 this is the El Cajon School District, which we
11 talked about. This is actually the bidirectional
12 charger, and it's actually (indiscernible). So
13 that is -- like, that's a real picture that we
14 took from that site, but it was hard for them to
15 do it. It is not easy, and they had to work a
16 lot with San Diego Gas and Electric.

17 So that idea that we want to capitalize
18 on this, we want to do it smartly, we want to
19 (indiscernible) the grid and resilience, it's
20 been a challenge. There is a solicitation out on
21 the streets called REDWDS, and there's also an
22 innovative EV school bus V2G solicitation, so
23 we're trying to get more projects like this on
24 the ground.

25 Next slide.

1 Okay. So the third priority is we want
2 to get a more reliable charging power. We want
3 good analysis, and we want to track, aggregate,
4 and share the status of chargers. You guys have
5 probably seen in the news there's challenges in
6 terms of the reliability of the network, and so
7 that's something we really are paying close
8 attention to, and we want to just do a better
9 job. Right now we're sending out e-mails to all
10 the EVS charging providers saying, "Give us
11 data." It's hard. It's not a good way to do it.
12 We're going to do it better.

13 Let's go to the next slide.

14 So, in terms of improving charger
15 reliability, these are some of the strategies
16 that we're undertaking, so we're requiring a new
17 minimum uptime that aligns with the federal
18 government. We're in discussions with industry.

19 CHAIR HOCHSCHILD: So what is the uptime
20 requirement?

21 COMMISSIONER MONAHAN: Ninety-seven
22 percent.

23 CHAIR HOCHSCHILD: Ninety-seven percent?

24 COMMISSIONER MONAHAN: Yes.

25 CHAIR HOCHSCHILD: Which means 97 percent

1 of the 8,760 hours a year, or how are we doing
2 that? What is the --

3 COMMISSIONER MONAHAN: I don't know.

4 Charles, do you know?

5 MR. SMITH: It may be (indiscernible),
6 but I think it is 97 percent of the time, be up
7 and available.

8 CHAIR HOCHSCHILD: Yes. Okay.

9 COMMISSIONER MONAHAN: Yes. I'm just --
10 I mean, I'm assuming it's hours of the day, but I
11 don't know if there's anything more specific
12 about it, like which hours of the day.

13 CHAIR HOCHSCHILD: Got it. Okay.

14 COMMISSIONER MONAHAN: But uptime doesn't
15 actually tell you what a customer experiences.

16 CHAIR HOCHSCHILD: Yes.

17 COMMISSIONER MONAHAN: So we are looking
18 at a field testing protocol to evaluate charger
19 reliability, and doing more real-world tests, so
20 more to come on this one when it's riper.

21 CHAIR HOCHSCHILD: Yes.

22 COMMISSIONER MONAHAN: And then we're
23 developing regulations. We're required to,
24 according to AB 2061, by (indiscernible). So
25 we're in the process of doing that.

1 Any other questions on the reliability
2 side?

3 Next slide.

4 CHAIR HOCHSCHILD: I would love just a
5 little more color on, like, the root cause,
6 because some of it is supply chain issues.
7 There's some crappy parts, right?

8 COMMISSIONER MONAHAN: Yes.

9 CHAIR HOCHSCHILD: Some of it, maybe, was
10 a business model problem, where they were
11 getting -- had to install them onto butane. How
12 do you -- when you think about how to fix this,
13 like, how much would be focusing on which parts?

14 COMMISSIONER MONAHAN: I don't think we
15 know yet what the right amount of attention
16 should be to all those. I mean, it's
17 definitely -- there's an issue around just having
18 people to maintain it. There's also the issue
19 that the charger sometimes doesn't talk well with
20 the credit card company, and you don't always
21 know where the breakdown -- so that's why 97
22 percent upline doesn't tell you that it's an
23 unsuccessful communication between the charger
24 and the credit card, and what we've heard is the
25 credit company itself could just decide, for

1 nontransparent reasons, to decline a transaction.

2 CHAIR HOCHSCHILD: Got it.

3 COMMISSIONER MONAHAN: So there are
4 different failure points, and I think
5 we're -- you know, we're going to do analysis to
6 see just how widespread each one of these failure
7 points is, which will give us better insight into
8 how to fix the problem.

9 CHAIR HOCHSCHILD: Right.

10 COMMISSIONER MONAHAN: And I think
11 there's question of, like, as a state, you know,
12 clearly is responsible for the ones that we
13 (indiscernible).

14 CHAIR HOCHSCHILD: Yes.

15 COMMISSIONER MONAHAN: How far does the
16 responsibility go for the broader network of
17 chargers? And anybody who's out there who's
18 tried to charge knows that it can be a little bit
19 like the wild, wild, West. You're like, "I've
20 got to have this app, and I've got to have this
21 card," and it will start to work, and act a
22 little work (sic), and, you know, there's just a
23 lot of failures points that we need to work
24 through with the industry.

25 CHAIR HOCHSCHILD: Do we have on the

1 team -- is there somebody whose job -- is there,
2 like, a reliability --

3 COMMISSIONER MONAHAN: Yes. Dustin
4 (phonetic).

5 CHAIR HOCHSCHILD: Dustin. Okay. Who is
6 basically just working on reliability issues?

7 COMMISSIONER MONAHAN: Yes.

8 CHAIR HOCHSCHILD: Yes. Okay.

9 COMMISSIONER MONAHAN: And there's
10 (indiscernible). There are some other folks
11 working on it, but I would say Dustin is the one.

12 CHAIR HOCHSCHILD: Okay.

13 COMMISSIONER MONAHAN: But, you know,
14 it's this question of -- okay. We don't have an
15 oil company. We don't go to, like, gas stations
16 and hold them accountable, but, you know, there's
17 somebody there, sitting there, who's helping
18 making sure that, if one nozzle isn't working,
19 another one is, and so the question is just sort
20 of, what's the broader state responsibility to
21 make (indiscernible) that you'll have to answer
22 as much as us, but with a network beyond the ones
23 funded by the state, what do we do?

24 CHAIR HOCHSCHILD: Yes.

25 COMMISSIONER MONAHAN: And to me,

1 transparency -- there should be more
2 transparency, and from the consumer side, there
3 should be more transparency about what's working
4 and what's not working, and how long it will take
5 to even, like, (indiscernible) your vehicle once
6 you're there. You know, there's just a lot of
7 ways we need to (indiscernible).

8 CHAIR HOCHSCHILD: One thing you just
9 said made me realize, like, the experience of
10 going to a gas station, there's always an
11 attendant, right, and there's never an attendant
12 for the charging station, you know, and so that's
13 (indiscernible) who you go to.

14 COMMISSIONER MONAHAN: Yes.

15 CHAIR HOCHSCHILD: You've got to try to
16 call somebody who you probably can't reach.

17 COMMISSIONER MONAHAN: I mean, it's one
18 of the benefits, too.

19 CHAIR HOCHSCHILD: Yes, it's one of the
20 benefits.

21 COMMISSIONER MONAHAN: Right. You go to
22 a -- you go to your grocery store and you charge
23 your vehicle, and you come out, and you're --

24 CHAIR HOCHSCHILD: Yes, yes.

25 COMMISSIONER MONAHAN: So, I mean, there

1 are some advantages and disadvantages.

2 CHAIR HOCHSCHILD: Yes.

3 COMMISSIONER MONAHAN: Yes.

4 CHAIR HOCHSCHILD: Well, I really
5 appreciate your leaning into that. I mean,
6 that's obviously gotten a lot of attention in the
7 last year, and, you know, should be ongoing. You
8 know, it's not enough to build infrastructure.
9 We've got to really carry -- well, make sure the
10 experience is good.

11 COMMISSIONER MONAHAN: Yes.

12 CHAIR HOCHSCHILD: Yes.

13 COMMISSIONER MONAHAN: And transparency
14 is a good role for us.

15 CHAIR HOCHSCHILD: Right, right.

16 COMMISSIONER MONAHAN: Right. Next
17 slide.

18 So we're doing a new AB 2127 report, and
19 I want to thank EAD and Siva, because we're using
20 some of EAD's work to feed into this so that we
21 don't have, like, contradictory (indiscernible).
22 Appreciate that.

23 So now we (indiscernible) the equity
24 provisions of chargers. I don't want to go into
25 the way -- I'm not going to describe this, but

1 just to say that there's data around, like,
2 access by rural communities, access by lower
3 income and disadvantaged. It indicates that we
4 have a problem that we need to fix, so we're
5 doing grants to help fix this equity gap that we
6 see.

7 CHAIR HOCHSCHILD: Sorry. Those are hard
8 to read.

9 COMMISSIONER MONAHAN: Yes.

10 CHAIR HOCHSCHILD: What's the one on the
11 left show?

12 COMMISSIONER MONAHAN: Okay. So this is
13 basically how long -- this is rural versus urban,
14 and this is drive time. So this indicates, like,
15 some people, it takes two or three hours, if you
16 live in a rural community, to get access to a
17 charger.

18 So we need to make sure that, if you live
19 in a rural community, you have access, and this
20 is basically saying that how charger access for a
21 level and DC flash chargers varies by income, and
22 so basically we need to increase the access for
23 lower-income families for charging. There's some
24 nuance to that, but I won't go into that.

25 CHAIR HOCHSCHILD: And our limit is to do

1 50 percent in low-income and disadvantaged
2 communities?

3 COMMISSIONER MONAHAN: Uh-huh.

4 CHAIR HOCHSCHILD: And have we been
5 hitting that, roughly?

6 COMMISSIONER MONAHAN: Forty-nine
7 percent.

8 CHAIR HOCHSCHILD: Great.

9 COMMISSIONER MONAHAN: Yes.

10 CHAIR HOCHSCHILD: Great.

11 COMMISSIONER MONAHAN: All right. Next
12 slide. We'll be having that (sic).

13 So we're also -- we do analysis of ZEV
14 infrastructure needs for hydrogen and fuel cell.
15 We've done one on light-duty vehicles every year.
16 Now we're doing one on medium- and heavy-duty
17 vehicles, which is a new requirement for us. I
18 think it's a (indiscernible) for us.

19 You can't really see this very well, but
20 this is where we're putting the medium- and
21 heavy-duty hydrogen stations, and I would say,
22 you know, on the medium- and heavy-duty side,
23 we're funding all of the ones in the state. On
24 the light-duty, we're funding most of them.
25 Private industry has done some on their own, but

1 mostly it's like a match -- been a match to our
2 grants. So, in some way, the CEC is responsible
3 for all the hydrogen stations that are being
4 built out, because that's a fair thing to say at
5 this point.

6 CHAIR HOCHSCHILD: And (indiscernible)
7 hydrogen stations are predominant still for
8 passenger?

9 COMMISSIONER MONAHAN: Yes, but we're
10 seeing more and more for medium- and heavy-duty.

11 CHAIR HOCHSCHILD: Okay.

12 COMMISSIONER MONAHAN: In fact, in the
13 EnergIIZE grants -- that's our medium- and
14 heavy-duty bulk block grant program -- one-third
15 of the money has been for hydrogen. So that
16 gives you a sense.

17 Next slide.

18 And then, lastly, I just -- this will be
19 very fast, but, on the tire efficiency side, you
20 guys may remember we did an order instituting
21 information. There is a draft report out, and
22 the draft report's initial estimates find that it
23 will reduce -- by having replacement tire
24 efficiency standards, we're going to reduce five
25 to 6,000,000 metric tons of CO2 per year,

1 starting in 2033 to 2035, and I just want to say,
2 this is a lot of (indiscernible). This is a lot
3 of (indiscernible). So it's something, like,
4 worth us exploring more deeply, but we're still
5 in the kind of initial phases of it, and there's
6 work to be done to get to the finish line.

7 All right. Next slide.

8 So, just quickly, hydrogen and industrial
9 decarbonization has actually been really
10 interesting, and a good learning experience for
11 me, to work in these areas that, of course,
12 Andrew is very more steeped in, on the industrial
13 decarb piece, at least, but we're, you know,
14 kicking off a new grant program for hydrogen,
15 100,000,000. We're kicking off a new program for
16 industrial decarbonization. So just to
17 (indiscernible). A lot of work done to try to
18 figure out how to do this well, but I think we
19 wouldn't go into this (indiscernible). So you
20 can keep going.

21 (Indiscernible) legislation that we are
22 doing, but the one piece I want to talk to you
23 all about is this lead area. The sort of big
24 topic that we're wrestling with is how to speed
25 the interconnection of clean energy resources on

1 the grid. There's this bulk power system, which
2 is kind of like the big integration of renewable
3 distributed energy on the transmission side, and
4 then the distribution side of, like, plugging in
5 transportation, plugging in building
6 electrification, adding solar to homes. That's
7 where distribution level impacts.

8 Next slide.

9 Here are just some of the questions about
10 "Do you have priorities for recommendations we
11 should consider in this year's energy police
12 report? Any ongoing initiatives to accelerate
13 grid connection that we should include? Anybody
14 you want us to speak to?"

15 I'm looking at (indiscernible), equity
16 groups who are giving me some good ideas, or just
17 other ones that we should be talking to, and
18 then, you know, just how do we meaningfully
19 integrate equity throughout?

20 Noemi, I'm hoping you have ideas on this,
21 or anybody, really, but we want to -- you know,
22 at this point, we're going to be doing
23 in-site -- we're going to be doing, you know,
24 just one set of visits in a community to get
25 deeper on this, but I just feel like this is

1 where we could be so good with (indiscernible).

2 COMMISSIONER GALLARDO: Yes. I think
3 immediately, Patty, you know, the disadvantaged
4 communities advisory group, the DACAG. If you
5 haven't talked to them already, they would be --
6 they're always ready to jump in, and they were
7 involved in our energy policy report work last
8 year. So I think they'd be a good group to start
9 with, you know, and that's --

10 COMMISSIONER MONAHAN: Did you engage
11 them -- when did you -- like, at what point in
12 the process did you engage them?

13 COMMISSIONER GALLARDO: So, Mona, correct
14 me if I'm wrong on this. There's some
15 subject-matter experts on the DACAG that are kind
16 of designated, voluntarily, to work on the energy
17 policy report, and so you can have smaller
18 meetings with them, just those ones who have
19 volunteered to work on it, and then they can
20 always tell you if it should go to a bigger
21 meeting, one of the monthly meetings, where it's
22 all of the DACAG.

23 So I don't remember how many times we met
24 with them, but it was just helpful to have that
25 consistent, like, series, like, "Here's what IEPR

1 is going to be about. Here's what we're focusing
2 on." You know, we had a basic conversation at
3 the beginning, and then just kept updating them,
4 "Here's what's going on now. Here's, you know,
5 where we would appreciate input," et cetera, and
6 so it was just helpful to have that consistency
7 and frequency, whether it was with the smaller
8 group of experts or the larger DACAG.

9 VICE CHAIR GUNDA: Last year, I think, on
10 the IEPR one, we included them in the -- first of
11 all, we requested Drew, Noemi, if they could
12 include IEPR as a subtopic for them, and they did
13 that first, and then we did the scoping update,
14 we did a mid-year update, and then we did a final
15 update. Even the equity was a, you know,
16 corollary area last year. So that was -- right?
17 And then we had -- we worked with them, with the
18 DACAG members, so they could actually docket a
19 commentator towards the end on the IEPR.

20 COMMISSIONER GALLARDO: And then you have
21 something in writing, aside from, you know, the
22 interaction throughout.

23 COMMISSIONER MONAHAN: Yes. It's funny
24 because I've done it so much on the
25 transportation side, but never (indiscernible).

1 CHAIR HOCHSCHILD: I have a question for
2 you, here. You have so much institutional
3 knowledge in the clean transportation field. You
4 know, I've seen it from multiple vantage points,
5 (indiscernible) scientists, EPA, and then for
6 roughly (indiscernible) years at the Energy
7 Foundation, and then, you know, here in this job,
8 too, and, amazing.

9 I was just wondering, you know, having
10 come out of philanthropy into this role, you
11 know, what do you see the role of philanthropy
12 now in supporting success, and are there things
13 that, you know, aren't happening that perhaps we
14 should be funding, that can support us getting to
15 our goals faster?

16 COMMISSIONER MONAHAN: I mean, I think
17 that philanthropy -- you know, part of the reason
18 why good works was established is through
19 philanthropy.

20 CHAIR HOCHSCHILD: Yes.

21 COMMISSIONER MONAHAN: And so
22 philanthropy can really help when there's a tough
23 technical challenge, to fund research into that
24 technical (indiscernible), and, you know, I think
25 one of the questions you're really asking is,

1 like, where could we -- where do we see a big
2 gap?

3 CHAIR HOCHSCHILD: Where is the money?
4 Yes.

5 COMMISSIONER MONAHAN: Well, I know --
6 what do you mean? For a long time, the funding
7 community was really focused on accelerating
8 renewable energy equipment, and that's where most
9 of the money and the attention and the energy
10 went. I see it shifting right now to battery
11 electric vehicles in particular, where
12 (indiscernible). I would say that's the new
13 solar, and then buildings will be, like, on the
14 heels.

15 CHAIR HOCHSCHILD: (Indiscernible), then.

16 COMMISSIONER MONAHAN: They will.

17 CHAIR HOCHSCHILD: Yes.

18 COMMISSIONER MONAHAN: I mean, I felt
19 like that for a long time. And so, in the
20 transportation space, I would say for at least 15
21 years, I would look with jealousy at the solar
22 and electric grid. People were going, "Oh, my
23 God. I want to be like that," and then it
24 happened, right? And it happened here. While I
25 was here, the transition really started to

1 accelerate, and now there's just a lot of energy
2 around electric vehicles, in particular fuel cell
3 electric, but battery electric more, I would say,
4 because it's ahead in the market. And the
5 question is just sort of, what does integration
6 look like with the grid, and how do we do it
7 right?

8 So there is funding going in that space,
9 but it is a really good question around -- you
10 know, like, there could be much more on that kind
11 of nuance about being a good citizen
12 (indiscernible), and much more on the charging
13 infrastructure side, which there's been a paltry
14 amount, honestly, of good analysis. We're doing
15 the analysis. We're leading. I mean, we're
16 leading the world, potentially, on this analysis
17 side.

18 COMMISSIONER GALLARDO: I spoke to a
19 funder the other day who -- I won't say who, but
20 they mentioned that one of the areas that they're
21 really interested in is workforce. That's really
22 exciting.

23 COMMISSIONER MONAHAN: Yes.

24 COMMISSIONER GALLARDO: They have already
25 funded a study or something on workforce, I think

1 focused on gender, and so that was an area. So,
2 if, you know -- for, you know, transportation, I
3 feel like there's a huge opportunity there for
4 training, jobs, apprenticeships, et cetera, et
5 cetera.

6 COMMISSIONER MONAHAN: Yes.

7 COMMISSIONER GALLARDO: And then they
8 also mentioned to me, you know, people forget
9 that we also fund research studies, so I think
10 that's another opportunity, too, and in your
11 area, Patty, if there's anything there, but, you
12 know, that's a thought, like, if we need to do
13 any deeper studying of something, and we can't do
14 it in-house, and you've got something that
15 someone else could help us with.

16 COMMISSIONER MONAHAN: Yes. I mean, it's
17 kind of writ -- the workforce is writ large on
18 clean energy, I think, right? There's a just
19 dirge of workers in that space. We need so many
20 more than what we have today.

21 VICE CHAIR GUNDA: And you see some other
22 things we're struggling with, the energy side,
23 like the grid side, is the community engagement,
24 and how do we compensate them? Do they need to
25 be a part of the conversation? I mean, like, in

1 the grid works and in Matt -- it's Matt? Yes.

2 COMMISSIONER MONAHAN: Yes.

3 UNIDENTIFIED SPEAKER: (Indiscernible.)

4 VICE CHAIR GUNDA: (Indiscernible) talked
5 about working groups and the way to, like, solve
6 these technical issues. Do you see foundation
7 playing a big role in actually developing funding
8 opportunities for the community? I mean, some of
9 them are investing already.

10 COMMISSIONER MONAHAN: Yes.

11 VICE CHAIR GUNDA: I mean, do you see a
12 need, and do you see a place for them in the
13 transportation side?

14 COMMISSIONER MONAHAN: To be able to
15 engage on this --

16 VICE CHAIR GUNDA: Yes, to
17 (indiscernible) communities, you know, to double
18 up (indiscernible) and to engage in
19 conversations, to do one-on-ones, whatever,
20 right?

21 COMMISSIONER MONAHAN: I think community
22 groups can always use more money. I mean,
23 environmental justice groups could always -- but
24 they aren't -- I mean, many groups are being
25 funded. They tend to be the statewide groups or

1 national groups, and not so much community-based.

2 COMMISSIONER MCALLISTER: I wanted to
3 bring up, well, really, two things, but, on this
4 particular point, you know, with some ARRA money
5 and (indiscernible), we funded a thing called the
6 local government challenge. I don't know if you
7 remember that.

8 VICE CHAIR GUNDA: Yes, yes, absolutely.

9 COMMISSIONER MCALLISTER: And then there
10 was a local tribal challenge, and it wasn't that
11 much money, but it really is a good model to just
12 have -- just explicitly, you know, keep the
13 public engagement resource -- like, don't value
14 engineer that out, right? Keep it in there,
15 because it's a key piece to support community
16 groups and local governments. I would encourage
17 us to just put that in the conversation and fund
18 it robustly, and actually (indiscernible) to give
19 grants to entities to help plan on the ground,
20 because that just won't happen otherwise, right?

21 Then there's a related question that we
22 keep hearing, partly from ARB. I don't know if
23 you hear this, Noemi, but it's the issue of
24 stakeholder fatigue.

25 COMMISSIONER GALLARDO: (Indiscernible.)

1 COMMISSIONER MCALLISTER: You know,
2 just -- we're asking a lot. You know, we all
3 want to focus on equity, and we all want
4 everybody to come down to these meetings and
5 help, and, you know, talk about we'd be most
6 effective, and, you know, support, but, again,
7 that seems like it needs infrastructure. Like,
8 to really solve that problem, we'd have to have a
9 structure that's funded, that helps convene and
10 takes the transaction cost out of the system so
11 people can actually participate.

12 So, I mean, it's not common -- I mean,
13 it's common across, I think, all of our areas,
14 not just transportation, but a lot of the
15 stakeholders, like the EJ folks and local
16 community groups and stuff, are -- you know,
17 they're not siloed, right? So maybe there's like
18 a Commission-wide or even like, you know, a
19 multi-agency-wide solution to kind of support any
20 community engagement.

21 VICE CHAIR GUNDA: We talked about that
22 last year, and I think part of the budget
23 (indiscernible) that \$30,000,000 going to PUC was
24 a part of that thinking, (indiscernible) building
25 contract, but for everybody, and then, you know,

1 Noemi was charging this, and then we got, you
2 know, some money in the January budget from the
3 governor on -- more money just for CEC, but your
4 point, how do we consolidate a structure of
5 engagement hubs across the state that bring
6 together the (indiscernible)?

7 COMMISSIONER MCALLISTER: We have a
8 president, not just in Sacramento but --

9 CHAIR HOCHSCHILD: Jen, do you
10 (indiscernible)?

11 MS. MARTIN-GALLARDO: I wanted to say
12 that, through our CTERA application, our team
13 has -- will be, you know, pursuing this type of
14 idea with the Ideally (phonetic) application, and
15 the proposal is to create a technical
16 (indiscernible) unit in the Energy Commission,
17 and all of the TA funding for different programs
18 would funnel through that, and it will be a
19 statewide technical assistance network, where
20 we're going to have a regional coordinator, staff
21 at the Energy Commission, that's especially for
22 (indiscernible) in the central and south.

23 COMMISSIONER MCALLISTER: That's great,
24 yes.

25 MS. MARTIN-GALLARDO: And then they can

1 connect everybody. So we're starting that
2 (indiscernible), but I actually had a
3 conversation with CMI (phonetic), who has put out
4 a survey on the same issue, had a conversation
5 with them, and I think more conversation is
6 happening (indiscernible) on this, and I think
7 that's what we can do to help in the
8 (indiscernible) this summer. So we can get
9 together, you know, all of us, and talk about
10 what we think that looks like, but, if we do get
11 this grant, we have (indiscernible).

12 COMMISSIONER GALLARDO: That will be for
13 the tribes specifically, right Jen? And then
14 that could be a model to expand for --

15 MS. MARTIN-GALLARDO: And that's what
16 we're going to (indiscernible), is that it's
17 replicable.

18 COMMISSIONER MONAHAN: I wonder if that's
19 something we could put, actually, in the IEPR,
20 because -- just to like articulate some solutions
21 to the fact that (indiscernible) organizations
22 are resource-limited.

23 MS. CARRILLO: To springboard off of that
24 a little bit, in our work on the equitable
25 decarbonization program, as well as IRA

1 (phonetic), we've been working with a lot of the
2 community-based organizations and the local
3 government (indiscernible) as well, who are
4 advocating of having regional outreach
5 opportunities between our work, CARB's work, you
6 know, at a regional level, establishing a
7 structure where the CBOs are there, the local
8 implementors are there, the participants know
9 (indiscernible), where we can go and talk about
10 guidelines or requirements and cross-pollinate
11 that way.

12 In our work with equitable and decarb,
13 we've also been resource-constrained in meeting
14 all the needs of the community-based
15 organizations in the engagement, in the extent of
16 just times in the day, but making sure that we
17 open up office hours at certain times of day or
18 days of the week for folks to come and talk
19 cross-pollination with REV (phonetic) or the
20 climate resiliency plan (indiscernible).

21 Just a note. A reflection, like, of the
22 fatigue, I think it's also beyond the CPOs
23 (phonetic). We have (indiscernible) team. We
24 have three crucial workshops that day, both for
25 the reliability reserve as well as equitable and

1 decarb, plus the (indiscernible) in the same
2 session, and so I think it's real, and we're
3 looking at some of our funding --

4 VICE CHAIR GUNDA: And this could be
5 (indiscernible) planning proceeding at PUC.

6 MS. CARRILLO: Yes. There's so much work
7 flying around.

8 COMMISSIONER MONAHAN: Yes. One of the
9 things I -- and I observed, and I just want to
10 test this -- is I feel like, when I go to meet
11 with the community, I have genuine conversations,
12 but sometimes, at a workshop or at, you know,
13 anything where we have to (indiscernible), I
14 don't (indiscernible). And so -- and people
15 (indiscernible).

16 So I mean, I just wonder if maybe less
17 formal engagements and more informal engagements,
18 where we report out and we share, like, in a
19 public setting what we hear, and we can all be
20 more conscientious to do that? I think Noemi is
21 a great model for this.

22 VICE CHAIR GUNDA: Due to your point, I
23 just want to -- I think this is a thing that got
24 elevated a few times in the IEPR workshop, too.

25 COMMISSIONER MONAHAN: (Indiscernible.)

1 VICE CHAIR GUNDA: Okay. Sorry. So I
2 think workshops are a good venue for reporting in
3 and reporting out, but not problem solving, and
4 some of this problem solving and relationship
5 building happens, as you said, on more informal
6 get-togethers, and, again, to the point, how do
7 we bring all the themes together, right, in
8 (indiscernible)?

9 So I think it will be a good thing to
10 think to the model, and we have now small pockets
11 of money, so I think we have 8,000,000 in the
12 Medivas (phonetic) budget to set up that
13 (indiscernible) in the January (indiscernible),
14 the 30,000,000 from the PUC, the pocket. If we
15 could just figure out, you know, a single
16 platform, at least, for PUC to begin with on how
17 we are going to engage across all sectors.

18 COMMISSIONER GALLARDO: Patty, I wanted
19 to clarify that, in the last year's IEPR, we did
20 put in recommendations about the regional
21 housing. We've been working on it for a while
22 now, intend to do more technical assistance. I'm
23 really excited about the CTERA and, you know,
24 seeing what comes of that, but it is in there.
25 It should be great if this -- you know, this IEPR

1 can expand on that.

2 COMMISSIONER MONAHAN: Yes. Well, this
3 IEPR is (indiscernible) just on this connecting
4 (indiscernible) resources like that.

5 COMMISSIONER GALLARDO: All of that is
6 helpful, right?

7 COMMISSIONER MONAHAN: Yes.

8 COMMISSIONER GALLARDO: It's just the
9 consistency there of the message.

10 Then I also wanted to uplift the DACAG
11 again. I think that's such a great model,
12 because they do compensated for -- at least right
13 now -- for the monthly public meetings that they
14 sit in, you know, so that important. It should
15 happen. I think, you know, they met more because
16 we did ask more of them, but I want to keep
17 reminding people that we have the DACAG there,
18 you know, available to us, and they're so
19 helpful, you know, in the smaller meetings, and
20 even in the monthly meetings. They get, you
21 know, really excited about being able to support
22 us and contribute.

23 Then, lastly, I think it was Deana
24 brought up CivicWell. So they're (indiscernible)
25 organization. It used to be called Local

1 Government Commission. They are really excited
2 to work more closely with state agencies and
3 Energy Commission in particular, because I think
4 they have a very -- they've had a long
5 relationship with the PUC, and so they're trying
6 to move over to the Energy Commission.

7 COMMISSIONER MCALLISTER:

8 (Indiscernible), too. We (indiscernible) a ton
9 of stuff. Yes.

10 COMMISSIONER GALLARDO: Yes. I think
11 they have the RENS (phonetic), you know, with the
12 PUC, and they have other stuff. So I think they
13 want to do ever more. So, good. We do have -- I
14 think they (indiscernible), and they want to do
15 more with us. So that could be a way to, you
16 know, get more paint for our buck, if they're
17 willing to help us with that, organizing local
18 government, being able to engage with them.

19 MS. HUBER: I just wanted to kind of say,
20 you know, what everyone else has been saying.
21 Like the Chair said at yesterday's budget meeting
22 with Officer Nguyen (phonetic), we've had already
23 over 200 meetings, aside from workshops, and what
24 I think would sometimes just be helpful is if we
25 actually came together like this and talked about

1 all our standing meetings.

2 So we have, biweekly, the DMVOs
3 (phonetic), and monthly meetings with industry.
4 We meet every six weeks with local government.
5 And so what we try to do is based on what STEP
6 (phonetic) is doing with offshore wind, with SE
7 100, with reliability, because these
8 (indiscernible) transmissions, they come up in
9 one meeting, "I don't think we have time to talk
10 about this."

11 Now what we're doing, per STEP, is we're
12 adding those to the agenda. So now, when we meet
13 with local government, we have standing meetings
14 where Eric will come, (indiscernible). Eric
15 (indiscernible). So it's a way to get feedback,
16 and then we start learning about the
17 interrelationships of all this (indiscernible).
18 And I know Jonah -- we meet monthly with Jonah's
19 team, and we're now working with (indiscernible)
20 Del Rue (phonetic), who has money in the hydrogen
21 hub and the carbon capture hub, on how these
22 centers can be more comprehensive.

23 Some of the research they're doing, we
24 actually have pilots that exist in the facility.
25 We have oversight. So we're trying to get more

1 creative, and we're finding positive feedback
2 from our stakeholder community because it's one
3 less meeting. So, food for thought.

4 CHAIR HOCHSCHILD: So, before we wrap, I
5 did want to say, you know, in part because of the
6 success we've had on renewables, you know, the
7 stuff you're working on is the biggest source of
8 pollution in the state of California, as you
9 know, and you've been amazing, Patty, just the
10 institutional knowledge and collaboration, and,
11 you know, we're so fortunate to have you in this
12 role at this time.

13 I personally -- this really is
14 (indiscernible). When they do (indiscernible) on
15 offshore wind, talking -- I did an event with the
16 Norwegian Consul last night. Their latest number
17 is they're at 95 percent of new vehicle sales are
18 electric. (Indiscernible.)

19 Pollution has gone down in Oslo. There's
20 more EV charging than there are gas stations.
21 They're repurposing gas stations, actually, into
22 public parks. It's kind of amazing what's going
23 on there. And we're, you know, on our way to 100
24 percent, but just the infrastructure is really
25 like the gating item. So, again, just like

1 incredible gratitude, Patty, for you on this.

2 I guess my one last question is, you
3 know, Tesla got way out ahead than the rest of
4 the auto industry in building this infrastructure
5 and (indiscernible) chargers in California. That
6 charger number is going to double in size in the
7 next two years, and then you have EVgo, and you
8 have Electrify America, and you have ChargePoint,
9 but are there any other OEMs you're seeing? I
10 mean, I know Audi is doing a little one in L.A.,
11 but are you seeing any other signals --

12 COMMISSIONER MONAHAN: (Indiscernible) is
13 doing a model --

14 CHAIR HOCHSCHILD: (Indiscernible) is
15 going to do some?

16 COMMISSIONER MONAHAN: -- but not very
17 significant.

18 CHAIR HOCHSCHILD: Okay. For the most
19 part, it's still basically Tesla. Yes.

20 COMMISSIONER MONAHAN: Yes. The other
21 ones are partnering with the --

22 CHAIR HOCHSCHILD: Okay. Right.

23 COMMISSIONER MONAHAN: And so you -- and
24 they're really trying to get this interoperable,
25 you know, experience by partnering with one, but

1 that doesn't give you the universal experience
2 that we need to get to.

3 CHAIR HOCHSCHILD: Got it. Okay.

4 COMMISSIONER MONAHAN: Yes.

5 CHAIR HOCHSCHILD: Well, thank you.

6 So what I think we should do now is
7 break. I think folks who are sitting here can
8 have a chance to check in their rooms, hopefully.
9 Let's reconvene at 2:45. Is that all right with
10 everybody?

11 COMMISSIONER MONAHAN: I couldn't say
12 anything nicer about (indiscernible).

13 (Off the record at 2:27 p.m.)

14 (On the record at 2:49 p.m.)

15 COMMISSIONER MCALLISTER: Okay. Thank you.
16 We're back on.

17 CHAIR HOCHSCHILD: Okay. We're back on.
18 All right.

19 COMMISSIONER MCALLISTER: Do you have a
20 (indiscernible)?

21 CHAIR HOCHSCHILD: I do not have a
22 (indiscernible).

23 COMMISSIONER MCALLISTER:
24 (Indiscernible.)

25 UNIDENTIFIED SPEAKER: (Indiscernible.)

1 COMMISSIONER MCALLISTER: Here we go.
2 Okay. So let's see. I want to -- well, first of
3 all, I want to just do a little preamble. So
4 John Holden was a professor of mine back in grad
5 school in the early 1990s. Then he moved back to
6 the East Coast, and he was Obama's science and
7 technology advisor for the whole Obama period.
8 Then, when Trump came in, he went into
9 opposition, but really a lifelong, you know,
10 clean energy champion, just energy champion and
11 clean energy champion.

12 He always used to say the challenges of
13 our time, you know, with respect to climate
14 change, are actually threefold. They're not just
15 mitigation or adaption. The third one is
16 suffering, and the balance of those three things
17 is completely up to us. If we can do more
18 mitigation, then we have to do less adaptation,
19 and there will be less suffering.

20 We are already committed through our
21 previous -- like, humanity is already committed
22 to a certain amount of suffering because of the
23 emissions that we've already put in the air, and
24 so, like, we -- like, the urgency really comes
25 from trying to, you know, mitigate the impacts of

1 that, historical emissions that we have to kind
2 of, you know, pay down.

3 So, sorry to, you know, start out with
4 kind of a bummer of an idea there, but, like, I
5 mean, I think, you know, we're pretty far down
6 the climate change road. Like, I mean, we're
7 seeing -- the fact that we're seeing the effects
8 of climate change is -- you know, means that
9 we're way deep into this, like, because it takes
10 a while for, you know, a molecule of carbon
11 dioxide to go up in the atmosphere and actually
12 cause change, and so we're far down the road, and
13 so we've committed to a certain amount of
14 impacts, and so, you know, for me, that sort of
15 puts a fair amount of urgency into our work, and
16 so, you know, being intentional and being
17 solutions-oriented really is, I think, our -- has
18 to be our role and our responsibility.

19 So, you know, I come from a very
20 different background than, say, Siva. You know,
21 you're talking about being an immigrant, but I am
22 not from California, and I don't have family
23 nearby, and, you know, I think, in that sense,
24 the sort of California community that I've been
25 able to have is just an incredible blessing.

1 You know, California has been really good
2 to me, and I think of our state as -- you know, I
3 grew up in the southern U.S., and I think -- you
4 know, sometimes I'm like, you know, what would
5 the world look like if secession had actually
6 worked? The level of conversation would be
7 simpler, but then I would have to emigrate, I
8 guess, to California, and actually be foreigner.

9 You know, I think of California as one of
10 the most robust democracies in the world, and,
11 you know, the fact that we are able to do big
12 things, and have these big messy conversations,
13 and make bold moves in all the ways that we're
14 talking about today, I'm just -- I'm hard-pressed
15 to point to another, you know, sizable
16 jurisdiction that is as diverse as California and
17 still manages to make progress than we, and just
18 the fact that we're all here doing this work
19 together is, I think, the real -- just a
20 testament to, you know, the California idea,
21 being a positive influence on the world.

22 So I'm just really grateful to be here
23 with all of you, and all of our amazing staff,
24 you know, with some staff leadership here, but
25 there's a deep, deep well of staff expertise and

1 commitment throughout the Commission and
2 throughout the state service, and just really
3 grateful for that.

4 So maybe where I'm a little bit different
5 is that -- just an acknowledgment of the
6 diversity of the state, and certainly an
7 acknowledgment that I come from a privileged
8 position, you know, having just grown up as a --
9 maybe I don't go quite back to the Mayflower, but
10 my dad's side of the family, I think, does,
11 actually. But we ended on the Maryland shores
12 before Independence, but, you know, my mom grew
13 up in rural Tennessee and goes back hundreds of
14 years to the founding of Nashville, right?

15 So, in a way, you know, I kind of have
16 that history as well, but really don't -- you
17 know, I think, you know, David, what you bring is
18 just a pedigree in sort of California politics,
19 you know, which is, I think, a remarkable asset
20 for the Commission, actually, and just that
21 natural ability to kind of understand the
22 zeitgeist here is something that I don't have,
23 and I've had to kind of, you know, edge my way
24 forward. And so I really appreciate your sort of
25 vision to help set the kind of boundaries or

1 the -- set the sort of realm of the possible,
2 right, so that we can all kind of operate in that
3 realm.

4 I think, you know, my character is
5 definitely not one to sort of take the spotlight
6 all the time, and what I try to do, and I hope
7 folks appreciate that, is to leave some negative
8 space in the room so that others who maybe have
9 been underrepresented or who need space can come
10 into that room and breathe some of the oxygen,
11 and I think that's -- you know, we need more of
12 that. We have people -- you know, like we're in
13 such a "go, go, go" society, and I think stepping
14 back and enabling others to step forward is
15 actually an active -- it's a proactive strategy
16 for seeing what's wrong with our society.

17 So I hope folks appreciate that I try to
18 do that. I mean, you know, we all have blind
19 spots. I certainly have tons of blind spots, and
20 I get excited about certain themes, and I can't
21 shut up, but I think, you know, that's part of
22 teamwork, is letting other people shine as well,
23 and you all do that in your own way, so I'm not
24 unique there, but, you know, my comfort zone is
25 that of being a mirror, I think, more than

1 anything else, and good company.

2 So, you know, we're blessed. We're
3 really -- I mean, we're so fortunate to have the
4 kind of diversity in this state that makes the
5 whole enterprise stronger. I mean, when you have
6 more foundational pillars under a building, that
7 building is less likely to fall down, you know,
8 in an earthquake, and so I think California
9 really has that diversity buttressing everything
10 we do, and it's all of our role to allow that
11 diversity to express itself.

12 So, anyway, enough different ways of
13 saying that, but all of this is to say that, you
14 know, our team approach at the Commission is
15 something that I just deeply value, and, you
16 know, if -- you know, just -- I'd love to hear,
17 you know, any coaching that anybody has, or
18 suggestions. You know, I'm just all ears, and,
19 you know, try to keep my ego out of it, because
20 really our goal is, you know, for the people of
21 California, and to forge these solutions, and ego
22 really doesn't have much of a place there. We
23 have to be outside of ourselves. So, anyway,
24 thanks for bearing with me on that. I appreciate
25 it.

1 So I think -- so, as all of you know, I
2 oversee the Efficiency Division and, you know,
3 buildings and appliances, and I'll talk about
4 some of that, and I would say, you know, the
5 way -- the origin story of the Commission is a
6 lot of -- in a lot of ways revolves around energy
7 efficiency at the appliance and building level,
8 you know. I mean, at least it was formed to do
9 that, and to site power plants, and now those are
10 sort of the big things, and so, you know, the big
11 stuff and the little stuff, and those were policy
12 gaps at that time, and I think it's brought
13 incredible value, you know, across the board,
14 but, in terms of the Commission's authority, we
15 touch every single building project that happens
16 in the state, and many, many of the energy-using
17 devices we get imported in the state, we touch
18 those.

19 So it does mean that the work of the
20 Efficiency Division is quite diverse. It tends
21 to be kind of, you know, granular and very
22 detailed, and not that accessible sometimes, and
23 so, you know, it gets into details pretty quick,
24 and so, you know, just understanding that, I
25 think, you know, Noemi and I were -- we were

1 talking about, at the break, how important it is,
2 as we move into this future -- as we move into,
3 really, the sort of production mode of
4 decarbonizing our buildings, to have much more
5 sort of clear and strong linkages from state,
6 Commission, down into the communities where we're
7 expecting projects to be done well, right?

8 So every single building I every
9 community where there's a project, we need to,
10 like, have some, you know, maybe not active role,
11 right, but, like, the folks that are organizing
12 the building decarb in that little community need
13 to -- you know, and, Siva, you were talking about
14 earlier, like, it can't be a mystery to them what
15 they're trying to accomplish. They have to
16 have -- they have to kind of know what their goal
17 is, what they're trying to do, and what the
18 programs that they're -- you know, what the
19 contract on their house actually is aiming to do
20 with that house, right?

21 So that really, I think, you know,
22 operationally, is a challenge that we need to
23 rise to in these programs, and it's going to --
24 it takes resources, and it takes really good
25 program design, and I think that well of

1 granularity is probably unique to the efficiency
2 work. Maybe -- I don't know. I'll have to think
3 about that more, but, you know, just the
4 comprehensiveness of the changes that we're
5 trying to get done in a built environment is
6 quite -- is pretty unique, actually.

7 So, with that, I'm going to just go
8 through some of my priorities. I didn't go
9 through my last confirmation questions
10 (indiscernible) for goals, but I think I've got
11 it in my DNA at this point.

12 So building decarbonization is really job
13 one. I want to really thank just -- Mike and
14 Deana are both here, and the deep well of staff
15 underneath them. Brian, my chief of staff, is
16 here, and just could not really do much of
17 anything without him. So, yes. I'm not sure if
18 my neural system would be complete at this point
19 without him. I've offloaded some of my left
20 brain.

21 I think that -- so that is kind of giving
22 you flavor for the way I see the challenge
23 ability of decarbonization, and I really would
24 love to have the kind of similar commitment of
25 the state, and I think we'll get there.

1 You know, we did this for -- so we did
2 that for 10 years, \$3,000,000,000 which back then
3 was a lot of money, and for the CSI, right, and
4 then, you know, transportation, just multiple
5 programs that have really pumped, you know,
6 hundreds of billions of dollars, well, billions
7 of dollars, anyway, into the transportation
8 sector, and, you know, similar hopes for offshore
9 wind.

10 I think, you know, to move markets to
11 California to decarbonize our buildings is a big
12 bet that has (indiscernible) with the state and a
13 branding of the state for, you know, 15 years, at
14 a program level or a programmatic level, would be
15 super helpful, and we're starting that now, you
16 know, with the equitable building decarb program.

17 So the, you know, large budget proposed
18 by the Newsom administration for building
19 decarbonization -- I wanted to highlight -- I
20 said this yesterday, but the guidelines
21 for -- the draft guidelines for the equitable
22 building decarbonization direct-install program
23 are on the street. So that's big, and that's a
24 big step forward, to get those programs moving,
25 and I will say -- I would encourage everyone to

1 at least leaf through those, at least, but a few
2 notable elements --

3 UNIDENTIFIED SPEAKER: (Indiscernible.)

4 UNIDENTIFIED SPEAKER: Maybe hang on one
5 second.

6 CHAIR HOCHSCHILD: Somebody hit mute.

7 UNIDENTIFIED SPEAKER: This doesn't seem
8 possible, but there's interception.

9 UNIDENTIFIED SPEAKER: Somebody needs to
10 mute.

11 UNIDENTIFIED SPEAKER: But, I mean, are
12 we projecting?

13 CHAIR HOCHSCHILD: Do we have anybody
14 unmuted?

15 UNIDENTIFIED SPEAKER: Our court
16 reporter?

17 CHAIR HOCHSCHILD: Maybe that's the court
18 reporter.

19 Okay. All right. Yes. Go ahead.

20 COMMISSIONER MCALLISTER: Okay. So there
21 is a requirement -- so the draft guidelines will
22 come to the Commission at some point in the next
23 couple -- in a couple months. Comment period
24 closes June 30th. Staff is going to do a bunch
25 of workshops across the state. So, you know,

1 you're all invited to those, if you want to sort
2 of see what's what.

3 So those will come to the Commission for
4 adoption, and then we'll do a solicitation for
5 program administrators, and, as a condition of
6 bidding, of, you know, winning those contracts,
7 the team composition is going to be really
8 important, and it's going to require very
9 substantive involvement of CBOs in identification
10 of communities in which those implementers are
11 going to focus.

12 So that's a very complicated discussion,
13 and so it's going to require us, I think, to
14 manage it actively, but also really expect a lot
15 from our stakeholders, but I think there's no
16 other way, as I said, to really get good results
17 on the ground, other than to involve CBOs and
18 local governments, really, integrally.

19 We're also going to use -- we're going to
20 do a contract to bring on some analytical
21 resources, and this goes to the data, the data
22 kind of resources that we now have. So, if you
23 can imagine, you know, using customer-level
24 interval meter data to -- you know, we have
25 climate zone information. We've got, you know,

1 consumption patterns, electric and gas use.

2 So one of the risks, for example, with
3 electrification is potentially raising people's
4 bills, when you go from relatively cheapo natural
5 gas, which, you know, not so cheap, but volatile
6 now, but still, like, electricity, it can be
7 expensive.

8 So, for example, you know, analytical
9 support is going to help us identify communities
10 where raising bills is least likely, for example.
11 So that's the kind of innovative use of data that
12 we can sort of use to target our programs and
13 make sure we're going to the right places, and
14 that's really never been done before.

15 So other states in the high-reg context
16 that are going to get tens of millions of dollars
17 from the federal government, they're looking to
18 us for that leadership, to help them develop
19 their programs and target those appropriately.
20 That's never been done. So it sounds kind of
21 nerdy, but it's along the lines of what we're
22 talking about with respect to grid planning,
23 right? So the analytical tools are -- you know,
24 they're here. They're here. We're in this
25 amazing moment.

1 The idea is to roll out these programs
2 with state funding, and then, you know, work with
3 the Department of Energy to be able to slot in --
4 to sort of drop in the federal IRA funds
5 seamlessly into those same program structures.
6 So that's what we're aiming to do, and,
7 hopefully, the Department of Energy provides that
8 kind of flexibility so that we can actually do
9 that.

10 So, all told, we're talking, you know,
11 more than a billion dollars for equitable
12 building, decarbonization in the next couple
13 years, next few -- next three years, and so
14 this -- and we are building the program structure
15 for those programs to really last for a decade or
16 more, and I think, you know, we have to do that,
17 with the assumption that we're going to continue
18 to get resources from the state or fed, but it's
19 really important, I would say, to be able to
20 plausibly tell the world that these programs are
21 going to be here for at least 10 years.

22 VICE CHAIR GUNDA: Can I just ask, from
23 your perspective, making just an estimate of the
24 cost of the entire building decarbonization in
25 California, is it tens of billions, hundreds of

1 billions?

2 COMMISSIONER MCALLISTER: Yes. I mean,
3 it -- okay. Some simple math.

4 VICE CHAIR GUNDA: It's all
5 (indiscernible), right?

6 COMMISSIONER MCALLISTER: Yes. So, you
7 know, we are focusing these programs on
8 disadvantaged, under-resourced communities, and
9 so maybe I'll just draw the boundary around that.

10 So, if you say there are, you know,
11 5,000,000 households that are low-income or
12 moderate-income, that don't really have a lot of,
13 you know, capital saved or cash flow to be able
14 to really afford, you know, a full-on upgrade of
15 their residence, and, you know, not everybody
16 needs all the heat pumps and all the upgrades,
17 but, if you say, like, 30 grand on average, that
18 (indiscernible) --

19 VICE CHAIR GUNDA: (Indiscernible.)

20 COMMISSIONER MCALLISTER: -- one or two
21 heat pumps, weatherization, and that's sort of --
22 that's a scaling price. I mean, probably right
23 now the price is a little bit higher than that,
24 and maybe a panel upgrade, stuff like that, but
25 let's just say 30 grand. Five million, that's

1 \$150,000,000,000, right? So we're getting
2 1,000,000,000, you know, for the next few years,
3 right?

4 So that's two orders of magnitude, you
5 know, more that we need. So that points to the
6 fact that, you know, one of the goals for these
7 programs has to be -- you know, we had a little
8 bit of talk about foundation, you know, capital
9 and stuff like that from the transportation side.
10 Well, we need, also, to use these programs to
11 build bridges into the finance community, to be
12 able to -- because, you know, we're not going to
13 subsidize our way out of that whole problem.

14 CHAIR HOCHSCHILD: Right.

15 COMMISSIONER MCALLISTER: I think the
16 poorest of the poor, we're going to have to
17 subsidize most of that work, but, you know, the
18 middle and up, we've got to find good financing
19 tools and build them.

20 VICE CHAIR GUNDA: Just one thought on
21 that one. So, in terms of the escrow models that
22 we've used to really advance efficiency in the
23 commercial space, mostly, is that applicable to
24 the residential?

25 COMMISSIONER MCALLISTER: So,

1 historically, it hasn't really been. The
2 residential tends to be much more local, much
3 more kind of not linked in to capital markets.
4 That escrow model tends to have, like, a capital
5 partner.

6 VICE CHAIR GUNDA: Yes.

7 COMMISSIONER MCALLISTER: You don't
8 really see that in the residential sphere. We
9 have gotten some comments in the building decarb
10 realm that, if we were to use these programs to
11 bundle large groups of projects, that we might be
12 able to kind of --

13 VICE CHAIR GUNDA: Like cap and trade?

14 COMMISSIONER MCALLISTER: Well, let's say
15 there were a local implementation where they had
16 200 house that we're going to do 30 grand of work
17 each. Well, then you might actually get an
18 implementer that had a capital partner to come in
19 and just bang that work out, and it would look
20 more like a commercial installation, right, with
21 a largescale --

22 VICE CHAIR GUNDA: Would this thinking
23 make them a value proposition position by
24 (indiscernible) the efficiency in the past? You
25 had to build savings, right? Here, when we're

1 talking about decarb, you're actually increasing
2 the (indiscernible).

3 COMMISSIONER MONAHAN: Yes.

4 VICE CHAIR GUNDA: So how do you have the
5 value? What's the value? How do you sell the
6 value?

7 COMMISSIONER MCALLISTER: You know, it's
8 a great question, and so I think one is to do all
9 the energy efficiency so that you don't raise the
10 bill, right? But I think there's also --

11 (indiscernible) this is part of our
12 decarbonization journey, and so the state has,
13 you know, a stake in this as well, and then we
14 need to monetize some of the other benefits. You
15 know, those carbon reductions have some value.
16 The health benefits ought to have some value.

17 Monetizing that, nobody has really
18 figured out how to do that, but, you know,
19 presumably, if you have less emergency room
20 visits in a low-income neighborhood, then that
21 has actual money implications for Kaiser or
22 whoever is the -- you know, whoever the county
23 emergency room is, you know, or Medicare, you
24 know. There's some savings somewhere. We just
25 don't know that yet. So that's a good -- that's

1 a really good point.

2 Do you have a question?

3 COMMISSIONER MONAHAN: No, but, I mean,
4 that is the -- I mean, to me, that is the
5 challenge.

6 COMMISSIONER MCALLISTER: It is
7 absolutely the challenge.

8 COMMISSIONER MONAHAN: It's more
9 expensive to electrify buildings. Like, you
10 can't -- right now, it's more expensive. Am I
11 getting it wrong?

12 COMMISSIONER MCALLISTER: Well, so
13 not -- first of all, not everywhere, and
14 certainly not in LAGWP (phonetic) and at SMUD,
15 not in the POUs (sic), right? In the IOUs, you
16 know, where they have expensive electricity, it
17 is more challenging, definitely.

18 COMMISSIONER MONAHAN: And as much as
19 now --

20 COMMISSIONER MCALLISTER: There are
21 places where --

22 COMMISSIONER MONAHAN: I mean, that en
23 banc really emphasized, like -- and this is a
24 challenge. I mean, I think this is a challenge
25 for our entire strategy.

1 COMMISSIONER MCALLISTER: Yes, for
2 transportation, too.

3 COMMISSIONER MONAHAN: Yes. For
4 transportation, it's not as big a hurdle, because
5 your delta is against gasoline or diesel --

6 COMMISSIONER MCALLISTER: Yes, yes.

7 COMMISSIONER MONAHAN: -- but it's a
8 hurdle, and I do think this is like this
9 fundamental equity question, that rates are going
10 up. They're going to continue to go up. We're
11 paying a lot for wildfire resilience, and as we
12 need to electrify buildings. So your price tag,
13 you know, it's going to go up.

14 COMMISSIONER MCALLISTER: You know, I
15 mean, historically, you do energy efficiency, you
16 get bill savings, and, like, that's how it works
17 out.

18 COMMISSIONER MONAHAN: That's what I
19 mean. This is like a really --

20 COMMISSIONER MCALLISTER: I'm not talking
21 about that kind of bill savings, but, you know,
22 that's why we're -- that's why the legislature
23 wants the PUC to do an income-based fix judge, so
24 that those equity issues don't fall on -- so
25 those increases don't fall on --

1 COMMISSIONER MONAHAN: But there's no
2 incentive for beneficial electrification when
3 it's more expensive to do it.

4 COMMISSIONER MCALLISTER: When you're
5 going to have a higher bill. That's right. But
6 I think that the jury is out on how common that
7 scenario is actually going to be, because, you
8 know, heat pumps are much more efficient,
9 inherently, than gas. So the electricity isn't
10 commensurate with the gas, you know, is smaller
11 than the gas, on an energy basis, right? So, you
12 know, a lot depends on where gas prices go, and,
13 you know, there's a lot of unknowns here, a lot
14 of -- you know, a lot of --

15 VICE CHAIR GUNDA: And I think there's
16 this, I mean, idea that, with more
17 electrification, we will more use the
18 (indiscernible) grid, and so there's a downward
19 pressure on the (indiscernible), but that's
20 (indiscernible).

21 COMMISSIONER MONAHAN: But that's
22 theoretical, and (indiscernible).

23 COMMISSIONER MCALLISTER: And that's a
24 longer-term thing, right? That's a cost you use
25 up.

1 COMMISSIONER MONAHAN: It's like you pay
2 now -- we're paying now for benefits that accrue
3 later.

4 COMMISSIONER MCALLISTER: That accrue
5 later, yes. So efficiency is really important,
6 you know, yes. I think, as time-of-use
7 rates -- and this isn't too far off. As
8 time-of-use rates, like the difference between
9 on- and off-peak gets bigger, then that
10 management aspect of it actually does have real
11 returns.

12 COMMISSIONER MONAHAN: Right, right.

13 COMMISSIONER MCALLISTER: So we
14 need -- like, we've got to do all of this stuff
15 in the near term, right?

16 COMMISSIONER MONAHAN: So is that part of
17 the plan, to -- like, when we're electrifying
18 buildings with this \$1,000,000,000, there's some
19 money for efficiency?

20 COMMISSIONER MCALLISTER: So, wherever
21 possible, do efficiency. Do flexibility.

22 COMMISSIONER MONAHAN: Yes.

23 COMMISSIONER MCALLISTER: Like, make
24 those kinds of conditions of --

25 COMMISSIONER MONAHAN: That's great.

1 COMMISSIONER MCALLISTER: So we've got to
2 condition the marketplace in a bunch of different
3 directions as we inject this money into the
4 marketplace.

5 COMMISSIONER MONAHAN: Yes.

6 COMMISSIONER MCALLISTER: That's again
7 why, like, a 10-year, 15-year commitment is super
8 important.

9 COMMISSIONER MONAHAN: Yes.

10 COMMISSIONER MCALLISTER: Like, we've got
11 to tell the world, "This is happening. There's
12 no way around it," so that all the OEMs really
13 come to the table with equipment that complies
14 with all these needs.

15 COMMISSIONER MONAHAN: Yes.

16 COMMISSIONER MCALLISTER: So --

17 VICE CHAIR GUNDA: And we talk about the
18 low income, are we also thinking about, like,
19 Central Valley, with high heat, with
20 (indiscernible). So you're going to normalize
21 the (indiscernible)?

22 COMMISSIONER MCALLISTER: Yes. I mean,
23 there's so much cool analysis to be done, right?
24 I don't need to get (indiscernible). But, like,
25 weather normalization is rote for those of us who

1 have been in this for a long time, right? So,
2 yes. But, yes.

3 So the (indiscernible) probably likely
4 would be Northern California, Southern
5 California, and Central Valley, like, three areas
6 of implementation. We're going to get feedback
7 on that to make sure that's the right approach.

8 So the analytical work to identify the
9 places will certainly take weather into account,
10 and the places where you're most likely to accede
11 net savings are where people are already spending
12 a lot on air conditioning, and when you replace
13 their AC unit with a heat pump that also heats,
14 like a furnace, replaces their gas furnace, your
15 efficiency benefit on the AC side is going to
16 really pay for all of that.

17 COMMISSIONER MONAHAN: So it doesn't work
18 so well if we don't have AC?

19 COMMISSIONER MCALLISTER: Yes. Then it's
20 new consumption.

21 COMMISSIONER MONAHAN: Yes.

22 COMMISSIONER MCALLISTER: Right?
23 Because, you know, like, if you've got a
24 furnace -- exactly. So we need to focus on those
25 areas, and show success where we're most likely

1 to see success --

2 COMMISSIONER MONAHAN: Yes, that makes
3 sense.

4 COMMISSIONER MCALLISTER: -- and then
5 build out from there.

6 COMMISSIONER MONAHAN: That's really
7 interesting.

8 COMMISSIONER MCALLISTER: So the
9 analytical piece is just heat, right? And so
10 what we see in a lot of other places is they're
11 just sort of throwing spaghetti at the wall.
12 Whoever wants to participate gets the subsidy.
13 That's going in just completely blind, right?
14 And so that's not going to work. Our way is
15 what's going to work. And so, you know, I think
16 we're going to be teaching a lot of other people
17 how to do that in the coming years.

18 VICE CHAIR GUNDA: (Indiscernible.) Go
19 ahead.

20 COMMISSIONER GALLARDO: And this is all
21 for existing buildings, (indiscernible)?

22 COMMISSIONER MCALLISTER: Yes. I mean,
23 the vast majority of the decarbonization problem
24 is just the buildings. Our new construction is
25 going to tend to be mostly electric or all

1 electric going forward, and, you know, we'll have
2 solar, and likely storage, actually, going
3 forward as well, even though we're probably not
4 going to -- well, I won't talk about that. Let's
5 not (indiscernible) quite yet.

6 VICE CHAIR GUNDA: I just wanted to ask
7 one thing on that one.

8 COMMISSIONER MCALLISTER: Yes.

9 VICE CHAIR GUNDA: Between you and Patty,
10 I've been like just thinking about, on the grid
11 side, we're talking, you know, the transmission
12 plan from CAISO is tens of billions of dollars,
13 potentially. I mean, like --

14 COMMISSIONER MONAHAN: Yes.

15 COMMISSIONER MCALLISTER: Yes.

16 VICE CHAIR GUNDA: And on the
17 transmission side, distribution side, we're even
18 probably on the same scale.

19 COMMISSIONER MCALLISTER: Yes.

20 VICE CHAIR GUNDA: And then we talk
21 about, you know, 150 to 200,000,000,000 for
22 building electrification and decarbonization.
23 You have (indiscernible).

24 COMMISSIONER MONAHAN: Our is much lower,
25 though. I mean, it's not the same scale, because

1 what we're trying to do is just -- like, on the
2 transport side, it's a very different equation,
3 right? It's just, we're trying to get the market
4 to scale so the price of a battery-operated
5 vehicle or a zero-emission vehicle is less than a
6 conventional vehicle, and we're doing that.

7 COMMISSIONER MCALLISTER: Cost
8 (indiscernible). Yes. Yes.

9 COMMISSIONER MONAHAN: So it's a
10 different story.

11 COMMISSIONER MCALLISTER: Exactly. So
12 it's not like the state is going to go buy -- you
13 know, it's going to subsidize 100 percent of the
14 cost of a new vehicle for (indiscernible), right?
15 And so, you know, much of the investment actually
16 will not be borne by the state. It will be
17 private investment, you know.

18 So there's like a net piece of this
19 that's much smaller, but if you just -- if you're
20 all in for, like, low- and moderate-income, and
21 you just have a number of what's the investment
22 needed, then that's 150,000,000,000 or so, you
23 know, but where does that money come from? Most
24 of that is going to have to come from the finance
25 community, right, not from the state, for sure,

1 and over time, it gets amortized, you know, by,
2 you know, the ratepayer or, you know, the
3 customer or whatever.

4 VICE CHAIR GUNDA: This actually goes to
5 a point I think you tried to make at the business
6 meeting or some other venue. Are we tracking the
7 overall cost of energy? I mean, is there
8 a -- where are we tracking that? I mean, how is
9 the --

10 COMMISSIONER MCALLISTER: What do you
11 mean?

12 VICE CHAIR GUNDA: Like, for a typical
13 household in California, you know, if you could
14 figure out a way to normalize for climate and
15 other changes, is that number massively growing?
16 I mean, we're not talking about just electricity,
17 electricity, natural gas, petroleum, all the
18 things together, you know, and if we talk about
19 what is the share of the income that we use for
20 energy --

21 UNIDENTIFIED SPEAKER: Like energy
22 burden.

23 VICE CHAIR GUNDA: Yes, energy burden,
24 but there's another side of it. I mean, by
25 decarbonizing, are we actually reducing the

1 overarching number, because you have a net
2 benefit of the transportation, you know,
3 potentially net benefits in some areas in
4 buildings.

5 COMMISSIONER MCALLISTER: Yes.

6 VICE CHAIR GUNDA: Industrial, you might
7 have, especially if you bake in the cost of
8 carbon, and how do you -- how are going to -- I
9 mean, I don't know who tracks that as an agency.

10 COMMISSIONER MCALLISTER: Well, it's sort
11 of Scoping Plan material.

12 COMMISSIONER MONAHAN: Yes. It's not
13 tracked -- it's a different thing. You're right.
14 They incorporate it, but they don't -- nobody --
15 I mean, maybe that would be a good thing,
16 actually, for our website, just to say --

17 UNIDENTIFIED SPEAKER: Yes.

18 COMMISSIONER MCALLISTER: Yes. Yes. I
19 mean, I think -- so one thing I'd like to come
20 out of, you know, this conversation is what, you
21 know, high-level metrics we might start
22 developing that we haven't -- that we don't
23 currently do, you know. Like, I'm really
24 interested in sort of the utilization factor, you
25 know, like the load factor or whatever we're

1 going to call it, of the grid, and sort of, you
2 know, improve that, which --

3 VICE CHAIR GUNDA: Are we talking
4 (indiscernible)?

5 COMMISSIONER MCALLISTER: Yes, exactly.
6 You know, some of our stakeholders on the EJ side
7 are, you know, really interested in tracking
8 that, you know, indoor air quality or indoor
9 temperature and stuff like that. You know, it's
10 sort of on the climate impact side. So yes, I
11 mean, not that we solve that objective in our
12 agency, but, yes.

13 VICE CHAIR GUNDA: I think one point I
14 want to elevate to your point is the nonlinear
15 benefit of weatherization on (indiscernible)
16 issues, wherever you weatherize -- I mean, it's
17 not a linear benefit and then, with the higher
18 temperatures you have, the ability to reduce the
19 lower (indiscernible) to a higher level.

20 COMMISSIONER MCALLISTER: Mike made that
21 point earlier about, when you have an efficient
22 house, like a tight house and a well-insulated
23 house, you know, you can precool and float
24 through, and it doesn't have to turn on every
25 hour.

1 COMMISSIONER MONAHAN: Right.

2 VICE CHAIR GUNDA: Yes.

3 COMMISSIONER MCALLISTER: (Indiscernible)
4 through.

5 VICE CHAIR GUNDA: Even if you did --
6 but, even if you did, I think -- yes. I mean, I
7 think the effect -- the need for cooling, right,
8 it goes down. It's, like, not the linear
9 function, and, like, it's hotter outside, so my
10 immediate cooling load goes up. It's like,
11 there's a damping factor (indiscernible).

12 COMMISSIONER MONAHAN: (Indiscernible.)

13 VICE CHAIR GUNDA: You reduce the
14 (indiscernible).

15 COMMISSIONER MCALLISTER: Yes, exactly.
16 So buildings, you know, are going to, I think,
17 give us an unheralded resource that we need to
18 really work on, you know, making it more
19 efficient, and using them as that grid benefit,
20 and that will have value that will then help --
21 you know, will help pay for the -- you know,
22 we've got to figure out how to make that equation
23 work.

24 COMMISSIONER MONAHAN: Yes.

25 COMMISSIONER MCALLISTER: So there's no

1 getting around the fact that it's, you know, a
2 lot of money to get rid of combustion in
3 buildings, right? I mean, that's what we're
4 talking about.

5 CHAIR HOCHSCHILD: Although, just on that
6 point, I mean, I think we can drive that cost
7 down. I mean, the grant we just made to Gradio
8 (phonetic) is such a great example of that. This
9 is a modular, self-installed heat pump HVAC,
10 which we've never had before, and it's \$2,000.
11 You know, you put (indiscernible), and for
12 particularly -- a lot of the units, particularly
13 low-income, are small enough they can be served
14 by --

15 COMMISSIONER MCALLISTER: Yes.

16 CHAIR HOCHSCHILD: -- you know, but it's
17 not --

18 UNIDENTIFIED SPEAKER: (Indiscernible)
19 one thing.

20 CHAIR HOCHSCHILD: -- you know, versus
21 like a whole home system that's a centralize
22 system is going to be, 17, 18 grand, right? So,
23 I mean, (indiscernible) to do things, some of the
24 innovation stuff, you know, again, to what Jonah
25 is doing can help drive that cost down.

1 COMMISSIONER MCALLISTER: Yes, yes. I
2 did see, actually -- I got a popup ad from Costco
3 the other day, just like -- that had a
4 gradient-style (indiscernible), you know, a heat
5 pump unit. It's like, it sits over the
6 windowsill, you know.

7 CHAIR HOCHSCHILD: Yes.

8 COMMISSIONER MCALLISTER: So that idea is
9 going to --

10 CHAIR HOCHSCHILD: One of the things I
11 think is so elegant about that, you know,
12 particularly for the low-income households, you
13 can take it with you if you're renter and install
14 it.

15 COMMISSIONER MCALLISTER: It comes with
16 supplies.

17 CHAIR HOCHSCHILD: It's like a TV. You
18 just take it when you move or whatever, you know.

19 COMMISSIONER MONAHAN: Yes. But it's
20 also that idea, though, that we're just making
21 people's lives better. I mean, what we're doing
22 is really around, like, how do we make people's
23 lives better?

24 CHAIR HOCHSCHILD: Yes.

25 COMMISSIONER MONAHAN: How do we make

1 their homes cooler and warmer?

2 COMMISSIONER MCALLISTER: Yes.

3 CHAIR HOCHSCHILD: Yes.

4 COMMISSIONER MONAHAN: How do we save
5 them money, ideally? That's what, you know --

6 CHAIR HOCHSCHILD: So I think you made a
7 really good point about what metrics to be
8 tracking here. I think, you know, Siva, your
9 point about total cost of energy for people is
10 obviously a key one. I think indoor air quality
11 is another one that we have to just elevate,
12 particularly with all the science that's just
13 come out this last year.

14 COMMISSIONER MCALLISTER: Yes, and Siva
15 and (indiscernible) and Jonah (indiscernible).

16 CHAIR HOCHSCHILD: So we've got to, like,
17 elevate that, because what was it, 20 percent of
18 childhood asthma cases are linked to ambient
19 indoor air quality from gas stoves, right? So
20 that's another big one.

21 I think there is a big infrastructure
22 savings as you go to all-electric, and you're
23 maintaining, repairing, sustaining, you know, one
24 energy system, as opposed to two, you know, all
25 the distribution system upgrades you have to do

1 for a natural gas pipe.

2 COMMISSIONER MCALLISTER: Absolutely,
3 yes. I mean, in new construction, that's an
4 actual savings.

5 CHAIR HOCHSCHILD: Yes, right. So I
6 think that's another good one, but that's a
7 really good, you know, question to be asking.
8 What are the metrics to allow it and elevate --

9 COMMISSIONER MCALLISTER: Yes. I mean, I
10 think, you know, buildings really do serve as the
11 fact that, in order to solve our climate
12 challenge, we've got to really address, you know,
13 other equity, longstanding kind of, you know,
14 inequities that exist in our society, right?

15 CHAIR HOCHSCHILD: Yes.

16 COMMISSIONER MCALLISTER: So we've
17 investing in people's buildings, which is where
18 they spend most of their time, and it's a very
19 intimate thing, right?

20 CHAIR HOCHSCHILD: Yes.

21 COMMISSIONER MCALLISTER: And so having a
22 state agency, like, trying to influence what
23 happens in a community, I mean, it just really
24 goes to the need to actually understand that
25 community, and actually have credibility with

1 that community. Like, there's just not going
2 to -- I mean, we learned in the ARRA period that
3 it's just not really going to work without that
4 level of kind of -- or that level of presence.

5 CHAIR HOCHSCHILD: Yes.

6 COMMISSIONER MCALLISTER: Anyway, so I
7 don't want to -- this is all -- everything that I
8 wanted to say is not about (indiscernible)
9 conversation. I did want to just highlight -- we
10 do have -- you know, mostly we do grant programs,
11 and so Bill and Kelly HP (phonetic), Bill on the
12 new low-income housing, and Kelly HP on the new
13 market-rate housing, and then CalSHAPE for
14 schools.

15 Those are, you know, programs that
16 have -- it's just doing amazing things there, you
17 know, Deana's team, a lot of assistance, you
18 know, across divisions with the (indiscernible)
19 division, and then ECAA as well, you know, that
20 project -- that program continues to chug along,
21 and, you know, it's over half a billion in loans.
22 And so, you know, that's a big deal.

23 So, you know, part of -- so I did want to
24 highlight -- I mentioned it yesterday at the
25 business meeting, but the symposium in the fall,

1 in October. You know, I think it would be great
2 to have, you know, a big announcement associated
3 with that, you know, some kind of real "move the
4 needle" kind of announcement, and, you
5 know -- and, again, we need, like, a war chest to
6 get this done, and so, you know, have some
7 preliminary kind of ideas about what a big
8 announcement might be. You know, maybe it's got
9 to do with, you know, like, the real estate
10 commitments or something like that.

11 I want to talk to you a little bit about
12 that, you know, but I think, you know, we're in a
13 little bit of a healthy competition, I would say,
14 with New York on this. You know, if New York is
15 listening, thank you.

16 You know, I would say we're -- on the one
17 hand, you know, they have -- I mean, we have
18 unique, you know, populations, and we have
19 unique, you know, climates and histories and
20 everything, and building stock in early New York
21 City is pretty unique, but I think the West Coast
22 actually are doing things in different and
23 complementary ways, and we can learn a lot from
24 one another on our approach to building
25 decarbonization, and just, you know, all the

1 elements that we're talking about.

2 I think we're actually way ahead with
3 this on the kind of knowledge base and ideation,
4 but, you know, I think using that position to
5 lead others -- we need to sort of figure out how
6 to communicate and lead. So it would be good to
7 be able to use that symposium to sort of put a
8 big stake in the ground.

9 COMMISSIONER GALLARDO: Can you remind us
10 when the symposium -- especially those who
11 weren't (indiscernible)?

12 COMMISSIONER MCALLISTER: Yes. It's the
13 10th and 11th of October, or the first day --
14 it's partnered with EPRI. They've done an
15 electrification symposium for a number of years
16 now. We've actually helped them organize
17 (indiscernible) with them, I think.

18 CHAIR HOCHSCHILD: Yes.

19 COMMISSIONER MCALLISTER: And so kind of
20 not only -- the first day is us, you know, the
21 Commission, and the second day is EPRI, so the
22 kind of big-picturish stuff will be the first
23 day, and the more tactical stuff will be the
24 second day, but it's about building
25 electrification, and, you know, we're really

1 going to try to make a big splash.

2 CHAIR HOCHSCHILD: One idea. You know,
3 when Governor Newsom was mayor of San Francisco,
4 we did a new thing called "World Environment
5 Day," where we had the mayors of the hundred
6 biggest cities around the world come to San
7 Francisco. This is back in 2004, 2005 time
8 frame, and we signed Urban Environmental
9 (indiscernible), where they made commitments, you
10 know.

11 So I think there could be something
12 around that, like building electrification
13 accords or something, where there's a commitment
14 to meet certain, you know, emissions reductions
15 or something on a voluntary basis, for those who
16 are willing, you know, but maybe there's some --
17 you know, something along those lines, on a
18 volunteer basis, that can be done.

19 COMMISSIONER MCALLISTER: I mean, if
20 we --

21 CHAIR HOCHSCHILD: I mean, remember the
22 two-MOU thing, also?

23 COMMISSIONER MCALLISTER: Yes, I know,
24 with GCAST (phonetic). That was huge.

25 CHAIR HOCHSCHILD: Yes, yes, yes. So I

1 think it's a great opportunity. Yes.

2 COMMISSIONER MCALLISTER: I mean, if
3 you -- you know, if we think about what our state
4 is going to look like -- and this is -- you know,
5 I mean, everybody, from their perspective, I
6 think, has a way to help accomplish this, you
7 know, but our buildings are going to be electric.

8 Our air is going to be a heck of a lot
9 cleaner. You know, I'd say probably we're going
10 to be quite a bit quieter in our neighborhoods,
11 and yes, I just -- I mean, in that way, it's just
12 going to be, you know, a better future, but
13 getting from here to there with our buildings,
14 you know, it takes a lot of work.

15 I will say, you know, the jobs angle
16 here -- you know, we've got about a half a
17 million clean energy jobs in the state today, or
18 we did pre-pandemic. It might be a little bit
19 less than that now, but it's coming back, and
20 three-quarters of those are efficiency jobs.
21 Three-quarters of those are localized
22 construction jobs that they're installing stuff.

23 That could be the equipment we're talking
24 about in the building (indiscernible), you know,
25 and, you know, it's insulation, and it's, you

1 know, kitchen remodels, and, I mean, it's -- you
2 know, that's what it looks like, and so we could
3 multiply that by five. We could have 2,000,000
4 contractors in people's homes and businesses
5 across the state for the next 15 years, and
6 that's what this looks like, right? I mean, it's
7 a big, big deal. So, you know, as a jobs kind of
8 enterprise, it should, you know, really impact
9 the economy of the state in a positive way.

10 So I wanted to talk about load
11 flexibility a little bit. You know, I feel like
12 we've been socializing this idea, but, just to
13 remind everyone, under EAD and Siva, the
14 load-shift goal paper, Eric Lyon (phonetic) has
15 been doing great work on that. That's a really
16 important moment, to kind of redefine what load
17 flexibility is, and set some goals. So look out
18 for that.

19 The load management standards are a way
20 that -- they're a platform that all this is going
21 to happen on. So, as we get more time-dependent
22 rates, they will be on a cloud-based server that
23 will be linkable to actual devices across the
24 grid that will modulate their load according to
25 those tariffs, or a flex alert, or a carbon

1 content signal, or, potentially, other signals.

2 So this automation that's going to do
3 load shaping and improve our load factors will be
4 digitized and automated, and so the loan
5 management standards is our very unique authority
6 that's enabling us to do that.

7 Then, complementing all that is the
8 flexible demand appliance standards, where, you
9 know, in 10 years, you'll have a bunch of -- you
10 know, lots -- tens of millions of appliances out
11 there that will have native load flexibility that
12 can take advantage of that platform, and that's
13 cool controls, it's water heaters. You know,
14 it's any number of other loads, batteries behind
15 the meter. It's lot of different -- you know,
16 HVAC systems. So a lot of that is in the works
17 as well.

18 You're all familiar with the Title 24
19 building standards. You know, the staff is in
20 the thick of the 2025 code update, and, you know,
21 we're trying to figure out how to really dial
22 into the efficiency and sort of make it more and
23 more advantageous for builders to just build
24 electric, right? We're right out of the gate,
25 and I think it will take -- you know, it won't

1 take that long for the builders to pivot and
2 realize that that's actually what people want.

3 Let's see. Appliance efficiency, a
4 number of devices in the pipeline, air filters,
5 commercial industrial fans and blowers. In the
6 next batch, we'll focus on water efficiency, as
7 the Chair just --

8 CHAIR HOCHSCHILD: I thought we just did
9 commercial industrial fans.

10 COMMISSIONER MCALLISTER: I guess
11 we -- yes, recently adopted those. Yes. Sorry.
12 Sorry I (indiscernible).

13 CHAIR HOCHSCHILD: So what are the next
14 couple (indiscernible)?

15 COMMISSIONER MCALLISTER: Yes. So the
16 next batch is on water, so landscape irrigation
17 controllers, water closets, dipper wells, you
18 know, opportunities for water efficiency.

19 COMMISSIONER MONAHAN: Water
20 (indiscernible).

21 COMMISSIONER MCALLISTER: Yes. Sorry.
22 Water (indiscernible).

23 UNIDENTIFIED SPEAKER: Water toilets.

24 UNIDENTIFIED SPEAKER: Yes, toilets.

25 UNIDENTIFIED SPEAKER: (Indiscernible.)

1 COMMISSIONER MCALLISTER: So that's the
2 regular term of -- it's the term of art.

3 CHAIR HOCHSCHILD: It's the term of art,
4 yes.

5 COMMISSIONER MCALLISTER: You don't want
6 to talk about the test procedures there.

7 UNIDENTIFIED SPEAKER: Commissioner, you
8 have a couple of (indiscernible) sort of, you
9 know, stakeholder (indiscernible). So we'll be
10 (indiscernible) that process.

11 CHAIR HOCHSCHILD: Okay. Yes. Great.

12 COMMISSIONER MCALLISTER: Let's see.

13 CHAIR HOCHSCHILD: And, Andrew, also,
14 what are you up to in staff in the Efficiency
15 Division now at this point, as to headcount?

16 COMMISSIONER MCALLISTER: It's over 100.

17 CHAIR HOCHSCHILD: Hundred. Okay. About
18 100. Okay. About 100. Okay.

19 COMMISSIONER MCALLISTER: And let's see.
20 In benchmarking and building performance
21 standards, so, you know, California joined the
22 National Building Standards Performance
23 Coalition. That's kind of the next policy
24 innovation that's going to help us get to our
25 existing building decarbonization goals.

1 So we've got this benchmarked equipment
2 for large buildings, and so we can use those
3 benchmarks now to develop goals for each of those
4 buildings, and then actually put together
5 programs that will help those buildings achieve
6 those goals. So that's a big number of lifts,
7 actually, and so there's currently legislation
8 that is proposing to ask the Commission to move
9 in the direction of the building and performance
10 standards, you know, and we'll see if that goes
11 through, if it's enacted, but it's pretty clear
12 that that's the kind of way in order to
13 have -- in order to get actual progress based on
14 what we now know about buildings, we've got to
15 have some programs to help that happen. So
16 building performance standards is kind of our way
17 to do that.

18 Then, just to mention the western
19 integration, the western solutions discussion
20 that Siva is leading, and one with Alice, and
21 Commissioner Houck and I are kind of also
22 participating in that. You know, regional
23 electricity markets are something that could help
24 the West achieve its goals, and we're trying to
25 figure out to best do that, you know, and to the

1 benefit of California.

2 I did just step into the Chair of the
3 West Interstate Energy Board role, and so I
4 think, you know, it's sort of a good way to keep
5 us in the room, in a very amenable, collegial
6 kind of group, and it has some resources that we
7 can -- you know, together with the other states,
8 we can invest in unpacking some of the issues
9 that are coming up.

10 Then, let's see.

11 VICE CHAIR GUNDA: Andrew, on that one,
12 would you -- do you think it's likely
13 (indiscernible) information item at some point,
14 particularly like the --

15 COMMISSIONER MCALLISTER: You're
16 (indiscernible).

17 VICE CHAIR GUNDA: -- for what
18 Commissioners have been -- I'm just getting --

19 COMMISSIONER MCALLISTER: The current
20 activity at WIEB is we're looking for a new
21 executive director, so that's the main thing
22 right now.

23 VICE CHAIR GUNDA: (Indiscernible) WIEB,
24 there's like many pieces under the umbrella.
25 It's like very massive.

1 COMMISSIONER MCALLISTER: Yes, yes.

2 VICE CHAIR GUNDA: A massive, massive
3 amount of work.

4 COMMISSIONER MCALLISTER: Yes. The
5 Western Interstate Energy Board houses a whole
6 bunch of committees that do different things
7 across the whole West, and so, administratively,
8 it's actually a pretty important body, but also
9 has some resources to target (indiscernible), to
10 target sort of items of interest, you know, that
11 have to do with, you know, transmission ratings
12 or, you know, solar deployment, or, you know,
13 coastal impacts and climate change, you know,
14 things that affect the western grid. So that's a
15 good, you know, just FYI.

16 Then, I guess, just to mention hydrogen
17 and industry. That's a lovely experience,
18 working with Patty on that, and I think we're
19 going to do some wonderful things, now that we've
20 got a little money to work with, and then,
21 actually, I just last week realized that I'm now
22 the Chair of the Western Green Hydrogen
23 Initiative.

24 CHAIR HOCHSCHILD: He woke up.

25 COMMISSIONER MCALLISTER: Well, I was one

1 of the -- one of two co-chairs, and there were
2 two chairs, and, like, due to elections and
3 people, you know, not being reappointed, and I
4 don't know what other reasons, anyway, I'm kind
5 of the only one of the four left standing.

6 So I think green hydrogen is a very
7 important topic of conversation, and it actually
8 has a lot more controversy associated with it
9 than you might think. You know, what is green?
10 You know, remarkably, it's still under debate,
11 what is green hydrogen? And our staff is doing
12 some really good work on that front, and I think,
13 actually, the Western Green Hydrogen Initiative,
14 that's actually a -- it's a joint initiative
15 between WIEB I just talked about and Nazio
16 (phonetic).

17 It is, I think, actually a good platform
18 to kind of force some of those issues, you know.
19 So, you know, for what it's worth, I think that
20 would be my kind of -- my goal there would be to
21 give definition and sort of put some teeth into
22 green hydrogen, and, you know, try to get past
23 some of the magical thinking.

24 CHAIR HOCHSCHILD: Great.

25 COMMISSIONER MCALLISTER: And so the last

1 thing I wanted to address is just -- is the
2 building code compliance work. You know, I heard
3 a few comments at the front end here on
4 compliance, and it is a pretty complex topic.

5 You know, compliance -- maybe just -- if
6 you'll bear with me just for a couple minutes,
7 the way California has kind of chosen, in statute
8 and in code, to address compliance has really
9 been to stand up these ecosystems via regulation
10 that train up technicians, and then have those
11 technicians go to the projects and evaluate them
12 and make sure they comply with code.

13 We've always done that through the HERS
14 system on the residential side, for, I don't
15 know, 15, more than -- no, almost 20 years now, I
16 think. When did HERS come about? That way
17 predates me at the Commission, and I'm
18 now -- well, I guess I'm the longest-
19 served (indiscernible).

20 CHAIR HOCHSCHILD: Twelve years.

21 COMMISSIONER MCALLISTER: Almost 12
22 years, and these issues were there when I came
23 in, and we've been, you know, grappling with kind
24 of how to solve them, and I think we have a good
25 path.

1 Then, in the 2016 code, with Commissioner
2 Douglas, we were partnered on it. Part of that
3 update brought into the regulatory regime, on the
4 nonresidential side, the ATTCP, so the acceptance
5 testing regime for mechanical and lighting
6 systems on the nonresidential side.

7 So now we have, on the residential side,
8 HERS, on the non-res, the ATTCP system, and so,
9 you know, both of these ecosystems are -- they
10 are children of regulation and statute. They're
11 not -- they haven't come because there's been a
12 demand from customers to, like, fill a need,
13 right? It's really been, like, "Okay. How can
14 we proactively ensure compliance with the code?"

15 It turns out that there are costs
16 associated with those ecosystems that have to be
17 borne by somebody, and so, you know, how to make
18 those programs really work for the folks that are
19 paying those costs, which basically are, you
20 know, the folks that are, you know, going to buy
21 those buildings, the builders, the folks that are
22 buying their homes, and, on the non-res side,
23 it's the commercial builders, you know, and the
24 documents of those buildings, show a value
25 proposition, and sort of both decrease the cost

1 of doing that evaluation and that code check, and
2 then, also, create some accountability so that,
3 you know, the local jurisdiction and the builder
4 knows that somebody is looking at them and they
5 need to comply with code.

6 So there's both sides of that ecosystem
7 that we're working on, you know, one, to make
8 sure that these systems actually don't impose
9 inordinate costs on the compliance regime, and,
10 number two, to develop a digital repository that
11 gives us transparency on who is actually, you
12 know, doing the work, so that we can go say,
13 "Hey. You know, Building Department X," or "Hey,
14 Contractor X, you know, you need to do better
15 with code compliance."

16 Then we've also got a proposal into the
17 code improvement RFP, or, you know, opportunity
18 notice, opportunity to BOE, to accelerate that
19 work, and to work with some tools that are going
20 to help sort of build compliance into the design
21 process from the get-go.

22 So, anyway, there's a lot of detail here.
23 You know, I've talked about how detailed the
24 building environment (indiscernible) at the
25 outset. So I think, you know, we definitely, you

1 know, want to make clear that compliance is
2 expected, and then make each project accountable
3 for compliance, and make each local jurisdiction
4 accountable to be enforcing the code, and so that
5 takes some investment and some tools. I think
6 we're making good progress.

7 You know, Mike and the team, Lorraine
8 (phonetic), Will and Lorraine, and the
9 buildings -- you know, building compliance and
10 building standards teams are working together on
11 that, and so, you know, certainly hear the
12 comments, and, you know, working pretty closely
13 with labor and the ATTs to try to figure out what
14 a near-term solution is.

15 You know, they're going through some
16 pain, because they're just not getting the work
17 that they anticipated through the ATT system, and
18 so, you know, we want those -- we want them to
19 hang on until we kind of solve these problems and
20 create a longer-term solution. So we've got to
21 really, you know, figure that out with them in
22 the near term. So, anyway, I wanted to just
23 address those (indiscernible).

24 VICE CHAIR GUNDA: And (indiscernible)
25 can ask of you, and that we consider this as we

1 move towards the en banc idea with Jonah and all
2 that stuff. So we've been hearing a lot about
3 the opportunity for, potentially, fuel cell
4 systems and other dispatchable and demand-site
5 distribution-level generation.

6 COMMISSIONER MCALLISTER: Generation,
7 right.

8 VICE CHAIR GUNDA: And I think it's the
9 same question for Patty as well. I think we kind
10 of briefly talked about -- how do we think about
11 the net benefit? I mean, do we want to go
12 full-throttle on electrification as much as we
13 can, and start reaching the short-term
14 (indiscernible) and such?

15 So I just wanted to kind of put that on
16 the table. Especially, I think it becomes a part
17 of -- it's definitely a part of reliability, but
18 it could be a wonderful thing to think through,
19 the intersection of SB 100. (Indiscernible) pull
20 that conversation together this year. Like, I
21 don't know how informed or how ready we are to
22 take positions on these things, but, if we are
23 not at least kind of like laying out what the
24 question is to be researched, we're being
25 (indiscernible).

1 COMMISSIONER MCALLISTER: Did you want to
2 say something?

3 COMMISSIONER MONAHAN: Well, are you
4 thinking about it in terms of clean energy
5 technologies or any technologies?

6 VICE CHAIR GUNDA: I mean, not all the
7 way clean, potentially. I mean, for example, we
8 have the OPC (indiscernible) coming right now,
9 and we might --

10 COMMISSIONER MONAHAN: Right, but these
11 (indiscernible). It looks like more --

12 VICE CHAIR GUNDA: Yes. So there's like
13 this kind of spectrum of options. At what level
14 is there a net benefit, and at what level it's
15 far in the clean town (sic) that we feel
16 comfortable to have a (indiscernible) for seven
17 years as we continue on that (indiscernible).
18 Again, this is a question -- I don't want to put
19 it in terms of people getting mad, but I want to
20 ask the question of, like, could we at least have
21 the discussion?

22 COMMISSIONER MONAHAN: Yes.

23 COMMISSIONER MCALLISTER: Well, I mean,
24 you know, a lot of this discussion seems to
25 revolve around batteries right now.

1 VICE CHAIR GUNDA: I'd say it's more than
2 that.

3 COMMISSIONER MCALLISTER: It's got to be
4 more than that. And so, you know, I'm tending to
5 think -- so, you know, behind the meter are
6 resources. You know, cyclical storage and
7 everything have been great up to now. You know,
8 we'll see kind of how that marketplace shifts
9 around with the, you know, NAM (phonetic)
10 changing, and then (indiscernible) metering
11 changing, but, if the question is sort of how, in
12 the near term, we can support the distribution
13 grid, and where we ought to support the
14 distribution grid to kind of get us over this
15 near-term hump, I think that's a --

16 VICE CHAIR GUNDA: Yes. I think once
17 we --

18 COMMISSIONER MONAHAN: And could I just
19 do a process check, because we have a -- it looks
20 like we have a wrap-up, maybe, discussion. I
21 want to make sure that Noemi --

22 MS. ROBINSON: It's open-ended. So, yes,
23 I've been keeping an eye on the --

24 CHAIR HOCHSCHILD: Okay.

25 COMMISSIONER MONAHAN: Are you the

1 tracker?

2 CHAIR HOCHSCHILD: (Indiscernible.)

3 COMMISSIONER MONAHAN: Track, track, and
4 go.

5 CHAIR HOCHSCHILD: Do we want to leave
6 (indiscernible) early? Yes, yes.

7 MS. ROBINSON: I expected we would go a
8 little over, so I --

9 COMMISSIONER MONAHAN: Okay. That's
10 awesome.

11 MS. ROBINSON: -- 10 minutes.

12 COMMISSIONER MONAHAN: Okay. Thank you

13 MS. ROBINSON: Do you want to leave
14 time --

15 COMMISSIONER MONAHAN: I will be the --

16 MS. ROBINSON: (Indiscernible.)

17 COMMISSIONER MONAHAN: -- tracker.

18 MS. ROBINSON: She's already had

19 (indiscernible), but if you could

20 (indiscernible).

21 CHAIR HOCHSCHILD: Okay. Were you going
22 to say something other than --

23 COMMISSIONER MONAHAN: Well, this came up
24 with our SPPE, small power plant exemption, and
25 alternatives, and asked this, like, when are

1 technologies ready, and what clean energy
2 technologies are available, and, I mean, I
3 don't -- maybe this is just funding more research
4 or looking at the research that we're already
5 doing in this space, but I feel like we have kind
6 of been --

7 UNIDENTIFIED SPEAKER: Trying?

8 COMMISSIONER MONAHAN: Yes. We've been
9 looking at this, and a lot of these technologies
10 just haven't appeared to be ready. But maybe we
11 need to do a better --

12 VICE CHAIR GUNDA: Yes. I mean, it's
13 like, it's not just the technology. It's the
14 policy, right? I mean, like, are we -- what are
15 we saying in terms of -- so the more
16 electrification we do, until we have the clean
17 energy resources, it's harder to keep the lights
18 on, period, right?

19 COMMISSIONER MONAHAN: Right.

20 VICE CHAIR GUNDA: So we don't have the
21 necessary buffer on the top of clean energy
22 resources today to carry us through a very harsh
23 weather event, climate event, but, at the same
24 time, we want to electrify to avoid that. So,
25 like, how do we navigate this, and how do we make

1 the policy call? What's the framework for that?
2 And I don't think that conversation has really
3 been laid out.

4 COMMISSIONER MCALLISTER: You know, when
5 we were talking at the workshop the other day,
6 the distribution (indiscernible) connection
7 workshop, I had to step out for a key -- for a
8 part that I wanted to be at and just wasn't able
9 to, but it seems like -- so I think there's -- I
10 think I agree with you there's a policy call, but
11 I think that policy call would be much easier to
12 make if we based it on some --

13 VICE CHAIR GUNDA: Analysis.

14 COMMISSIONER MCALLISTER: -- some
15 modeling.

16 VICE CHAIR GUNDA: Yes. Absolutely.

17 COMMISSIONER MCALLISTER: So, like, the
18 distribution grid is -- you know, it's widely
19 variable across the state, the age and capacity,
20 you know, deferred maintenance, whatever, by
21 utility, you know, history, and, you know, as we
22 talk about the distribution grid as part of the
23 solution, I mean, some of the grid is going to be
24 pretty much at capacity, can't take a whole lot
25 more load, and that's different from a place

1 where maybe the peak is hitting the capacity for
2 a moment, each week or each month, each year or
3 something, but, for the most part, you've got a
4 lot of spare capacity.

5 So I'd want to know where those places
6 are in order to -- and then mash and generation,
7 and some storage with those places, and, like,
8 deploy strategically, and, hopefully, you know,
9 with an eye -- you know, looking through an
10 equity lens to figure out, "Okay. In this
11 neighborhood that's got a stressed distribution
12 grid, maybe that is where we conduct our first,"
13 but, over the across the way, you know, maybe
14 we have some other options and we can
15 (indiscernible) like that, like, being strategic
16 but, in principle, saying, you know, "Where" --
17 like five buckets of situations or something, or
18 10, and say, "This use case," and sort of define
19 the approaches, what kinds of resources are
20 acceptable in this scenario.

21 VICE CHAIR GUNDA: Right. Exactly. So I
22 think that goes to the examples of
23 (indiscernible), right? You have 40 electric
24 trucks.

25 COMMISSIONER MCALLISTER: Yes. I missed

1 that one.

2 VICE CHAIR GUNDA: They want to put 40
3 electric trucks on the road, and retire 40 diesel
4 trucks. They can get in the connection capacity
5 for three years. So the (indiscernible) --

6 COMMISSIONER MCALLISTER: Are you rolling
7 a diesel metric for three years? Is that what
8 you're talking about? (Indiscernible.)

9 VICE CHAIR GUNDA: (Indiscernible)
10 solution there that they're proposing is having a
11 natural gas (indiscernible), so we're just going
12 to want to be clear on that one, but an
13 (indiscernible) temperature combustion but allows
14 to be as a front point to those 40, right, and
15 then they don't need interconnection for a while.
16 They keep charging them. So how do we -- how we
17 can make those calls, right?

18 COMMISSIONER MCALLISTER: So, just -- I
19 mean, utilities historically have had -- you
20 know, many utilities, not all, but they have had
21 just like a yard full of diesels on wheels that
22 they just roll to where they're needed, and they
23 plug them in, and so what's the modern version of
24 that? You know, what's our cleaner version of
25 that? Maybe it's fuel cells.

1 COMMISSIONER MONAHAN: Yes. Well, and,
2 also, I mean, at this point, there's a lot of
3 complaints on the charging side, because, even if
4 you do put in batteries and solar, you don't get
5 compensated for not having that, like,
6 distribution-level cost, and so there's no fiscal
7 incentive to do anything that's inventive,
8 because you're just paying out of pocket.

9 COMMISSIONER MCALLISTER: Yes.

10 VICE CHAIR GUNDA: Patty, the one thing
11 is like, I think, the more aligned -- again, I'm
12 sorry. I think, the more aligned we are on the
13 policy framework -- and I definitely want to use
14 your point, which is that there are many
15 situations, but, within each situation, there are
16 some menu of options. We are at least working to
17 look at given modeling results and the net
18 benefits, and how we frame that conversation.

19 COMMISSIONER MONAHAN: Yes, but then
20 having a place-based overview.

21 VICE CHAIR GUNDA: Yes.

22 COMMISSIONER MONAHAN: (Indiscernible)
23 right next to it. You're not going to --

24 VICE CHAIR GUNDA: Absolutely.

25 COMMISSIONER MCALLISTER: Exactly. And

1 then we're going to have that strong network of,
2 like, community relationships that, like, then
3 goes, "Okay. Rubber is hitting the road. We've
4 got to decide," you know.

5 CHAIR HOCHSCHILD: And we should try and
6 (indiscernible).

7 COMMISSIONER MCALLISTER: Yes. I'm done
8 with my presentation.

9 CHAIR HOCHSCHILD: I wanted to just say,
10 you know, two things real quickly. Siva, you're
11 right, but I think we need to be mindful, because
12 of cost and because of code, you know, electric
13 is happening, and because of net metering, I
14 don't really foresee anybody doing
15 storage -- anybody doing solar without storage.

16 VICE CHAIR GUNDA: Without storage.

17 CHAIR HOCHSCHILD: So I think we are
18 going to get, you know, an exponential increase
19 of storage capacity that can really help,
20 combined with, you know, some of the flexible,
21 you know, (indiscernible) talking about, where
22 you're basically having your key pumps cycle
23 when -- one point on storage, though.

24 COMMISSIONER MCALLISTER:

25 (Indiscernible.)

1 CHAIR HOCHSCHILD: Yes.

2 COMMISSIONER MCALLISTER: Like, you know,
3 once a storage device is interconnected, and it's
4 not on the meter, and it's sitting in somebody's
5 garage, they can do with it whatever the hell
6 they want, and they can choose not to have it
7 dispatched by PG and E or, you know, the utility,
8 or they can choose to participate and make money.

9 So the code has some requirements about
10 what the default has to be for getting credit for
11 putting that battery in place in a new
12 construction, but that goes to the point, like, I
13 mentioned before, which is like, you know, what's
14 the plug-and-play regime to make sure that those
15 batteries, like, actually are listening, and kind
16 of, you know, like, how much customer choice, you
17 know.

18 CHAIR HOCHSCHILD: Yes. Well, I think
19 we're halfway there, or more than halfway, with
20 the time and use rates right now.

21 COMMISSIONER MCALLISTER: (Indiscernible)
22 sense that?

23 UNIDENTIFIED SPEAKER: Yes.

24 CHAIR HOCHSCHILD: Well, I do. I do.

25 COMMISSIONER MCALLISTER: Well, it's not

1 very different between on and off peak. They're
2 going to get more stuff.

3 CHAIR HOCHSCHILD: Yes, yes, but we
4 didn't use to have those. Now (indiscernible).

5 COMMISSIONER MCALLISTER: Yes, that's
6 right, absolutely right. I agree.

7 CHAIR HOCHSCHILD: The last thing I
8 wanted to say, Andrew, just I really wanted to
9 thank you for -- you know, you are the
10 longest-serving Commissioner. You've been, I
11 want to say --

12 COMMISSIONER MCALLISTER: I'll be
13 (indiscernible).

14 CHAIR HOCHSCHILD: No. Incredible,
15 incredible, incredible institutional knowledge
16 and, you know, integrity you bring. You were
17 asking for feedback. The one thing I just really
18 want to lift up is that, in 15 years of knowing
19 you, the single most powerful talk I've ever seen
20 you giving was when you introduced the 2022
21 codes, and the reason I think that worked so well
22 is because you coupled with Lindsay's PowerPoint.

23 COMMISSIONER MCALLISTER: Yes.

24 CHAIR HOCHSCHILD: She's a wizard of this
25 stuff. And so having you with your incredible

1 knowledge, and then her with the slides
2 together -- remember, you did that media
3 presentation? And that was a grand slam. You
4 hit it out of the park.

5 COMMISSIONER MCALLISTER: Thank you.

6 CHAIR HOCHSCHILD: And so I just was so
7 proud of you, (indiscernible) you did so well
8 (indiscernible). And so that's one thing I just
9 want to lift up. Whenever we have a big new code
10 like that, having you couple with coms (sic) and
11 do that with a first-rate, A-plus PowerPoint
12 deck, it's like, home run, home run. That was
13 just --

14 VICE CHAIR GUNDA: What was that word
15 that you developed? Is it "embodied wisdom"?

16 CHAIR HOCHSCHILD: "Embodied wisdom,"
17 yes.

18 COMMISSIONER MCALLISTER: "Embedded
19 wisdom." Yes.

20 CHAIR HOCHSCHILD: A lot of that was --

21 VICE CHAIR GUNDA: That was a great --

22 CHAIR HOCHSCHILD: It was a
23 great program.

24 COMMISSIONER MCALLISTER: I mean, you
25 guys know I really believe in our process, and, I

1 mean, that's what makes democracy great.

2 CHAIR HOCHSCHILD: Yes, yes.

3 COMMISSIONER MCALLISTER: It's when you
4 have a process where people -- even if they get
5 what they want, where people feel heard, right?

6 CHAIR HOCHSCHILD: Yes, exactly.
7 Exactly.

8 COMMISSIONER MCALLISTER: If they feel
9 like they've been considered, then you're much
10 less likely to get challenged, you know, in
11 court.

12 CHAIR HOCHSCHILD: And it was just that
13 code. It was historic. It was just incredible.

14 COMMISSIONER MCALLISTER: That was a
15 huge lift. I mean, that was the biggest team
16 effort I think I've ever seen at the Commission,
17 including CCO and (indiscernible). Yes. Thank
18 you, guys.

19 COMMISSIONER GALLARDO: I was going to
20 say one thing.

21 CHAIR HOCHSCHILD: Yes. Go ahead.

22 COMMISSIONER GALLARDO: You said that you
23 hold the "nerd role," and I love that. Actually,
24 that means you're the cool kid in the room.

25 COMMISSIONER MCALLISTER: Yes. Great.

1 Yes. Thanks.

2 COMMISSIONER GALLARDO: And we love and
3 lean on your nuanced insight.

4 COMMISSIONER MCALLISTER: Thank you.

5 COMMISSIONER GALLARDO: (Indiscernible.)

6 CHAIR HOCHSCHILD: Well, thank you.

7 Let's go to you, Noemi.

8 COMMISSIONER GALLARDO: Yay. All right.

9 So feel free to take a stretch, everybody, if you
10 must stretch. I will not be offended, and I
11 know, towards the end of the day (indiscernible).

12 UNIDENTIFIED SPEAKER: (Indiscernible.)

13 VICE CHAIR GUNDA: Are you guys okay
14 (indiscernible)?

15 UNIDENTIFIED SPEAKER: (Indiscernible.)

16 CHAIR HOCHSCHILD: Do you want to take a
17 two-minute break?

18 COMMISSIONER MCALLISTER: Yes, a
19 two-minute break.

20 CHAIR HOCHSCHILD: Two-minute break.

21 COMMISSIONER GALLARDO: (Indiscernible.)

22 (Off the record at 3:56 p.m.)

23 (On the record at 4:04 p.m.)

24 CHAIR HOCHSCHILD: This time we have a
25 new Commissioner. We aren't going to wait. You

1 have your feet on the ground. But, going
2 forward, that will be the goal, and I just want
3 to get some feedback as to this structure of kind
4 of doing, you know, basically a day and a half,
5 overnight, and, you know, let's see how it goes,
6 it ends, but I would welcome feedback, because
7 this is very -- also, this venue seems really
8 nice and accessible for the Bay Area.

9 COMMISSIONER GALLARDO: Yes.

10 CHAIR HOCHSCHILD: Yes. So I just went
11 over (indiscernible), and I'd love feedback.

12 Okay. Let's turn to our final
13 presentation. Noemi.

14 COMMISSIONER GALLARDO: All right. Thank
15 you.

16 So, on the site, it said, "Office of
17 Commissioner Gallardo," and I still
18 (indiscernible) -- the same time frame -- relish
19 it. So we'll go to the next slide.

20 So, just doing this retreat, preparing
21 for it, you know, made me reflect on what a big
22 moment this is --

23 UNIDENTIFIED SPEAKER: Great. Yes.

24 COMMISSIONER GALLARDO: It was. So I was
25 appointed about three months ago, and then we had

1 this ceremony for the swearing-in about two
2 months ago. So it still feels really fresh to
3 me. I don't feel like I have my feet fully on
4 the ground yet, but I'm working hard to do that.

5 So, anyway, just this picture here with
6 my family is really special to me. Sorry. You
7 know I'm sentimental, but I wanted to tell you
8 anyway, a lot of it because my father is on the
9 stage, you know, standing next to the California
10 flag.

11 I think that's the first time in his life
12 he's ever been on a stage, and then, you know,
13 surrounded by all these high-profile people who
14 do, you know, such impactful work, and a lot of
15 times, he doesn't know what's going on. He
16 doesn't speak English proficiently, but, you
17 know, he just turned 78, and he got this moment
18 to be able to see one of his kids in action,
19 just, you know, in that moment.

20 So it was just really special for me to
21 have him experience that, and then to have my
22 kids there, too, you know, at the beginning of
23 this special moment in my career. So I want
24 to -- I'm so grateful to all of you, and just
25 feel blessed that I can have this, you know,

1 life.

2 Also, you know, it's just about
3 opportunities. That's how I see this position.
4 It's, you know, I got this opportunity because my
5 parents were willing to sacrifice, and, Patty,
6 you know, we talked about this with our trip to
7 San Diego and the border region, where we see
8 families or, you know, individuals coming over to
9 give a better opportunity for their children, and
10 so that's what happened here with my dad. He
11 came over undocumented. He's a legal permanent
12 resident now, but, you know, that's just -- in
13 one generation, we were able to make such a big
14 difference, where he didn't even have an
15 elementary education. Here I am.

16 I was able to get a college education. I
17 went to, you know, get my master's. I got my law
18 degree and my law license. And so, anyway, it's
19 just, reflecting on it, it's just a big moment
20 for me and for my family, and so I just thank you
21 for just being able to sit at this table,
22 surrounded by all of you and gaining from all of
23 you. So, thank you.

24 I also just want to say that it also made
25 it worth it to become a lawyer, because I had to

1 go through of (indiscernible), and I know the
2 Commission (indiscernible) for me as, you know,
3 public advisor. You have to be a licensed
4 attorney (indiscernible). And then, you know,
5 I'm in the lawyer role now, so, again, yes, it
6 was worth it.

7 Then I also want to give a big thank you
8 to my sole advisor right now, Andrea McGary,
9 who's been holding down the fort in so many
10 different ways, and has been really patient with
11 me, and she's been navigating the Energy
12 Commission because she was fairly new when we
13 were put together. So, Andrea, thank you so much
14 for all that you do.

15 MS. MCGARY: (Indiscernible.) Very worth
16 it.

17 COMMISSIONER GALLARDO: Thank you,
18 Andrea.

19 All right. So let me move forward before
20 I get more emotional here. We'll go to the next
21 slide.

22 So, as I was thinking about this retreat,
23 and all the things that, you know, I'm tasked
24 with doing, and my portfolio, I wanted to have
25 kind of a theme, and so this isn't final, but I

1 just thought a lot, you know, just talking about
2 opportunities and how those opportunities can
3 lead to prosperity, and so that's what I'm hoping
4 for with what I'm working on.

5 So one of them is, you know, removing
6 barriers for clean energy through the work that
7 we're doing in the Siting Division, and then also
8 with RREDI, and the grants and different types of
9 work we're doing there, and then I've got the
10 Lithium Valley vision, which requires a lot of
11 relationship building, planning opportunities,
12 and other good stuff, but could be so
13 transformational for that area and that really
14 depressed community.

15 Then, also, equity is another area where
16 I've always been focused on, and will continue
17 doing that work with the JAEDI, the Justice,
18 Access, Equity, Diversity, and Inclusion
19 Initiative that we've got going on, and also
20 working with my buddies in the Office of the
21 Public Advisor Energy, Equity, and Tribal
22 Affairs, and also the Clean Energy Hall of Fame
23 Awards. It falls into that bucket of equity.

24 So those are, I think, the big things
25 that I'll be working on, so I'll touch on some of

1 each of these in my presentation.

2 All right. So the next slide.

3 Just a little reminder. I know we talked
4 about it yesterday. The Clean Energy Hall of
5 Fame Awards is really special. It's near and ear
6 to my heart. It's a vision that the Chair had,
7 and I think you've done a really good job since
8 2020. Last year's I felt like was really fun,
9 and we got to have a lot of people there,
10 including our friends from other agencies.

11 So it was a good experience to have that
12 interagency interaction, doing heartwork, not
13 just, like, all of the other harder policy work
14 that we do, but also the hard heartwork that we
15 do. So I'm hoping that all of you will join us
16 at the -- everyone in this room, not just the
17 Commissioners, everybody -- will join us at this
18 year. So that will be December 7.

19 Then I'm also pestering you about this
20 because we need to get nominations in, and we're
21 not going to have that much time. We're only
22 going to have about a month. We're behind
23 schedule, so I apologize for that. I'll take
24 responsibility. But, even if you send me --

25 CHAIR HOCHSCHILD: You've had a few

1 things going on.

2 COMMISSIONER MONAHAN: So you're keeping
3 this one (indicating)?

4 COMMISSIONER GALLARDO: I'm keeping this
5 one, yes, unless you want it.

6 COMMISSIONER MONAHAN: I thought it was a
7 PA (phonetic). Okay.

8 COMMISSIONER GALLARDO: So Mona and I had
9 some conversations, and we thought it would work
10 well to keep it in my office, but I'll be
11 supported by a lot of small offices. Yes.

12 CHAIR HOCHSCHILD: Wait. So why do we
13 only have a month? I mean, it's May, and it's in
14 December.

15 COMMISSIONER GALLARDO: So we do videos,
16 which is a big part of our -- and it takes a
17 while, and to develop something that the winners
18 can continue using, and we want something very
19 high quality, and that takes time, and we want to
20 give as much time as possible to the
21 professionals who are making it happen. Yes.
22 But I think we can do it. You know, if you send
23 over just even names of people who you think
24 might merit an award of this type, I'll have
25 staff be able to work on the nomination itself.

1 MS. ROBINSON: Are there (indiscernible)
2 a request on the website? (Indiscernible) find
3 that out quickly?

4 COMMISSIONER GALLARDO: So good point,
5 Kat, yes. So we're going to try to do -- yes.
6 We want to do a lot of outreach and engagement,
7 so we (indiscernible).

8 MS. ROBINSON: (Indiscernible.)

9 COMMISSIONER GALLARDO: Great. That's
10 very validating. All right. So we'll work on
11 that. There's more to come. I'll be pestering
12 you about this in the next few weeks.

13 Then we'll go to the next slide.

14 So here I wanted to talk to you a little
15 bit about our JAEDI work. So we're going to
16 launch communities of practice. So this is a
17 term that the governor's office actually
18 suggested. So basically what it means is a group
19 of people working together on, you know, certain
20 actions to embed equity into our policy programs.

21 So we did something like this over the
22 last, like, two years with our idea initiative,
23 right? So that's -- "JAEDI" comes from "idea" --
24 where we -- the last few years, we focused on
25 internal efforts, so how do we, you know,

1 increase inclusion and diversity, et cetera? So,
2 this time around, we're just calling on
3 communities of practice, and we're going to focus
4 on actions that can impact our policy work.

5 So I am working with Mona and Carousel,
6 who are on this, so I really appreciate them for
7 doing this heartwork with me, and what we're
8 looking to do is focus in five areas, so language
9 access, workforce development, supplier
10 diversity, outreach and engagement, and then
11 benefits development, and we've already had staff
12 step up to say that they would like to lead these
13 groups, these communities of practice.

14 So we've got someone for each of those,
15 and then what I was hoping for was to have
16 Commissioner champions for each of those areas,
17 so that the staff lead could get an opportunity
18 to engage with someone other than myself, and,
19 you know, so you have the opportunity to also
20 advance, you know, our JAEDI work, and I thought,
21 if we separated those, we won't run into BK
22 (phonetic) issues, and Linda helped me with that
23 piece.

24 So I have some suggestions here, which
25 would be Commissioner McAllister, you on language

1 access, given, you know, your Spanish fluency
2 and all --

3 COMMISSIONER MCALLISTER: Happy to do
4 that.

5 COMMISSIONER GALLARDO: -- and then that
6 face.

7 COMMISSIONER MCALLISTER: Happy to do
8 that.

9 COMMISSIONER GALLARDO: Siva, you for
10 workforce development. I would be on supply
11 diversity. Chair would be on outreach and
12 engagement, given all your work on tribal
13 affairs, for example, and then Patty on benefits
14 development, which is some work that FTD is
15 already doing stuff on that as well.

16 So you don't have to respond now on
17 whether you want to do this, or in this way, but
18 I wanted you to at least inform me about it, have
19 time to think, and I think it will be fun.
20 Hopefully, you will.

21 COMMISSIONER MCALLISTER: So these five
22 categories came out of a process?

23 COMMISSIONER GALLARDO: My head.

24 COMMISSIONER MCALLISTER: Okay.

25 VICE CHAIR GUNDA: We (indiscernible)

1 process.

2 COMMISSIONER MCALLISTER: That was a big
3 (indiscernible).

4 COMMISSIONER GALLARDO: So these are
5 real -- these areas are things that we've talked
6 about with (indiscernible) organizations, with
7 tribes. They've come up time and time again, so,
8 you know, not truly just in my head, but we've
9 heard it. So I put them into those buckets.

10 You know, technical assistance is
11 something that we hear a lot about, but I figured
12 that could probably go in the outreach and
13 engagement. Possibly that goes in to benefits.
14 I don't know. So I thought these were the
15 easiest to work with.

16 The staff, I did invite those folks,
17 given some of the work that they have already
18 been doing, and, fortunately, they responded
19 right away that they were excited to have these
20 opportunities.

21 COMMISSIONER MONAHAN: So these are all
22 external, right? This is the idea?

23 COMMISSIONER GALLARDO: Yes, exactly. So
24 this is the JAEDI out. So we want to do JAEDI in
25 and JAEDI out. This is JAEDI out, so basically

1 our policies, programs, all those external
2 efforts. Thank you, Patty, for clarifying that.

3 All right. And we will have other work
4 under JAEDI. We did develop a framework through
5 last year's IEPR, so we want to implement that.
6 That's work I'll be doing with Mona, and then,
7 through the IEPR, we also had the recommendation
8 an equity-focused proceeding. So those are all
9 big things.

10 VICE CHAIR GUNDA: (Indiscernible.) That
11 would be great.

12 COMMISSIONER GALLARDO: Yes. I always
13 look at the acronym.

14 CHAIR HOCHSCHILD: Yes.

15 COMMISSIONER GALLARDO: So, you know, but
16 we're taking baby steps, so this is our first
17 one. We'll see how it goes, but we'll be doing
18 the others as well.

19 All right. So we'll move forward to the
20 next slide.

21 So now I'm going to talk about the siting
22 focus work. So I am so grateful to be, you know,
23 working with Elizabeth Huber and Eric Knight and
24 all the other staff that are in the STEP
25 Division. This is a photo we took for my first

1 lead Commissioner (indiscernible).

2 So, yes, it's just been wonderful to be
3 able to, you know, know that there's this
4 division working on these things that, you know,
5 I'll get to partner with, and, you know, just
6 really enjoying that.

7 We'll go to the next slide.

8 So I wanted to focus on, you know, AB
9 205, which is the opt-in permitting, which I want
10 to rename to "Permitting for Clean Energy
11 Projects" or something like that that's easier to
12 understand and may not be so scary or nebulous.
13 And Lindsay Buckley is not here to, you know,
14 bounce this idea off her, but that's what I'm
15 thinking about. It's more about, you know,
16 permitting for clean energy projects, where we're
17 providing this pathway for solar, terrestrial
18 wind, energy storage, the manufacture and
19 assembly, et cetera.

20 Then our next slide.

21 So this is where -- you know, also where
22 it's a little bit different, and, Elizabeth, feel
23 free to chime in here. I'm not going to go
24 through it all, but, you know, the reason it's
25 been described as "streamlined" is because we

1 have these fixed dates that we're supposed to
2 meet once an application is deemed complete.

3 So I think we have staff that is just
4 super experienced and diligent and committed. I
5 think we'll be able to meet these -- you know,
6 the timing here, even though it will, you know,
7 be tough, but I think we can do it.

8 Then, on our next slide --

9 COMMISSIONER MONAHAN: I'm sorry.

10 COMMISSIONER GALLARDO: Can I go back?

11 COMMISSIONER MONAHAN: Yes.

12 COMMISSIONER GALLARDO: Yes.

13 COMMISSIONER MONAHAN: So is it now?

14 Well, I guess tell me, like, what is the
15 30-day -- are we starting?

16 COMMISSIONER GALLARDO: So the clock
17 starts --

18 CHAIR HOCHSCHILD: What is "this"? This
19 is the process --

20 VICE CHAIR GUNDA: This is the process.

21 CHAIR HOCHSCHILD: -- where you apply for
22 a project. This is how the process --

23 COMMISSIONER GALLARDO: This is how long
24 the process will --

25 COMMISSIONER MONAHAN: And we do have

1 some in the pipeline that are already sort
2 of moving through this?

3 COMMISSIONER GALLARDO: Good question.
4 So we have one application that has been
5 submitted. It has not been deemed complete yet.
6 So there were some deficiencies that we informed
7 the developer about. So then they have -- you
8 know, they can take their time to submit the
9 information.

10 COMMISSIONER MONAHAN: So the clock
11 starts ticking once they get a final package?

12 COMMISSIONER GALLARDO: Yes. So,
13 basically, our executive director --

14 COMMISSIONER MONAHAN: Got it.

15 COMMISSIONER GALLARDO: -- will deem the
16 application complete, and that's when the clock
17 starts.

18 COMMISSIONER MONAHAN: Got it.

19 COMMISSIONER GALLARDO: And then we've
20 got 270 days-ish to get it complete. So there's
21 these, you know, big milestones. So Elizabeth
22 can speak to this a lot better than I can, if we
23 do want (indiscernible) details, with the 30-day
24 mark, the 150 mark, the 270 mark, and then we're
25 working with some other agencies as well, and

1 they'll have some time after we finish to do
2 this.

3 A lot of what's been going on is
4 collaboration, which has been really awesome, so
5 we're working with those agencies, for example,
6 that we have to partner with, that have time, you
7 know, that may have time at the end. We're
8 working with them from the beginning and
9 throughout. It involves working with the local
10 government as well. It will involve working with
11 communities. So there's a lot we've got to do
12 there, but this is basically what the process
13 looks like.

14 CHAIR HOCHSCHILD: And the process prior
15 to this was always at least a year, and sometimes
16 a little longer.

17 MS. HUBER: AFCs (phonetic), on average,
18 we actually did some studies in the last six
19 months analyzing, and it's actually about 18
20 months now.

21 CHAIR HOCHSCHILD: Eighteen months. So
22 this is --

23 MS. HUBER: Yes, I believe that -- yes.

24 CHAIR HOCHSCHILD: So we're basically
25 cutting the time in half, basically?

1 MS. HUBER: That's what -- yes. That's
2 what it --

3 CHAIR HOCHSCHILD: Wow.

4 MS. HUBER: It was 270, but I do want to
5 point out that AB 205, the other half, not the SR
6 half or (indiscernible), right, we have 30 days.
7 So we have 30 days to review an application and
8 then determine (indiscernible). This clock
9 ticked, but I want to -- it would great if you
10 all note the top right-hand side there, where it
11 says, "Final EIR by Day 240."

12 So we have to post it to the public, by
13 statute. You know how CCO -- you guys are great
14 at saying, "Well, you don't necessarily have to
15 be 10 days here, but you have to do 10 days here
16 or (indiscernible)," and the statute says we have
17 to do 30 days. And so we have 270 days, but
18 really staff work is 240.

19 COMMISSIONER MONAHAN: Wow.

20 MS. HUBER: So (indiscernible), and then
21 the other thing to your question, Commissioner
22 Monahan, is we have now four to five potential
23 operative projects in the pipeline, because the
24 other part of the provisions of AB 205 requires
25 us to do a prefiling meeting with the developer

1 and the local government, and that has to be done
2 before the application is actually filed. So
3 there's a lot of length there.

4 COMMISSIONER MONAHAN: So there's a
5 pre-30 days.

6 MS. HUBER: Yes, exactly. It's like time
7 lags.

8 COMMISSIONER GALLARDO: Yes. Yes, yes.

9 All right. And then, as Elizabeth was
10 describing, there's a lot of outreach and
11 engagement that needs to be done. So tribal --

12 UNIDENTIFIED SPEAKER: (Indiscernible.)

13 COMMISSIONER GALLARDO: So there's a
14 tribal consultation that's required, but we're
15 looking that as a minimum. So the tribal
16 consultation required five days after the
17 application has been deemed complete. However,
18 we're trying to work with the tribes and engage
19 them earlier than that, and, you know, there may
20 be tribes who are already aware of this program.

21 They participated in the development of
22 AB 205, and commented there, and so I think they
23 might be -- some tribes may be on the lookout for
24 what's going on in their areas on these tribes,
25 but we're trying to, again, make it a minimum, so

1 it's not just solely tribal consultation, the
2 government-to-government work, but, you know,
3 informing them ahead of time.

4 There is project area advertising, which
5 means we inform the area when we get an
6 application. We continue informing them, similar
7 to, you know, SPPs (phonetic) for example.
8 They're posting (indiscernible), posting a public
9 workshop that needs to be done, the draft CIR and
10 manual PAC (phonetic) review, and then, also, a
11 public information and scoping meeting that could
12 be done together.

13 So there are these requirements that, you
14 know, we've got to accomplish, and we're trying
15 to figure out, you know, if these are minimums,
16 depending on the area, whether we'll combine
17 things, or we'll keep them separate, or do more.
18 So it will just depend. We're hoping we can
19 customize capacity.

20 As Elizabeth also mentioned, we're
21 working with the local governments, so there may
22 be local governments that are upset about the
23 process, because, if the permit is denied
24 locally, they can then -- the developer can go
25 through us. So there might be some, you know,

1 upset folks on that front that we will also need
2 to engage and talk with.

3 So we'll move forward to the next slide.

4 So I'm excited about this permitting
5 process, because there are several new things
6 that we haven't done traditionally. For example,
7 the paying of a prevailing wage to the skilled
8 and trained workforce is something that's
9 required. We have to show an overall net
10 positive economic benefit. We have to have a
11 signed community benefits agreement.

12 So I think these are things that could
13 really serve to provide more value to the area
14 where (indiscernible), and at the same time, I
15 think that might get complicated, because it is
16 something new for us.

17 So we'll go to the next slide.

18 So this is the area where I'm trying to
19 (indiscernible) required to provide the -- do
20 benefits for the local governments, and how do we
21 define those? (Indiscernible) one or more
22 community organizations. So, then, how do we
23 figure out how many are enough, right? And, you
24 know, how do we ensure that that coalition is
25 legitimate?

1 Then, also, you know, what are economic
2 benefits? How do we define those? So, in the
3 statute, it does list out some examples that can
4 be considered, employment growth, housing
5 development, infrastructure improvements,
6 assistance to public schools, assistance to
7 public safety, property taxes and sales, et
8 cetera, et cetera.

9 So this is where I'm thinking, how do we
10 know if the benefits are robust enough, you know,
11 yet realistic and practice, for a developer to be
12 able to figure out and provide, and, you know,
13 how do we figure out if they are adequate? So I
14 think it will be interesting, and this is where I
15 wanted to get some brainstorming happening with
16 you all.

17 So we'll go to the next slide.

18 Some of the thoughts I've had is, we can
19 go to DACAG -- again, I mentioned it earlier --
20 to talk to them about these benefits, what they
21 look like, processes. We could have a workshop,
22 which was an idea Linda Barrera had, talking
23 through what these benefits could be, and then
24 possibly even doing, you know, research on
25 benefits agreements, which are happening in other

1 spaces, like offshore wind. I know they've been
2 talking about it on the East Coast. I think
3 there's some happening up north, and so I thought
4 that could be helpful.

5 Then the other idea I had recently, that
6 I haven't talked to Elizabeth about, so I believe
7 it will be a surprise, possibly, you know, even
8 getting a consultant to help us with this work,
9 to figure it out, because I don't know if we have
10 sufficient expertise in-house or that we don't
11 have that experience on (indiscernible) these
12 agreements that I know (indiscernible),
13 especially not inside (indiscernible).

14 Anyway, so those are just some thoughts
15 there, and with that, anybody's suggestions,
16 recommendations, ideas, or questions?

17 COMMISSIONER MONAHAN: Well, can I just
18 say I love the framing of people. I love your
19 people focus, and that idea of, like, "Well, just
20 how does it improve or affect people's lives?"
21 So I like that, just throughout your
22 presentation, how you did that.

23 COMMISSIONER GALLARDO: Thank you, Patty,
24 and I have a little bit more to talk about, but I
25 think that's why we do this work, right? I mean,

1 it's not just about the things. It's really
2 about, you know, how it's going to improve the
3 life of Californians, and then, by what we do in
4 California, to help everyone else, too.

5 VICE CHAIR GUNDA: I think I loved when
6 you added people to the piece (indiscernible).

7 COMMISSIONER MONAHAN: (Indiscernible.)

8 COMMISSIONER GALLARDO: Drew, you had
9 your hand up.

10 MR. BOHAN: Well, I was just going to
11 say, you know, I think the community benefits
12 one, I think, is tricky, and it seems
13 like -- figure out how to involve local
14 government, to get their sense of whether
15 (indiscernible) goes to some CBO that may be --
16 is it most relevant or, you know, whatever. It's
17 going to be tricky for us to evaluate, well, they
18 checked the box. Is that good enough, or is it
19 really benefitting the community in a meaningful
20 way? So that's going to be a challenge for us.

21 COMMISSIONER MONAHAN: What is a
22 community-based organization?

23 MR. BOHAN: Yes.

24 COMMISSIONER MONAHAN: Who is the right
25 community-based organization?

1 MR. BOHAN: Yes. And sometimes the local
2 government have varying relationships, so they're
3 not -- you know, they can't make the decision,
4 but they should certainly have an informed
5 (indiscernible).

6 COMMISSIONER GALLARDO: Absolutely, and I
7 think that takes a lot of work, too, to be able
8 to figure out, who do I include, or who should be
9 included, and then engaging them to be able to
10 get their input, which I don't know if, you know,
11 our staff, with all the other work that they're
12 going to be doing, will be able to do that, on
13 top of everything.

14 CHAIR HOCHSCHILD: So I will just
15 confess, I have a lot of anxiety about the amount
16 of clean energy we'll need to build. You know,
17 it's just colossal, and, you know, I guess, you
18 know, and our ability to deliver on this -- it's
19 great to say we're going to cut the time in half,
20 but, I mean, actually, are we staffed up to do
21 it, and do we have a pretty clear sense of the
22 universe of these projects that is going to come
23 to us?

24 You know, I know there's been a
25 lot -- you know, we heard some of it, but I think

1 that's kind of my question, is like, how do we
2 resource for that, and how -- and this may be as
3 much for Elizabeth as for you, but, I mean, I'm
4 really worried that we're going to be late on
5 these things, and not be able to hit these
6 deadlines, and I'd love to hear just a little bit
7 more. Like, what do we know that's definitely
8 coming in, at what time, and where are we at on
9 staffing up to support that?

10 MS. HUBER: That's a great question. So
11 everyone knows (indiscernible) we do the quiet
12 side of enforcement piece of it, but we -- right
13 now you'll -- you know, just look on Friday for
14 when the business meeting agenda comes out,
15 because there will be three items coming out.

16 So we have a total of eight projects that
17 are coming in between AFCs (phonetic) and
18 (indiscernible) applications, and we have to have
19 a project manager who can manage two of those
20 projects, and right now, with the SPPE that I
21 haven't even mentioned that we have
22 (indiscernible) in the bank, we --

23 CHAIR HOCHSCHILD: You have five in
24 addition to the eight?

25 MS. HUBER: Yes. So we have 13

1 (indiscernible).

2 CHAIR HOCHSCHILD: Okay.

3 MS. HUBER: The AFC (indiscernible) and
4 FTPE (phonetic).

5 CHAIR HOCHSCHILD: So we have nothing
6 like the last -- this is huge.

7 MS. HUBER: It is huge.

8 COMMISSIONER MCALLISTER: What
9 technologies are those?

10 MS. HUBER: It is huge. So I'm
11 meaningful not to get into --

12 CHAIR HOCHSCHILD: What technologies?

13 MS. HUBER: -- so I can't talk anymore
14 about that, but there's two (indiscernible). One
15 person can do two projects, and then they can
16 support some of the other, you know, modification
17 applications or existing power plants.

18 So, with our workload right now, we are
19 two and a half PYs (phonetic) short just in that
20 project management position, and then what we're
21 learning is there is some specific expertise that
22 we do have MOUs with, like, you know, Fish and
23 Wildlife and Cal Fire, and then we have the Aspen
24 contract being approved. So we have other
25 resources, but, as everybody can say, this group

1 is doing extra time right now just with the
2 staffing that we have, and so there's some
3 benefits that we need to process for SPPEs, but
4 we're all learning.

5 So, in order to even do this work, it's a
6 collaboration with CCO, with (indiscernible),
7 with Lindsay Shaw (phonetic), and so we've given
8 them each an extra PY, but they're trying to fill
9 those positions to support what we need to do,
10 and we're --

11 CHAIR HOCHSCHILD: But on those core
12 project (indiscernible) do you have -- those
13 applications are out in the street? Can we help
14 circulate it? How can we help you?

15 MS. HUBER: We don't have funding yet.

16 CHAIR HOCHSCHILD: You don't have funding
17 yet.

18 MS. HUBER: So your help is -- when
19 Damien (phonetic) comes tomorrow (indiscernible),
20 together on this, and so listen to him. We've
21 got some plans to do a ECT in the fall. So we're
22 working on that, and to see how the funding is,
23 and then we're looking at new ways on how we're
24 going to actually do applications. We actually
25 like -- SPPEs, when an application comes in, they

1 pay a flat fee, but it's a per-cost, per-service,
2 right, like an attorney would, you know, or
3 (indiscernible), "I gave 50 hours this week. I'm
4 going to charge you that."

5 That's what we do for SPPEs. For AFCs
6 that opt in, we get a flat fee and a per-megawatt
7 fee on top of that, and so it's never enough, and
8 so we have a database system that IT created for
9 us, fondly called "Bass and Peace (phonetic),"
10 and so we track our hours there, but it's never
11 enough, right? And then we end up having to, you
12 know, go back into (indiscernible) or other, you
13 know, mechanisms to help support the activities
14 that are ongoing.

15 So we've got some plans that Damien is
16 going to present tomorrow for your thoughts, but,
17 yes, we're in a -- by fall, if we don't have the
18 folks we need in this applications to really come
19 in in June and July --

20 CHAIR HOCHSCHILD: Can we supplement
21 through consulting contracts?

22 MR. BOHAN: Yes. I was going to add,
23 some of the divisions have this, and I think
24 Elizabeth's division has it, (indiscernible).
25 We've got a longstanding relationship with one of

1 our consultants that will enable us to call it
2 our "surge capacity."

3 CHAIR HOCHSCHILD: Yes.

4 MR. BOHAN: So it's nice to have a
5 project manager that's an (indiscernible)
6 employee, but a lot of the heavy lifting is,
7 like, looking at the bio issues, and the graphic,
8 and the air quality (indiscernible) and stuff,
9 and we've got abundant resources to help with
10 that.

11 CHAIR HOCHSCHILD: Do we have eyes on
12 any, like, potential retired annuitants that can
13 be (indiscernible) to help?

14 MS. HUBER: We do have four retired
15 annuitants that have come back in, and so I don't
16 want to say names, but they're helping with our
17 hazmat and some of our fire and noise abatement,
18 but the key is the, you know, project managers.

19 So think about, like, you have the
20 director (indiscernible), right? Would you want
21 one of us to be running it as a consultant? Can
22 you do it, maybe, at that level? But we
23 don't -- but it's not the best, you know, in our
24 opinion and our assessments, to hire someone to
25 be a project manager.

1 We'd rather have them provide the
2 expertise in a certain area, but you really need
3 someone internally that is committed to the
4 timelines and the deadlines that we have to meet,
5 especially on (indiscernible), and, you know, and
6 just has the internal resources and, you know,
7 access that you wouldn't have as a consultant.
8 So, at minimum, we would need the two, two and a
9 halves, (indiscernible).

10 CHAIR HOCHSCHILD: Yes. (Indiscernible.)

11 MS. BARRERA: Well, I have a lot to say,
12 but (indiscernible), but we do have a
13 (indiscernible) certification through
14 (indiscernible). We can talk about it,
15 generally. (Indiscernible) Berkshire Hathaway.
16 So, if applications are found to be adequate, the
17 Chair will be (indiscernible), and
18 (indiscernible). So we do have a lot of work
19 there, in addition to the opt-ins.

20 MS. HUBER: I'm glad you said, it not me,
21 the details.

22 CHAIR HOCHSCHILD: Yes, yes.

23 COMMISSIONER MONAHAN: Well, that's just
24 generally --

25 CHAIR HOCHSCHILD: Yes, yes.

1 COMMISSIONER MONAHAN: It's already in
2 the docket.

3 MS. BARRERA: It's important to
4 emphasize, in addition to the opt-in work, we'll
5 have significant (indiscernible) work ahead of
6 us, and staff is going to have to juggle both
7 opt-in with the streamlined process, and AFCs,
8 very important thing, three of them, at our FTPE
9 (phonetic).

10 UNIDENTIFIED SPEAKER: Wow.

11 MS. BARRERA: With regard to the FTPE,
12 it's a smaller part of (indiscernible)
13 proceedings. We have about six or seven, and
14 that will be (indiscernible), but they take time.
15 The staff has to prepare (indiscernible). There
16 are no committees. We are very happy about that,
17 because it streamlines the process.

18 That being said, (indiscernible)
19 responsibility to the lead Commissioner, who will
20 have the benefit of having, you know, an
21 associate, and I just wanted to flag that. The
22 committee did serve an important service. There
23 were several instances where the committee's work
24 helped make the environmental impact report more
25 robust.

1 So we have to be more vigilant, both
2 staff, the lead Commissioner, and the legal
3 office, to ensure that these are solvent by the
4 time that they go to the whole Commission for a
5 vote.

6 With regards to the opt-in, I'm just
7 going to be direct. We have about 50 openings.
8 We do not have enough attorneys for the opt-in,
9 because the salary that (indiscernible) compared
10 to their peers in the local, like, jurisdictions,
11 cities, obviously private sector, is not good,
12 and so any help that you can provide when we are
13 advertising for positions would be greatly
14 appreciated, because it's really hard to fill our
15 positions, more so than -- engineers make great
16 money compared to attorneys and their peers in
17 the private sector, and I just want to note that
18 the next nine months to a year is going to be
19 very challenging both for (indiscernible) and CCO
20 and Commissioner Gallardo.

21 COMMISSIONER GALLARDO: Yay.

22 UNIDENTIFIED SPEAKER: (Indiscernible.)

23 UNIDENTIFIED SPEAKER: So I'm not sure
24 (indiscernible).

25 MS. HUBER: Linda is spot-on, and Linda

1 and I (indiscernible) to advocate for the highest
2 level that Linda -- that CCO could do. And I
3 don't know, you know, who (indiscernible) that or
4 what else we could have done to justify it, and
5 it is what it is, right? And we are finding
6 that, in some of the expertise that we need,
7 that's where our contracts are really important
8 right now, because we just don't have an
9 in-house, you know.

10 I'd like to end on a high note. So part
11 of the good news is that these other projects
12 coming in, we've had an excellent prefiling
13 (indiscernible). The workload is there, but
14 their battery storage -- I mean, we're talking
15 about, you know, anywhere from 15 to 2,000
16 megawatts. Who would have guessed we have one on
17 federal lands, a Bureau of Land Management
18 project, down in our favorite county, right,
19 Commissioner?

20 COMMISSIONER MONAHAN: Yes.

21 MS. HUBER: So we've gotten some, you
22 know, really good projects where STEP Division
23 has history of already an existing power plant,
24 with (indiscernible), with 50 to 100-megawatt
25 battery storage. We've already licensed. We've

1 all, you know, approved them as a business need.
2 So there's some positive to all this, too, where
3 there -- you know, that the absolutely good
4 projects being with already some experience, you
5 know, behind it.

6 COMMISSIONER MONAHAN: All right. I have
7 one just quick question for Linda. I mean, I'm
8 wondering -- so Drew said you had capacity
9 for the surge capacity, and we can't do it,
10 necessarily, for a project manager. Is there --
11 can some of the legal work be farmed out, or does
12 that have to be in-house?

13 MS. BARRERA: Actually, it's very
14 difficult, because (indiscernible) as a
15 challenge. Other agencies are contracting out,
16 and they're (indiscernible).

17 COMMISSIONER MONAHAN: That's a Catch-22.

18 MS. BARRERA: Yes. (Indiscernible)
19 positions issued by (indiscernible).
20 (Indiscernible), and we need to (indiscernible)
21 in-house attorneys. So it's easier for
22 (indiscernible) work, and, like, our bonds, and
23 for more specialized market-related legal
24 expertise, but, like, for permitting CEQA, it's
25 not --

1 COMMISSIONER MONAHAN: I wonder if this
2 is something we should keep in mind the next time
3 something like this happens, or even as cleanup,
4 because it is -- I mean, we've got to get it done
5 by 470 days, but, if we don't have staff, what do
6 we do?

7 MS. BARRERA: One thing I would be
8 appreciative if supported -- Drew, you were in
9 the trenches with me, and Damien, and Rob
10 (indiscernible). We had -- like, I had
11 to -- every time I ask for an attorney five,
12 which is the highest classification, it's like
13 going to court. I go in this, like, Zoom
14 meeting, and there's all these, you know, people
15 from (indiscernible) looking at us, asking
16 questions, and we just have to, like, respond and
17 hope for the best, and I was rejected. Our
18 proposal was rejected, and Drew was in the
19 meeting, and they said no.

20 So Damien has been in the trenches with
21 me on this. I chose not to (indiscernible)
22 through the (indiscernible), because I didn't
23 want (indiscernible) every time (indiscernible),
24 but, for next time, if there's opportunity for
25 (indiscernible) to support us in getting the

1 highest (indiscernible), that would be really
2 appreciated.

3 MS. HUBER: Yes, and we did a
4 comprehensive document. (Indiscernible), and
5 you'd be like, "I would approve it," you know.

6 COMMISSIONER MONAHAN: I would approve
7 it.

8 MS. HUBER: And it just -- you know, so
9 we don't have (indiscernible) -- you know, there
10 was one PUI for Linda, one PUI, and, like Linda
11 said, even (indiscernible) --

12 MS. BARRERA: We're going to do a
13 contract.

14 MS. HUBER: Yes.

15 MS. CARRILLO: We're just sending out
16 (indiscernible).

17 CHAIR HOCHSCHILD: This is a really
18 important conversation.

19 COMMISSIONER MCALLISTER: I have like
20 seven questions I need to ask.

21 CHAIR HOCHSCHILD: Okay.

22 VICE CHAIR GUNDA: Just as a
23 (indiscernible), what is the average person hours
24 for a certification? Is it 1,000, 2000? What's
25 the --

1 MS. HUBER: It's higher. I don't know.
2 I'll get you the number. I want to say
3 (indiscernible). You know, these are, you
4 know --

5 CHAIR HOCHSCHILD: Four thousand hours?

6 MS. HUBER: (Indiscernible) because
7 of -- well, it's a combination, because we
8 have -- so we are a certified regulatory program
9 under CEQA, so what that means is -- and this is
10 unique to the Energy Commission. So you should
11 be very proud that this was in the original
12 (indiscernible). So we do -- when we say we do
13 an environmental review, which is what we do for
14 EFCs, it is a (indiscernible) kind of
15 environmental review, right?

16 VICE CHAIR GUNDA: Absolutely.

17 MS. HUBER: But we don't have to do the
18 environmental impact report. Our State Lands
19 Commission, they do CEQA, but they have to do an
20 EIR. Now, under opt-in, we have to do CEQA plus,
21 plus, and we have to do an EIR, so we have 26
22 subject matter experts between three branches,
23 and so, like, you know, Coastal Resources,
24 they're been around 48 years, and they were
25 working closely with Katrina. We have Biological

1 Sciences, and you look at 10 different science
2 areas. We have the Social Economics Unit. So we
3 have all this expertise, air quality.

4 You know, you work with Joey (phonetic)
5 in like (indiscernible), right, and so
6 (indiscernible) almost 75 to 100 percent doing
7 all this environmental review, and, in fact, with
8 workload -- so one of the services that we've
9 provided to the RS group when they're looking at,
10 maybe, certifying (indiscernible) for CPUC, when
11 they want (indiscernible), and IOU wants to get
12 RPS (indiscernible), so we go in and do an
13 environmental review, so our RPS team can say yes
14 if eligible. We work with Jonah's team, right?

15 You know, I might give Mike Bravelly
16 (phonetic) a hard time, but, when he has these
17 big grants, we do the environmental reviews for
18 them, on top of our own work, right?

19 (Indiscernible) with our division. So it's an
20 ongoing workload, and that's where we had to do
21 contracts to help support all of it.

22 VICE CHAIR GUNDA: So I think what I
23 would -- kind of in the spirit of the
24 conversation we just had on the distribution and
25 transmissions (indiscernible), looks like RO

1 (phonetic) cluster process will grow, right,
2 surge of resources. The things that we heard
3 from, you know, the (indiscernible) would be good
4 for us to practice, in terms of transparency,
5 on -- you know, if there is a web page
6 (indiscernible). I think we have four or five
7 things we (indiscernible) to digest, so we can
8 keep pointing to decision makers that might
9 (indiscernible).

10 MS. HUBER: (Indiscernible.) One of the
11 benefits (indiscernible).

12 VICE CHAIR GUNDA: No, I think this is
13 (indiscernible) really helpful, right?

14 COMMISSIONER MONAHAN: (Indiscernible.)

15 VICE CHAIR GUNDA: I think, if we are all
16 on the same page, we -- you know, to the extent
17 that we have been used to push for support, I
18 think we can use a common frame to help support
19 your team and (indiscernible).

20 MS. HUBER: Yes. You know, I'm glad
21 you're bringing up the web page. So, you know,
22 thanks to our chief counsel mentioning the three
23 AFCs, right, by name, they actually looked and
24 evaluated the different permitting options, and
25 they chose to go with the comfort zone, what they

1 know, and they went the AFC versus the opt-in
2 (indiscernible).

3 UNIDENTIFIED SPEAKER: Yes.

4 MS. HUBER: So that's where you're
5 right (indiscernible).

6 VICE CHAIR GUNDA: Yes, yes. It's almost
7 like a tool, like it's a flowchart, right? And
8 (indiscernible) all those things, "This is my
9 preferred option," and if I have 4,000
10 megawatts -- sorry. I always think of
11 megawatts -- 4,000 hours, and you can have a
12 lower (sic) that you could constantly, you know,
13 potentially kind of put on line, right? I mean,
14 this is kind of -- "How many things are
15 (indiscernible) process, and this is where we
16 are" would be really helpful.

17 MS. HUBER: Yes, and that goes for CTO.
18 So what happens in the process, we go to Linda or
19 our RACU -- or ACC, sorry, Linda -- and we
20 get -- an attorney is assigned to every project,
21 so they're in every meeting. They review every
22 document, every cover letter. So, you know, it's
23 truly a partnership, but everybody is nonstop,
24 right?

25 VICE CHAIR GUNDA: Yes. Good luck. I

1 mean, I think, whereas, coming from our vantage
2 point, there's a first things that are
3 controversial this year, right? This permitting
4 thing would be very hard to navigate, both
5 between what is being asked of us and what we'll
6 deliver. Petroleum will be a big thing. So we
7 have a few things that we should really
8 (indiscernible) the process, to make sure that --

9 CHAIR HOCHSCHILD: I just really want
10 to -- this is a super, super important
11 deliverable that we have, with a lot of
12 readiness, so I think I also want to just set
13 expectations accurately.

14 So we've got to do everything we can to
15 resource this, and, you know, I want you to sound
16 the alarm loudly when we're not resource (sic),
17 and come, you know, get in my face to make
18 sure -- if you need help from me, and to fight
19 for stuff, do that.

20 This is just totally mission-critical,
21 and if we fall short of this, there's like really
22 big consequences for reliability, for a whole
23 bunch of things, and so just really high stakes,
24 and I just want to make sure, as Chair, I am
25 fully supporting you, and you, Elizabeth, and

1 you, Linda, on that, and I'm really worried about
2 this, just getting really -- I'm really putting
3 all my cards on the table.

4 Mostly I sleep well, because we have
5 great people, but this one I'm -- just the
6 challenge is so daunting, because, you know, we
7 need to be building. Like, next year is like
8 eight gigs, six --

9 VICE CHAIR GUNDA: Eight gigs.

10 CHAIR HOCHSCHILD: I mean, it's like just
11 an unprecedented -- we've never added that much
12 capacity before.

13 VICE CHAIR GUNDA: And every gigawatt we
14 are short, I'm worried about that.

15 CHAIR HOCHSCHILD: Yes.

16 COMMISSIONER MONAHAN: And
17 (indiscernible).

18 CHAIR HOCHSCHILD: So let's just keep
19 this, you know, dialogue going.

20 MS. HUBER: So if you could make a note,
21 all of you, tomorrow, when Rob and
22 (indiscernible) and Damien are here --

23 CHAIR HOCHSCHILD: Yes, yes, yes, yes.

24 MS. HUBER: -- because they'll be here,
25 you know.

1 CHAIR HOCHSCHILD: Right. Okay.

2 COMMISSIONER MONAHAN: Well, it sounds
3 like we have two different issues, right, the
4 staffing issues that you're facing, which are
5 very different from the staffing issues that
6 Linda is facing, but they're both equally
7 important.

8 UNIDENTIFIED SPEAKER: Yes.

9 CHAIR HOCHSCHILD: Yes, yes.

10 COMMISSIONER MONAHAN: Commissioner
11 Gallardo is facing all of those.

12 UNIDENTIFIED SPEAKER: Yes.

13 CHAIR HOCHSCHILD: Yes. And do you have
14 any other questions for (indiscernible)?

15 VICE CHAIR GUNDA: No, no, no. I just
16 think I wanted to just get a bit of comfort.

17 CHAIR HOCHSCHILD: Okay.

18 COMMISSIONER GALLARDO: Yes. So thank
19 you, everybody, for that very frank, direct
20 conversation. I appreciate it, and I also wanted
21 to highlight how much I've been able to lean on
22 Linda for just education, for support, morally as
23 well, and just being able to talk to you as a
24 friend. Linda, (indiscernible). Thank you for
25 that.

1 So we'll go to the next slide.

2 I did want to talk about Lithium Valley a
3 little bit. So Lithium Valley is in the Imperial
4 Valley, which is down south. It's hard to get
5 there. Airports are far. There's two airports,
6 and they're both like about two hours away.

7 However, I've been going out there a lot,
8 because I have really fallen in love with this
9 area, like, how beautiful it is, how dynamic.
10 The people there have been very warm and
11 welcoming to me, and, you know, I'm just very
12 committed to making sure we do good things here
13 with the Lithium Valley vision.

14 So this is just kind of a map showing
15 where some of the current projects are, and then
16 you'll see the Salton Sea there at the top, on
17 the left-hand corner.

18 We'll go to the next slide.

19 All right. So I wanted to -- did you
20 have something, Siva?

21 VICE CHAIR GUNDA: (Indiscernible.)

22 COMMISSIONER GALLARDO: Okay. All right.
23 So we've had some major milestones on the Lithium
24 Valley vision, so the Lithium Valley Commission
25 was an effort that Energy Commission staff

1 supported.

2 Big thank you to Deana for her and her
3 team doing that. It did hit --

4 CHAIR HOCHSCHILD: What doesn't kill
5 makes you stronger. (Indiscernible.)

6 MS. CARRILLO: Keep on trying. You guys
7 keep on trying.

8 COMMISSIONER GALLARDO: They did submit a
9 report to the legislature. It has 15
10 recommendations that I'm taking a look at to see
11 what we can advance, and then there was a PBS
12 special on it back in January.

13 The governor visited the area in March.
14 That's a picture on the side of the governor
15 doing a speech with some of the Lithium Valley
16 Commissioners in the background, and then the
17 (indiscernible) resources plant in the back.

18 The Department of Energy and Department
19 of Defense also visited in April, which was
20 fantastic, and then there was a 60 Minutes
21 special that just came out that was also really
22 good. So, if you want to learn more about the
23 Lithium Valley in a short period of time, that 60
24 Minutes piece is really good.

25 Then go to the next slide.

1 So I think, you know, I have a lot of
2 work to do here, but I've been trying to focus on
3 continuing to develop the relationships I need
4 down there. There's a lot of different
5 participants in this, and just trying to make
6 sure I remain neutral, and also just open to
7 meeting everyone who's involved, and trying to
8 answer questions as I can, and learn from them on
9 what they need, what's important to them, what
10 they still need clarified, et cetera.

11 We have also been focused on trying to
12 maximize any funding opportunities, whether that
13 be at the state level, federal level, possibly
14 even locally, and then starting to think about
15 just planning, like how do I make this, you know,
16 Lithium Valley vision happen, trying to think
17 about, you know, what I can do there.

18 I'm really excited to get an advisor, and
19 they can focus in on this area with me. I think
20 that will be really helpful. So, hopefully,
21 we'll be able to get one more advisor in my
22 office soon, and then we'll look forward
23 to -- next slide.

24 So I just listed here on this slide and
25 the next slide some opportunities based on the

1 recommendations that the Lithium Valley
2 Commission adopted. There were 15 of them, and I
3 just -- I took the ones that seemed like they
4 were most pertinent to us, because what I'm
5 trying to balance is staying in the Energy
6 Commission role as a state agency, not stepping
7 on the toes of the local folks, and, at the same
8 time, trying to be a partner to them, so that we
9 can move this forward.

10 So I just identified some of them here.
11 We don't have too much time to go into all of
12 them, but there are some areas where we're
13 already working. Like, priority permitting
14 process is one of the recommendations. That's
15 kind of -- sounds like our opt-in.

16 Go ahead.

17 CHAIR HOCHSCHILD: I'm really sorry to
18 interrupt. Drew and I have a call with
19 (indiscernible) at 5:00. I have to --

20 COMMISSIONER GALLARDO: Do you want to
21 hop in now?

22 CHAIR HOCHSCHILD: I just wanted to say
23 you're amazing. I don't know how you do it all.
24 You've been the heart and soul and the heartbeat
25 of the Energy Commission since you got here, and

1 just -- you know, I actually feel like we're all
2 one kind of body fulfilling these different
3 functions, and, you know, the role you're coming
4 in and playing, the community outreach you do, is
5 instrumental to our mission, and I just -- you
6 know, having done a number of these trips, and
7 watching you not only, like, enjoy doing it, but
8 just everything is, like, organized perfectly.

9 We just had like 16 people, you know, on
10 this (indiscernible), and you're, you know, like,
11 you know, unicycling, blindfold, backwards, while
12 juggling, doing all those things. It's
13 incredible, and so I just really wanted to say
14 thank you. So, sorry to leave a little bit
15 early.

16 COMMISSIONER GALLARDO: No worries.

17 CHAIR HOCHSCHILD: I will be -- I have to
18 go (indiscernible) as a senior class
19 presentation, but I'll be back late tonight after
20 that. So thank you.

21 COMMISSIONER GALLARDO: Okay. All right.
22 So I'll just -- I'll end here on a happy note.
23 So one of the ideas I had last time, we wanted a
24 trip to Lithium Valley. We got to visit with the
25 tribes, as I showed an image yesterday, and they

1 were focused on entrepreneurial, you know,
2 options that they could have related to Lithium
3 Valley, and that just made me think, what if we
4 could do a clean energy innovation ecosystem,
5 similar to what we do for companies, you know,
6 through the R and D programs -- Jonah, this one
7 is going to you -- but focused on
8 (indiscernible), either them being able to watch
9 what happens, learn from those folks that go
10 through that ecosystem process, or have one
11 specifically for, you know, the tribes in this
12 area, Imperial, maybe even the communities there,
13 so something that connects, you know, with the
14 lithium, but just a quick idea I had, and also
15 just based on the recommendations that the
16 Lithium Valley Commission got.

17 So I'll end there.

18 COMMISSIONER MCALLISTER: So I have a
19 question. So I think that's a -- I mean,
20 part -- you know, part of the longstanding, like,
21 conundrum there is that, like, okay, well,
22 how -- you know, it's a very extractive -- you
23 know, the history there is extract the resources,
24 and (indiscernible) have not, you know, been
25 shared with the broader community, and, like,

1 that's a sticking point, you know, a very
2 legitimate, you know, kind of requirement for the
3 communities there to, like, get on board, right?

4 So do we have any leverage points, I
5 guess, in terms of the development processes,
6 that we could kind of both have some carrots and
7 some sticks? Like, you know, if one of the
8 developers who wants to come in there -- if
9 they're expecting to get, you know, some kind of
10 a concession, like, can some conditionality come
11 along with that, that they invest in this or
12 that, you know, local, you know, (indiscernible)
13 structure?

14 COMMISSIONER GALLARDO: I think,
15 possibly. I mean --

16 COMMISSIONER MCALLISTER: Can the
17 (indiscernible) support that kind of a thing,
18 right?

19 COMMISSIONER GALLARDO: Right. Well, I
20 think the community -- like you're saying,
21 they're very -- they've had a lot of experiences
22 with outsiders coming in, you know, saying that
23 they're going to do something good, it's going to
24 benefit them, and the community hasn't
25 benefitted, and so they will (indiscernible),

1 tell us that, and so that's why developing
2 relationships with them is so important, so that
3 they realize that's not what we're, you know,
4 intending to do, and we don't want that to
5 happen.

6 So they've been, actually, very receptive
7 to our engagement. They also really appreciate
8 us being a state agency. So we're viewed as an
9 outsider, but an outsider that's welcome because
10 of our neutrality, and also our expertise, and
11 what we can, you know, contribute. We had a lot
12 of questions on impacts.

13 Then, with the developers, I think we
14 have good relationships with them, and I don't
15 know if they come in through our opt-in process,
16 for example, and that's somewhere we can
17 leverage.

18 There was a tax, also, that went through,
19 you know, that they have to pay, that goes to the
20 county. It's supposed to benefit the community
21 as well. So there has been, you know, that, and
22 the developers seem very willing to do, you know,
23 something to help the community outside of --

24 COMMISSIONER MCALLISTER: So it sounds
25 like you're basically saying yes, but we would

1 have to play kind of a brokering role to figure
2 out what that investment would have to look like?

3 COMMISSIONER GALLARDO: Yes.

4 COMMISSIONER MCALLISTER: Like, I mean,
5 we would have to, like, draw that out of the
6 community, and sort of make sure it was relevant.

7 COMMISSIONER GALLARDO: Right.

8 COMMISSIONER MCALLISTER: Yes, that makes
9 sense. Thanks for (indiscernible).

10 COMMISSIONER GALLARDO: Okay.

11 COMMISSIONER MCALLISTER:

12 (Indiscernible.)

13 COMMISSIONER GALLARDO: Yes. Well, thank
14 you, everybody, for listening, and I just -- I
15 want to end with a thank you to the team that put
16 on this event. I know it's, you know, a team of
17 individuals from different teams. So IT is here,
18 our secretariat from CCO, public advisor from the
19 Office of Public Advisory and (indiscernible)
20 Tribal Affairs.

21 Kat, you did an amazing job pulling it
22 together, and I know, also, the IEPR team was
23 involved, Heather and her folks, and on top of
24 that, this week we've had multiple events. So we
25 had a symposium on offshore wind. We had an IEPR

1 workshop. We had the business meeting. We have
2 this retreat that's two days. So it's a lot, and
3 it tends to be the same folks working on this.
4 So thank you for all (indiscernible).

5 COMMISSIONER MONAHAN: All right. And
6 with that, I think we are adjourned.

7 (The retreat was adjourned at 5:02 p.m.)

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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of June, 2023.



ELISE HICKS, IAPRT
CERT**2176

CERTIFICATE OF TRANSCRIBER

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

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

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT**367

June 8, 2023