CALIFORNIA ENERGY COMMISSION

1516 Ninth Street Sacramento, California 95814

Main website: www.energy.ca.gov

In the matter of.

California Energy Commission
DOCKETED

14-IEP-1B TN 73068

MAY 30 2014

2014 Integrated Energy Policy Report Update (2014 IEPR Update)



Docket No. 14-	-IEP-1B
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WORKSHOP

RE: Measuring the Success of the Alternative and Renewable Fuel and Vehicle Technology Program

Notice of Lead Commissioner Integrated Energy Policy Report Workshop on Measuring the Success of the Alternative and Renewable Fuel and Vehicle Technology Program

The California Energy Commission Lead Commissioner on the 2014 Integrated Energy Policy Report (IEPR) Update will conduct a workshop to discuss the use of metrics in the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP).

Commissioner Janea A. Scott and Commissioner Karen Douglas will be in attendance. Commissioner Scott is the Lead Commissioner for the *2014 IEPR Update* and the Lead Commissioner on Transportation. Other commissioners may attend and participate in the workshop. The workshop will be held:

June 12, 2014
10:00 AM
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Remote Access Available by Computer or Phone via WebEx™ (Instructions below)

Through Assembly Bill 109 (Núñez, Chapter 313, Statutes of 2008) and Assembly Bill 8 (Perea, Chapter 401, Statutes of 2013), the California Legislature requires the Energy Commission to develop and use two types of analytic metrics for administering the ARFVTP. Assembly Bill 109 requires a biennial assessment of the projected benefits from program investments such as reductions in petroleum use, carbon emissions and criteria emissions from California's transportation sector. Assembly Bill 8 requires the Energy Commission to consider cost, expressed in terms of a greenhouse gas benefit-cost score, when evaluating and selecting projects for funding.

Furthermore, as the program has developed, the Commission continues to be interested in exploring different types and uses of metrics for program assessment and project selection.

The Energy Commission has contracted with the National Renewable Energy Laboratory (NREL) to prepare a *Benefits Report* for 2014 that will assess current and future benefits for over \$400 million in Program investments since 2009. Draft results from the 2014 report will be presented and discussed at the workshop.

Energy Commission staff will also present and discuss a staff white paper that describes current benefit-cost scoring and evaluation in the ARFVTP.

Agenda

This workshop will include a presentation from Dr. Marc Melaina, the Principal Investigator for the 2014 Benefits Report, that describes the methods and draft results for projects funded through the first quarter of 2014. Charles Smith from the Energy Commission staff will present a staff white paper on benefit-cost assessments for the portfolio of fuels, vehicle technologies and fueling infrastructure funded through ARFVTP. There will also be a presentation on jobs and workforce training benefits associated with program investments.

Commissioner Scott and Energy Commission staff will then lead a panel discussion with representatives from several regional, state and federal agencies to learn what metrics they use in project funding decisions and in measuring benefits. Anthony Eggert from the University of California Davis Policy Institute for Energy, Environment and the Economy will lead a discussion exploring different methods for benefits assessment and different ways the Energy Commission might use benefits information for future policy and investment decisions.

Background

The NREL Benefits Report forms a key part of the ARFVTP benefits that are reported in each IEPR cycle. NREL provides quantitative estimates of reductions in petroleum use, carbon emissions and criteria emissions for each class of project funded by the ARFVTP. The main categories are fueling infrastructure, fuel production, and alternative technology vehicles. The report evaluates the cumulative benefits for all projects funded since 2009 through the first quarter of 2014. Benefits are projected through 2025. NREL has created two classes of benefits. The first are Expected Benefits, which are the petroleum and emissions reductions that can be attributed directly to the use of the vehicle or facility over its operational life. The second are Market Transformation Benefits, which are an estimate of how ARFVTP investments will affect future private investments at the market level, and how those resulting benefits can be attributed to early ARFVTP investments.

The initial set of Expected and Market Transformation Benefits were presented in the 2013 IEPR in the Transportation Chapter.

In the final Benefits Report for the 2014 IEPR, staff will add sections describing benefits of job creation and workforce development, and public health benefits from criteria emissions reduction.

The Energy Commission supports and develops policies that encourage the inclusion of clean low carbon transportation fuels and vehicle technologies as a means to helping attain California's air quality, climate, and energy goals. Assembly Bill 118 (Núñez, Chapter 750, Statutes of 2007), created the Alternative and Renewable Fuel and Vehicle Technology Program. The statute, subsequently amended by AB 109, authorizes the Energy Commission to develop and deploy alternative and renewable fuel and advanced transportation technologies to help attain the state's climate change policies. AB 8 extended the Alternative and Renewable Fuel and Vehicle Technology Program through January 1, 2024 and makes approximately \$100 million available annually to the Energy Commission to support projects that will help bring clean and efficient transportation fuels and technologies to market. By the end of 2023, the Energy Commission will have allocated approximately \$1.5 billion in advanced technology fuels, fueling infrastructure and vehicle technologies.

As required by Senate Bill 1389 (Bowen, Chapter 568, Statutes of 2002), the Energy Commission conducts "assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand and prices." The Energy Commission uses these assessments and forecasts as the analytic foundation for developing energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety. Developing energy policy recommendations about the most current and pressing energy issues facing the state requires an evaluation of potential trade-offs by an indepth and integrated analysis which explicitly addresses inter-fuel and inter-market effects (Public Resources Code §25302(b)).

Public Comment

Oral Comments. The IEPR Lead Commissioner will accept oral comments during the workshop. Comments may be limited to three minutes per speaker. Any comments will become part of the public record in this proceeding.

Written Comments. Written comments should be submitted to the Dockets Unit by **June 26, 2014**. Written comments will also be accepted at the workshop; however, the Energy Commission may not have time to review them before the conclusion of the workshop. All written comments will become part of the public record of this proceeding. Additionally, written comments may be posted to the Energy Commission's website for this proceeding at http://www.energy.ca.gov/2014_energypolicy/documents/.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket number 14-IEP-1B and indicate "Measuring the Success of ARFVTP" in the subject line. Send comments to **docket@energy.ca.gov** and copy the technical lead staff at Jim.McKinney@energy.ca.gov.

If you prefer, you may send a paper copy of your comments to:

California Energy Commission Dockets Office, MS-4 Re: Docket No. 14-IEP-1B 1516 Ninth Street Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact Alana Mathews, Public Adviser, at (916) 654-4489 or toll free at (800) 822-6228, or by e-mail at PublicAdviser@energy.ca.gov.

If you have a disability and require assistance to participate, please contact Lou Quiroz at Lou.Quiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at (916) 654-4989, or by e-mail at mediaoffice@energy.ca.gov.

If you have questions on the technical subject matter of this meeting, please contact Jim McKinney at (916) 654-3999 or by e-mail at Jim.McKinney@energy.ca.gov. For general questions regarding the IEPR proceeding, please contact Lynette Green, IEPR project manager, at (916) 653-2728 or by e-mail at Lynette.Green@energy.ca.gov.

The service list for the 2014 IEPR Update is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at www.energy.ca.gov/2014_energypolicy/index.html. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website www.energy.ca.gov/listservers/index.html.

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Availability of Documents

Any documents, agenda, and presentations for this meeting will be available online at www.energy.ca.gov/2014 energypolicy/documents/index.html by June 10

Date: May 30, 2014

JANEA A. SCOTT Lead Commissioner

2014 Integrated Energy Policy Report Update

Mail Lists: energypolicy, transportation, altfuels