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In the Matter of:)
)
Business Meeting)
_____)

APPEARANCES

Commissioners Present

Robert Weisenmiller, Chair
Karen Douglas, Vice-Chair
Andrew McAllister
Janea Scott

Staff Present:

Rob Oglesby, Executive Director
Kourtney Vaccaro, Chief Counsel
Shawn Pittard, Public Adviser's Office
Harriet Kallemeyn, Outgoing Secretariat
Tiffany Winter, Secretariat
Kevin Bell, Senior Staff Counsel

Agenda Item

Mary Dyas	3, 4
Brett Arriaga	5
Virginia Lew	6
Brad Williams	7, 8
Maunee Berenstein	9
Jim Holland	10
Shahid Chaudry	11
Bruce Helft	12
Jim McKinney	13
Larry Rillera	14
Brad Meister	15
Rachel Grant-Kiley	7, 8, 9

Others Present (* Via WebEx)

Interested Parties

Lourdes Jimenez-Price, SMUD
Ross Gould, SMUD
Christopher Doyle, AltaGas
Allison Smith, Stoel Rives
John Burdette, ABM Building Solutions
*Greg Wilson, NCFPD
Mark MeLaina, NREL
Rob Del Core, Hydrogenics

APPEARANCES (Cont.)

Public Comment

*George Nesbitt, HERS Rater
Jeremy Desmond, Jr.
*Ravi Sharma

I N D E X

	Page
Proceedings	7
Items	
1. CONSENT CALENDAR	13
a. CLEAN ENERGY STATES ALLIANCE, INC. PROGRAM	
b. WATSON COGENERATION STEAM AND ELECTRIC RELIABILITY (5TH TRAIN) PROJECT (09-AFC-1C)	
2. ENERGY COMMISSION COMMITTEE APPOINTMENTS	Deferred
3. SACRAMENTO COGENERATION AUTHORITY PROCTER & GAMBLE (93-AFC-2C)	13
4. BLYTHE ENERGY PROJECT (99-AFC-8C)	21
5. NEW SOLAR HOMES PARTNERSHIP GUIDEBOOK, NINTH EDITION	26
6. WATER ENERGY TECHNOLOGY (WET) PROGRAM	34
7. CAL POLY CORPORATION	41, 64
8. UNIVERSITY OF CALIFORNIA, BERKELEY, CALIFORNIA INSTITUTE FOR ENERGY AND ENVIRONMENT	42, 64
9. ZERO EMISSION VEHICLE (ZEV) READINESS	43, 64
10. SALIDA UNION SCHOOL DISTRICT	49
11. NORTH COUNTY FIRE PROTECTION DISTRICT	53
12. UNIVERSITY ENTERPRISES, INC	56
13. NATIONAL RENEWABLE ENERGY LABORATORY	59
14. MEDIUM- AND HEAVY-DUTY ADVANCED VEHICLE TECHNOLOGY DEMONSTRATION, PON-14-605	69
a. HYDROGENICS USA, INC ARV-15-001	

I N D E X (Cont.)

b. HYDROGENICS USA, INC ARV-15-002	
c. CALSTART, INC.	
d. MOTIV POWER SYSTEMS, INC.	
15. ELECTRIC POWER RESEARCH INSTITUTE, INC.	76
16. Minutes	79
17. Lead Commissioner or Presiding Member Reports	79
18. Chief Counsel's Report	92
a. <i>Asphalt Roofing Manufacturers Association v. Energy Commission</i> (Third District Court of Appeal #C076990)	
b. <i>In the Matter of U.S. Department of Energy (High Level Waste Repository)</i> (Atomic Safety Licensing Board, CAB-04, 63-001-HLW)	
c. <i>Communities for a Better Environment and Center for Biological Diversity v. Energy Commission</i> (Court of Appeal, First Appellate District, #A141299)	
d. <i>Energy Commission v. SoloPower, Inc. and SPower, LLC.</i> (Sacramento County Superior Court # 34-2013-00154569).	

The Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the Commission.

19. Executive Director's Report	92
20. Public Adviser's Report	92

I N D E X (Cont.)

21. Public Comment	29, 95
Adjournment	107
Reporter's Certificate	108
Transcriber's Certificate	109

1
2
3
4
5
6
7
8
9
10
11
12
13
14
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P R O C E E D I N G S

JULY 8, 2015 10:04 a.m.

CHAIRMAN WEISENMILLER: We'll begin with the
Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: So in terms of today's
business meeting, first I'm going to hold the Consent Item
until somewhat later. Item 2 we will defer to the next
meeting and let's start with the resolution.

You want to start with that one?

COMMISSIONER DOUGLAS: Sure.

CHAIRMAN WEISENMILLER: Okay.

COMMISSIONER DOUGLAS: All right, so we're
starting today with a resolution that we've prepared for
Paul McCarthy who's been a planner at Los Angeles County
and retired after 45 years. He's one of our -- recently
retired after 45 years. I think I was just impressed by
the number more than anything, but I've had the pleasure of
working with Paul for years really in the Desert Renewable
Energy Conservation Plan.

The Energy Commission signed our MOU, our
Memorandum of Understanding, with Los Angeles County back
in early 2013. We've been working with the County ever
since to align planning around renewable energy and

1 conservation at the local state and federal levels. And
2 build off of the significant ecological areas that the
3 County has designated in the Antelope Valley. And I should
4 also mention the County has permitted a very significant
5 amount of renewable energy in the Antelope Valley as well.
6 So they've definitely shown a lot of leadership, both on
7 the renewable energy permitting and on the conservation
8 side.

9 Los Angeles County is one of six county
10 recipients of Energy Commission grant funding to prepare
11 local plans that incorporate long-term renewable energy
12 development and conservation objectives. And help align
13 with the goals of the DRECP. And under Paul's leadership
14 Los Angeles County used its funding to create a renewable
15 energy ordinance, renewable energy and conservation
16 policies, and a programmatic environmental impact report to
17 help address and mitigate development issues with the
18 Antelope Valley Plan. The Antelope Valley is a really
19 significant part of the DRECP and an area where a lot of
20 development has occurred.

21 The Renewable Energy Ordinance is coming up for a
22 vote on July 14th at the L.A. County Board and in addition,
23 as part of the planning effort, the County has amended and
24 generally expanded its significant ecological areas, which
25 again are reinforced and form the core of the conservation

1 in the DRECP and Antelope Valley.

2 So I will just say kind of going from the work
3 for a moment, and its transition since Paul retired, we are
4 still working very actively with the County. And they've
5 got some really good ideas for next steps and how to build
6 on our partnership. But I just want to say it's been a
7 real pleasure to work with Paul and other planners at the
8 County level. It's been tremendously fun, especially to
9 the times that we've had a chance to drive around in the
10 desert and drive around in Los Angeles County. And I've
11 gotten to learn a lot about 45 years of land use changes in
12 Los Angeles County and what changed and how it changed.
13 And also a whole range of unusual issues that energy
14 agencies don't tend to encounter whether it's wild animals
15 being kept in back yards and fed margaritas, or other
16 issues that are way beyond what we typically deal with, but
17 at the at the county level or are kind of bread and butter.

18 So with that, I've got this resolution for Paul.
19 And I won't read it, but I will say that, you know, it
20 concludes by resolving that the California Energy
21 Commission would like to celebrate the career of Paul
22 McCarthy and commend him on his remarkable legacy and
23 distinguished record of public service to the people of Los
24 Angeles County and California. And thank him for his
25 invaluable contributions that have improved the quality of

1 life in the Golden State.

2 And maybe we can let Paul say a few words and
3 then move to a photograph?

4 CHAIRMAN WEISENMILLER: Sure.

5 MR. MCCARTHY: Well, I just want to thank the
6 Commission for its recognition today. And it's a real
7 pleasure to be back and see some of the old faces that we
8 worked with on this project.

9 This has been a very exciting project. I've had
10 other exciting projects in my career. I took the Planning
11 Commission out to a nudist camp one time. I thought
12 because it was a Wednesday afternoon they would be dressed,
13 but they were not. And every TV news crew in Los Angeles
14 was there and probably the only American planner to give a
15 press conference at a nudist camp, and surrounded by
16 nudists. And so they kept the camera level up about here.

17 So as Karen said, we deal with a wide variety of
18 issues in the planning world. And this was just a really
19 exciting adventure for us to get back into energy just
20 before DRECP came along as an assignment. I had completed
21 the Green Energy Ordinance for L.A. County and it was
22 adopted unanimously by the Board. So we were on the path
23 where we had adopted a number of ordinances, which required
24 for example, that all Los Angeles County buildings be built
25 to LEED Silver Standards.

1 And then we went on to apply those standards to
2 the private sector development as well, so I think we've
3 got a good footing here in L.A. County, a lot of support
4 for what we've been doing and I want to see it continue.

5 I also want to just take this opportunity to say
6 that the stakeholder format that the DRECP put together was
7 absolutely excellent. And oftentimes when we talk about
8 government projects, and we talk about unintended
9 consequences, we think in terms of something went wrong.
10 But the unintended consequence here was that we in L.A.
11 County came together to talk to planners from Riverside
12 County and San Bernardino County and Mono County and Kern
13 County -- our adjoining neighbor to the north -- on a very
14 regular basis.

15 And it turned out to have all kinds of positive
16 ramifications in dealing with issues unrelated to energy
17 directly. We had a spate of people coming in trying to
18 reopen old gold mines and we all got together and were able
19 to deal with that, because of these bonds that had been
20 built at the DRECP stakeholder meeting. So it was a great
21 format, I hope the state will use that format in the future
22 going forward on other projects.

23 Again, thank you for your recognition.

24 COMMISSIONER DOUGLAS: All right, well thank you,
25 Paul. If you could just come forward now and we'll do a

1 quick photograph.

2 (Colloquy off mic and applause.)

3 CHAIRMAN WEISENMILLER: So I'd also like to
4 commemorate another transition, which is Harriet. After
5 all these years -- I guess the first time I met she was
6 keeping -- hurting John Geesman. And when John left state
7 service she moved on to an easier job, hurting us all for
8 the business meetings. Certainly we appreciate her public
9 service over the years and we're going to miss her,
10 although certainly we've got a solid replacement who we've
11 battle tested already in the first meeting in our dramatic
12 end-of-year session last month that I think many of you
13 remember.

14 So anyway, Harriet, do you want to say a few
15 words or -- we will miss you, I'm sure.

16 MS. KALLEMEYN: I pointed out to someone this
17 morning that I'm not accustomed to speaking in these
18 meetings. Normally, I just sit over there and listen to
19 the rest of you all. But like Mr. McCarthy I would like to
20 say thank you for the recognition. It's been a pleasure
21 working here. It's always been interesting, learned a lot,
22 and most of all I have appreciated the people that I worked
23 with over the years.

24 Prior to coming here all of my jobs had been in
25 people-related industries, never worked with an

1 organization that was focused more on infrastructure until
2 I came here. And I wasn't sure how I was going to get my
3 people fix. As it turns out being a secretary is ideal for
4 that and I have enjoyed every minute of it. And I feel
5 that I'm handing off to a very competent successor in
6 Tiffany Winter. Thank you, very much.

7 CHAIRMAN WEISENMILLER: Harriet, we have a
8 resolution for you. You're not off the hook yet. Come on
9 up.

10 (Colloquy off mic and applause.)

11 CHAIRMAN WEISENMILLER: Okay. So let's go back
12 to the Consent Item.

13 COMMISSIONER DOUGLAS: Move Consent.

14 COMMISSIONER SCOTT: Second.

15 CHAIRMAN WEISENMILLER: All those in favor?

16 (Ayes.)

17 CHAIRMAN WEISENMILLER: The Consent Calendar
18 passes 4-0. Let's go on to Item Number 3, Sacramento
19 Cogeneration Authority Proctor & Gamble.

20 COMMISSIONER MCALLISTER: Do you want to do
21 disclosures now?

22 CHAIRMAN WEISENMILLER: Oh, yes. Let's do
23 disclosures now. Come on up and let's do disclosures.

24 COMMISSIONER MCALLISTER: Oh, yeah. I just have
25 one. So on Item 15, it's a contract with the Electric

1 Power Research Institute and the UC Davis Western Cooling
2 Efficiency Center is a subcontractor on that contract. So
3 I'm just disclosing that my wife is a professor at King
4 Hall UC Davis Law School, so just by way of disclosure.
5 But there is no conflict here.

6 COMMISSIONER DOUGLAS: And I have the same
7 disclosure. I teach a law class at King Hall as an adjunct
8 professor.

9 CHAIRMAN WEISENMILLER: Okay. Mary?

10 MS. DYAS: Good morning, Commissioners. My name
11 is Mary Dyas and I'm the Compliance Project Manager for the
12 Sacramento Cogeneration Authority Proctor & Gamble
13 Cogeneration Project. With me today is Kevin Bell, Senior
14 Staff Counsel, and technical staff is also in attendance if
15 needed.

16 The Proctor & Gamble Cogeneration Project
17 consists of two General Electric LM6000 SPRINT combined-
18 cycle gas turbines that produce electricity and steam at
19 the 171-megawatt facility. The facility was certified by
20 the Energy Commission in November 1994, and began
21 commercial operation on March 1, 1997. The project's
22 simple-cycle peaking gas turbine was later added and began
23 commercial operation in May 2001. The facility is located
24 at 5000 83rd Street in the city of Sacramento.

25 On October 30, 2014 the Sacramento Cogeneration

1 Authority, or SCA, filed a petition with the Energy
2 Commission requesting to modify the Final Decision for the
3 SCA Procter & Gamble Cogeneration Project.

4 SCA proposes to install a second auxiliary
5 boiler, Boiler 1B, and associated facilities to provide
6 more operational flexibility during low electrical demand
7 periods. Existing Boiler 1B would be removed from the
8 Campbell Soup Cogeneration facility and installed at the
9 Proctor & Gamble Cogeneration facility.

10 The addition of the auxiliary boiler would result
11 in new potential emissions and thus the new emission
12 reduction credits are required. The offsets for Volatile
13 Organic Compounds, NOx, PM10 and PM2.5 and these would be
14 provided from an emission reduction credit certificate for
15 the reduction in rice straw burning originating in the
16 Feather River Air Quality Management District. There will
17 be no additional mitigation required beyond what the
18 Sacramento Metropolitan Air Quality Management District
19 requires.

20 SCA's existing steam supply contract with Proctor
21 & Gamble Manufacturing requires it to maintain two separate
22 steam generation sources in service at all times. The
23 purpose of the new auxiliary boiler is to provide
24 sufficient steam and steam backup capacity for the Proctor
25 & Gamble facility processes such that SCA would not have to

1 run at least one of the combined-cycle turbines at all
2 times. This would allow Proctor & Gamble Cogeneration
3 Project to reduce facility-wide emissions, because it would
4 be replacing the operation of a 500 MMBtu per hour gas
5 turbine with a 108.7 million MMBtu per hour boiler. The
6 next result is that the new auxiliary boilers and
7 associated facilities will not increase the maximum
8 facility-wide emissions on an hourly, daily, quarterly or
9 annual basis.

10 Staff determined that the technical area of air
11 quality would be affected by the proposed project changes
12 and has proposed the addition of new Air Quality Conditions
13 of Certification specific to the new boiler. These
14 proposed Conditions of Certification would be current Air
15 District permit requirements and were added to ensure that
16 the Proctor & Gamble Cogeneration facility complies with
17 all applicable local, state and federal regulations.

18 The new Conditions of Certification are outlined
19 as follows. AQ-AB1 through AQ-AB7 are general site
20 conditions; AQ-AB8 and AQ-AB12 are conditions enforcing
21 emission limits. AQ-AB13 through AQ-AB17 are conditions to
22 ensure the new boiler, 1B, is operated according to
23 specifications. AQ-AB18 is for emissions source testing
24 requirements. AQ-AB19 through AQ-AB22 are new record-
25 keeping and reporting requirements. AQ-AB23 is for

1 emission reduction credit requirements. AQ-AB24 through
2 AQ-AB32 are for commissioning new boiler, 1B, and AQ-SU1
3 through AQ-SU4 are startup requirements.

4 For cultural resources staff determined that
5 there would be no significant impacts to historic buildings
6 nor would any archeological or ethnographic resources be
7 affected. However, staff is recommending changes and
8 additions to the Conditions of Certification to assure
9 compliance with local Laws, Ordinances, Regulations and
10 Standards for the City of Sacramento) that have changed
11 since the project was licensed and to reduce the
12 significance of inadvertent impacts on any unknown buried
13 archaeological or ethnographic resources.

14 The proposed modification to existing Condition
15 of Certification CUL-1 will be to add professional
16 qualifications required for alternate cultural resource
17 specialists and cultural resource monitors. Proposed new
18 Cultural Resource Conditions of Certification include CUL-
19 4, which requires the preparation of a comprehensive
20 mitigation and monitoring plan, CUL-5 which defines the
21 survey methods and specific reporting requirements required
22 for future project amendments and modifications and CUL-6,
23 which defines the reporting procedures and standards for
24 final reporting at the close of construction.

25 Staff has also determined that in the technical

1 area of Hazardous Materials management the addition of the
2 auxiliary boiler is fully mitigated with implementation of
3 the existing conditions of certification, plus the addition
4 of proposed Condition of Certification, HAZ-8, to address
5 safety in the commission of new or repaired gas plumbing
6 and pipelines.

7 On June 26th, 2015 staff received comments from
8 SCA regarding typographical and regulatory consistency
9 corrections to the Air Quality Analysis section of the
10 Staff Analysis. And on the same day, staff published a
11 response letter to SCA agreeing to the corrections noted in
12 their comment letter.

13 Energy Commission staff reviewed the petition and
14 supplementary materials and finds that it complies with the
15 requirements of Title 20 Section 1769 (a) of the California
16 Code of Regulations and recommends approval of the project
17 modifications and associated revisions of the Air Quality
18 Cultural Resource and Hazardous Materials Management
19 Conditions of Certification.

20 Thank you.

21 CHAIRMAN WEISENMILLER: Thanks.

22 Applicant?

23 MS. JIMENEZ-PRICE: Good morning, Commissioners.
24 My name is Lourdes Jimenez-Price and I'm Counsel for the
25 Petitioner, the Sacramento Cogeneration Authority.

1 We would like to thank staff for their review of
2 our petition for amendment and the recommendation for
3 approval of the petition. We agree with the analysis
4 performed by the staff and the findings from that analysis,
5 and the revisions to the Condition of Certification as
6 presented in the staff's Analysis of Amendment Proposal,
7 and staff's response to our comments dated June 26, 2015.

8 We are hopeful that the Commission will consider
9 approval of our petition and thank you for your
10 consideration.

11 In the audience today we also have the following
12 persons that are available to answer questions. We have
13 Brian Krebs and Aleta Kennard from the Sacramento
14 Metropolitan Air Quality Management District. And they
15 represent the Permitting and Emissions Reduction Credit
16 Departments. And also to my right is Ross Gould, Manager
17 of Thermal Generation and Pipeline Assets. He can speak to
18 the operation efficiencies of the project and the benefits
19 with regards to our operations. Also in the audience is
20 Jeff Adkins, he represents Sierra Research and John Carrier
21 for CH2M Hill and Rene Toledo, our Environmental Health and
22 Safety Specialist from SMUD.

23 CHAIRMAN WEISENMILLER: Thank you.

24 Do I have any public comments?

25 Commissioners, any questions or comments?

1 COMMISSIONER DOUGLAS: No, just a brief comment
2 that I've reviewed the work on this and I support this
3 amendment. So I'd be happy to move approval.

4 COMMISSIONER MCALLISTER: I do have one question.
5 So I understand that in order to meet your steam
6 requirements you'd be able to then have fewer emissions by
7 just running the boilers and not the combined cycle. I
8 guess, is there any thought that you might actually run the
9 combined cycle and find a market for the power and export
10 it somehow or sign a contract with one of the utilities or
11 anything like that -- you thinking creatively in your
12 business model?

13 I guess is there any possibility that the
14 combined cycles would actually run more rather than less?

15 MR. GOULD: Okay. My name's Ross Gould, I'm
16 Manager of Thermal Generation at SMUD and I'll answer that
17 question for you.

18 We already have the capability to provide all of
19 the steam flow necessary to the host with the existing
20 auxiliary boiler. So the addition of the second auxiliary
21 boiler does not increase our ability to make energy at all.
22 It doesn't impact our ability to create electrons for the
23 grid. Basically we can already do that, so the only
24 purpose for installing the second aux boiler is for us to
25 shut down the gas turbine system and save money when the

1 system isn't needed for economics or for reliability of the
2 grid.

3 COMMISSIONER MCALLISTER: Okay. Got it, thanks
4 very much.

5 I'll second.

6 CHAIRMAN WEISENMILLER: Okay. All those in
7 favor?

8 (Ayes.)

9 This items passes 4-0. Thank you.

10 MS. JIMENEZ-PRICE: Thank you.

11 CHAIRMAN WEISENMILLER: Let's go on to Item
12 Number 4, which is Blythe Energy Project. And Mary Dyas
13 again.

14 MS. DYAS: Good morning again, Commissioners.

15 The Blythe Energy Project is a combined-cycle,
16 natural gas-fired, 520-megawatt facility that was certified
17 by the Energy Commission in March 2001, and began
18 commercial operation in July 2003. The facility is located
19 in the City of Blythe, in Riverside County, approximately
20 five miles from the Blythe Solar Power Project.

21 On February 12the, 2015, Blythe Energy, Inc filed
22 a petition with the Energy Commission requesting to modify
23 the Final Decision for the Blythe Energy Project to reduce
24 facility-wide annual mass emission limits for Oxides of
25 Nitrogen, Carbon Monoxide and Particulate Matter less than

21

1 10 micrometers to reflect the current actual lower
2 emissions based upon source testing.

3 This amendment proposes the addition of an annual
4 average NOx concentration limit of 2.0 ppmvd @ 15% O2; the
5 addition of an annual average CO mass emissions limit of 10
6 lb/hr for the gas turbines during normal operation,
7 applicable on a rolling 12-month average basis; a reduction
8 in the annual limits for NOx, CO and PM10 to 97 tons with
9 compliance to be determined on a rolling 12-month total
10 basis; and the addition of an annual limit on total heat
11 input to the gas turbines and duct burners, which is
12 31,852,800 MMBtu in any rolling 12-month period.

13 With these reductions in annual emission limits
14 the site will no longer being considered a major stationary
15 source under federal Prevention of Significant
16 Deterioration regulations.

17 On April 8, 2015 staff published its analysis of
18 the proposed changes to Air Quality Conditions of
19 Certification AQ-5 and AQ-7 and the proposed deletion of
20 Condition of Certification AQ-17, because Blythe Energy has
21 already satisfied the offset requirement of this condition.

22 On May 6, 2015 Blythe Energy filed supplemental
23 information to the original February 2015 Petition to
24 Amend. This information proposed several supplementary
25 changes to the Air Quality Condition of Certification in

1 addition to those included in the February petition. The
2 requested changes were in response to comments submitted to
3 the Mojave Desert Air Quality Management District by the
4 USEPA on April 9, 2015.

5 The proposed changes include additional emission
6 limits, additional monitoring, record-keeping and reporting
7 conditions and clarifying amendments. All of these changes
8 are intended to provide assurance that the annual emission
9 limits, that are the subject of the Petition to Amend, will
10 be enforceable as a practical matter. The changes proposed
11 in the May 6, 2015 Supplement modified additional
12 Conditions of Certification beyond those in the original
13 Petition to Amend to make them consistent with the
14 additional changes that were approved and finalized in the
15 Air District documents.

16 Staff's revised analysis was mailed, docketed and
17 posted to the Energy Commission's website on June 3rd, 2015
18 for a 30-day comment period. Staff's revised analysis
19 proposed supplementary changes from the May 6th, 2015
20 supplemental information received in addition to those
21 included in the February Petition to Amend. All of these
22 changes are intended to provide assurance that the annual
23 emission limits that are the subject of the Petition to
24 Amend will be enforceable as a practical matter.

25 Staff also proposes to renumber the Air Quality

1 Conditions of Certification in the Energy Commission's
2 Final Decision to ease cross reference to the Air District
3 documents.

4 On June 30th, 2015 Blythe Energy submitted
5 comments regarding administrative changes to several Air
6 Quality Conditions of Certification. On July 3rd, 2015
7 staff published a response letter to Blythe Energy agreeing
8 to the first five corrections noted in their comment
9 letter. However, staff does not agree with the following
10 change. For AQ-CT1 please revise the word "compliance" to
11 "accordance" to ensure consistency with Condition 1 in the
12 Title V Permit for the units identified. Staff confirmed
13 with the District that the correct word in the May 7th,
14 2015 Final Determination for New Source Review Action in
15 Title V Federal Operation Permit is "compliance," not the
16 word "accordance."

17 No increases in emissions or other environmental
18 impacts will result from the proposed changes and no change
19 in the annual fuel consumption will result from this
20 proposed amendment. Therefore there would be no change in
21 greenhouse gas emissions as a result of the proposed
22 amendment.

23 The proposed modifications will not result in any
24 significant adverse, direct, or cumulative impacts to the
25 environment or inconsistency with any Laws, Ordinances,

1 Regulations or Standards. And would have no additional
2 impacts beyond those identified in the Commission decision
3 for the Blythe Energy Project.

4 Staff has determined that the changes proposed in
5 the amendment and supplementary materials comply with the
6 regulations of Title 20 Section 1769(a) of the California
7 Code of Regulations and recommends approval of the project
8 modifications and associated revisions to the Air Quality
9 Conditions of Certification. Thank you.

10 CHAIRMAN WEISENMILLER: Thank you, applicant?

11 MR. DOYLE: Good morning, my name is Chris Doyle,
12 I'm with AltaGas, which is the parent company of Blythe
13 Energy, Inc.

14 MS. SMITH: And Allison Smith, I'm Counsel for
15 Blythe Energy Project and just wanted to note this
16 amendment would lower the enforceable permit emission
17 limits for the facility to reflect historical emissions.
18 And as staff noted it would not affect operations at the
19 facility or have any effect on the environment. We agree
20 with all of staff's revised proposed changes to the
21 conditions in the license and thank the Commission for
22 their consideration of this amendment.

23 CHAIRMAN WEISENMILLER: Thank you.

24 Commissioners -- first any public comment?

25 Commissioners, yes?

1 COMMISSIONER DOUGLAS: I don't know if there are
2 any questions. I would recommend this one for approval as
3 well and I'll move approval of this item.

4 COMMISSIONER MCALLISTER: I'll second it.

5 CHAIRMAN WEISENMILLER: All those in favor?

6

7 (Ayes.)

8 CHAIRMAN WEISENMILLER: This passes 4-0.

9 Thank you.

10 MR. DOYLE: Thank you.

11 CHAIRMAN WEISENMILLER: Let's go on to Item
12 Number 5, which is New Solar Homes Partnership Guidebook
13 Ninth Edition. So Brett?

14 MR. ARRIAGA: Good morning, Chair Weisenmiller
15 and Commissioners. My name is Brett Arriaga and I am the
16 Renewable Energy Division's Program Lead for the New Solar
17 Homes Partnership Program. With me is Christa Salo from
18 the Chief Counsel's Office.

19 Staff is seeking approval of the new Solar Homes
20 Partnership Guidebook Ninth Edition. The New Solar Homes
21 Partnership Program, or NSHP, provides financial incentives
22 to encourage the installation of eligible solar energy
23 systems on new residential construction located in
24 investor-owned utility territories. The NSHP Program began
25 in January of 2007 with the goal of installing 360

1 megawatts by the end of the program. Staff will be
2 providing an update on the program's status at an upcoming
3 business meeting to be determined.

4 The NSHP Guidebook describes the eligibility
5 requirements and processes for seeking incentives through
6 the program. Revisions are made periodically to address
7 changes in market conditions, make clarifications and
8 streamline the program where feasible.

9 Since the program began the NSHP has operated as
10 a true partnership and comments from stakeholders have
11 assisted in streamlining or otherwise improving the
12 program. Staff has considered, and as appropriate,
13 incorporated many stakeholder recommendations. And has
14 also worked closely with, and received direction from
15 Commissioner Hochschild, the lead Commissioner for
16 Renewables to prepare the document before you today.

17 As of 5:00 p.m. yesterday we received only one
18 stakeholder comment on the proposed Guidebook changes.
19 SunPower, a major participant in NSHP, submitted a letter
20 agreeing with the proposed revisions in the guidebook and
21 fully supports its adoption. SunPower's letter does make a
22 recommendation on installation verification, but the
23 comment is unrelated to the proposed Guidebook revisions
24 and staff is working with SunPower representatives in
25 considering this recommendation.

1 Now I will summarize the proposed revisions.

2 Revisions include clarification of available NSHP

3 funding for reservation applications, clarification of the

4 metering requirements for a project, revisions to require

5 documentation justifying the tax exempt status for system

6 owners of affordable housing projects, revisions to require

7 options of leases and power purchase agreements or PPAs

8 provided at the end of the initial term of the lease,

9 revisions to requirements of leases and PPAs for incentives

10 paid to the leasee or in-use customer, requirement for

11 field verification of solar energy systems follow sample

12 testing standards described in the Building Energy

13 Efficiency Standards, clarification of the timeline under

14 which supporting documentation must be submitted for a

15 complete payment claim package, revision to the process for

16 requesting additional project funding beyond the original

17 reserved amount, allowance for projects with approved

18 reservations and unpaid payment claims to be eligible for

19 the reservation criteria and processes identified in the

20 NSHP Guidebook Ninth Edition, allowance for projects with

21 unpaid payment claims to be subject to the criteria and

22 processes in the NSHP Guidebook Ninth Edition, minor

23 revisions to NSHP Program forms and other minor and

24 clarifying changes. And minor corrections such as outdated

25 web hyperlinks.

1 In conclusion, I respectfully request your
2 approval of the resolution for the adoption of the proposed
3 revisions to the New Solar Homes Partnership Guidebook
4 Ninth Edition.

5 And I'm happy to answer any questions.

6 CHAIRMAN WEISENMILLER: Thank you.

7 We have at least one public comment on the line
8 and I don't think there's anyone in the room, but George?

9 MR. NESBITT: Can you hear me?

10 CHAIRMAN WEISENMILLER: Yes.

11 MR. NESBITT: Yes. George Nesbitt, HERS Rater.
12 What I'd like to talk about is some lost opportunities with
13 the New Solar Home Partnership.

14 Although it has always required a HERS Verifier
15 or a HERS I Rater to verify both the building efficiency as
16 well as the PV system, NSHP has failed to recognize and
17 support the Energy Commission's Title 20 Regulation on HERS
18 Rating and HERS Rating System and the HERS II Rater who is
19 trained, tested and certified to do energy modeling and
20 specifically to create a HERS score. And unfortunately,
21 NSHP has always recognized CABEC, which is a private
22 organization whose certified CEPes and CEAs, as we have
23 found out, do not do great work and continue to not do
24 great work as I constantly find when I'm reviewing people's
25 energy modeling.

1 This relates to another great lost opportunity.
2 NSHP has almost all the data needed to do a HERS Rating and
3 come up with a HERS score and evaluate at least a segment
4 of the market and how we are towards our 2020 goal of 100
5 percent new homes being Net Zero Energy or Zero Net Energy.
6 And since a HERS Rater had to verify the building there's
7 only a small amount of additional information on appliances
8 and lighting that would have been ideal to have that.

9 Another lost opportunity has been allowing
10 basically code compliant homes into the program. Plan
11 review process is often inadequate and so I could question
12 whether those homes actually even meet code.

13 And the last thing is affordable housing, I've
14 had a project where it almost lost a couple hundred
15 thousand dollars in rebates, because of the requirement for
16 nonprofit. Yet pretty much every affordable housing
17 project is built as an LLC, which is a taxable entity,
18 because that's the only way they can pretty much do it.
19 And I don't know if that's costing WIN rebates or whether
20 in this case they were able to, I guess, do some other
21 things to actually get the rebate directly to the nonprofit
22 developer portion. But that's a problem.

23 Thank you.

24 CHAIRMAN WEISENMILLER: Thank you.

25 Staff, any response?

1 MR. ARRIAGA: As part of the new Guidebook
2 revisions we did address the affordable housing tax exempt
3 status for limited partnerships. And also too, I'd just
4 like to note with projects compliant with the 2013 Energy
5 Efficiency Standards, there is a code compliant incentive,
6 so...

7 CHAIRMAN WEISENMILLER: Any other comments?
8 Let's go to the Commissioners, Mr. McAllister?

9 COMMISSIONER MCALLISTER: Yeah, so I wanted to
10 speak positively towards these changes. I think when I was
11 leading the NSHP we made a lot of progress towards kind of
12 streamlining and updating and listening to stakeholders and
13 revising the guidebooks such that the program could run
14 better, preparing the ground for them moving it back in-
15 house to the Commission. And I think that Commissioner
16 Hochschild has really pushed that forward several steps
17 since then and I'm very happy with where the program is.

18 These changes are kind of the next step of
19 listening to stakeholders, incorporating their comments,
20 streamlining the program requirements and rules, so that
21 they're transparent and straightforward to follow. And to
22 compliment that I think staff has done a great job of
23 reaching out to stakeholders working with everybody who's
24 participating in the program to make sure that that
25 engagement is there and they're happy with the progress

1 that their applications see through the program.

2 So in particular, the affordable housing change
3 that you highlighted, I think, is a really good one.
4 That's probably or perhaps the biggest change here, the
5 biggest improvement to the program that's embodied in this
6 guideline update.

7 Also, you know, some clarification about the
8 trajectory of the program and the fact that it has the
9 conditions in place to meet its long-term goals. I think
10 now that we have a housing market that's on the rebound
11 that's really important for the marketplace to see that
12 there is continuity. And that there's security and
13 participation in the program; that those rebates will be
14 there, the incentives will be there.

15 And I will kind of also highlight that the
16 Commission is absolutely looking at the results of this
17 program in the context of moving towards Zero Net Energy.
18 In parallel with this we've just adopted the 2016 Title 24
19 Standards and that's the penultimate step before getting to
20 ZNE. And the experience with the NSHP is really informing
21 that, the solar and the tradeoffs with energy efficiency
22 and how they integrate optimally is really a key question
23 that we're focused on. And will be increasingly working
24 through in the next update of Title 24, so the fact that
25 NSHP is generating all this experience is a really good

1 thing to inform that.

2 So with that I think I would just like to thank
3 Brett Arriaga, Sherrill Neidich, Bill Blackburn for sure,
4 and Suzanne Korosec, the Deputy over the Renewables
5 Division. Thanks for all your hard work on all this. It's
6 really I think the Division is just firing on all cylinders
7 and it's really great to see.

8 Le-Quyen Nguyen also, now that she's actually
9 fully integrated over to Commissioner Douglas's office, she
10 has been a moving force through the NSHP as well and is
11 really a great resource for it still today.

12 Let's see, and on the legal team, Christine Salo
13 and Gabe Herrera, and on the Efficiency Division Farakh
14 Nasim, have been really integral in the process working
15 with the Renewables Division on getting the details right.

16 So I think this is really kind of a signature
17 effort for the Energy Commission, the NSHP. You know, the
18 dynamic of the new construction market has been very
19 different than the existing buildings market and so it's
20 really taken dogged determination working with some very
21 sophisticated stakeholders to get the program right. And
22 now that it's going well I'm really happy to see all the
23 progress. We're getting a lot of solar on new
24 construction, we've got a lot on existing buildings and
25 California is really an example a lot of people are looking

1 at.

2 So thanks for all the effort and obviously I am
3 in very strong support of this update. So I'll move.

4 COMMISSIONER SCOTT: Second.

5 CHAIRMAN WEISENMILLER: All those in favor?

6 -)

7 CHAIRMAN WEISENMILLER: This item passes 4-0.

8 Thank you.

9 MR. ARRIAGA: Thank you.

10 CHAIRMAN WEISENMILLER: Let's go on to we're now
11 going to deal with a series of contracts associated with
12 the drought. So let's start with Item 6 Water Energy
13 Technology WET Program.

14 I would note that we have proposals in the May
15 revise. The Legislature is considering these proposals.
16 The Legislature has not acted on those. They've not
17 approved those. We're trying to set things up, so when
18 they do we can move forward, but at least at this point the
19 bottom line is we have no money. And so anyone ready to
20 send in applications tomorrow to access this, hold off
21 until the Legislature acts.

22 And we are developing guidelines again to be
23 ready and we may have to adjust the guidelines after the
24 Legislature acts. But anyway we're just trying to get
25 everything set up, so we can move quickly after the

1 Legislature acts.

2 So Virginia, do you want to go first?

3 MS. LEW: Yes. Good morning, Commissioners. My
4 name is Virginia Lew and I'm with the Energy Efficiency
5 Research Office.

6 In response to California's drought Governor
7 Brown issued Executive Order B-29-15, which outlines bold
8 steps to save water. One of these was to develop the Water
9 Energy Technology Program, to accelerate innovative water
10 and energy saving technologies.

11 The Energy Commission jointly with the Department
12 of Water Resources and the State Water Resources Control
13 Board will implement the Water Energy Technology Program to
14 provide funding for emerging technologies. Funding for the
15 program is from the California Climate Investments Program.
16 The program funds must be spent on projects that reduce
17 greenhouse gas emissions and further the purpose of AB 32.
18 The funds must also be used to maximize benefits to
19 disadvantaged communities.

20 The WET Program will emphasize the deployment of
21 innovative technologies that will result in long-lasting
22 greenhouse gas reductions as well as result in direct water
23 savings.

24 The program will be rolled out in three phases.
25 The first phase is agriculture. The second phase is

1 industrial, residential and commercial. And the third
2 phase will be renewable energy powered desalination.

3 The program will provide both rebates and grants.

4 Today we have three items on the WET Program for
5 your consideration. This includes the Commission
6 consideration of the staff final Water Energy Technology
7 Rebate Guidebook for agriculture. And my staff will
8 discuss the individual technical support contracts to
9 assist with the program.

10 For the WET Program the Energy Commission held
11 three public meetings in Fresno, Chico and Lynwood to
12 obtain public input on the program. The public meetings
13 were attended by approximately 140 people in person and 170
14 people online. We received over 58 online comments
15 recommending technologies and clarifications on program
16 implementation, project and participant eligibility,
17 program requirements and disadvantaged communities.

18 We have considered all comments in the WET Rebate
19 Program Guidebook for agriculture. And this Guidebook
20 provides information on how the rebate phase of the program
21 will be implemented, project and program eligibility,
22 application process, screening and evaluation criteria,
23 award process, reporting and documentation requirements,
24 payments to recipients and establishes a process for how
25 additional technologies can be added to the rebate list.

1 The Guidebook will be periodically amended to
2 include updated program information based on requirements
3 of the California Climate Investments Program, addition of
4 new technologies for rebates and other needed modifications
5 that might occur during the course of managing the program.

6 Production of the Guidebook and all supplemental
7 information such as the expenditure record, the draft
8 application materials was made possible with the assistance
9 of the WET Program team, which included Pam Doughman, Kirk
10 Switzer, Heather Bird, Kevin Mori, Brad Williams and David
11 Weightman.

12 The leadership was provided by Laurie ten Hope,
13 our Deputy Director, and Kevin Barker from the Chairman's
14 Office. We are also very grateful for the assistance
15 provided by the legal team of Allan Ward and Mona Badie.
16 And also staff from the Administrative Services Division
17 and IT.

18 In addition, we have worked with the Air
19 Resources Board staff in developing the expenditure record,
20 which is ARB's approval mechanism of the funding
21 expenditures for the WET Program. We have appreciated
22 their prompt review and comments of the expenditure record
23 in the Guidebook and other program documents. And we are
24 very close to getting ARB approval of the expenditure
25 record and expect approval within a week.

1 As a result we are seeking approval of the
2 Guidebook contingent on approval by the Air Resources Board
3 of the expenditure record for the WET Program and funding
4 approval by the State Legislature for the program.

5 I'm available to answer any questions you might
6 have right now. Thank you.

7 CHAIRMAN WEISENMILLER: Great. Thank you.

8 I would note that when the Governor signed the
9 Executive Order he said that it was a big step forward on
10 the sort of mandatory reductions. And one of the things
11 that led him to that decision was the promise of the WET
12 Program and so it's very important to the Administration
13 and certainly a great sign of their trust in us that we
14 were directed to do this program. So again, I want to
15 thank the staff for their hard work on this.

16 COMMISSIONER MCALLISTER: So this is a big step
17 forward on maybe it's the third of four, right, things we
18 were asked to do in the Governor's Executive Order on Water
19 Efficiency, so congratulations to all the staff for working
20 on it. Hopefully, we're delivering on time and under
21 budget our assigned tasks. So I'm very supportive of this
22 as well.

23 Shall I move, any other comments?

24 So I will move this item.

25 COMMISSIONER DOUGLAS: Second.

1 CHAIRMAN WEISENMILLER: Okay. All those in
2 favor?

3 (Ayes.)

4 CHAIRMAN WEISENMILLER: This --

5 MS. LEW: Excuse me, Chair, before you move
6 forward I wanted to jump in on the motion.

7 CHAIRMAN WEISENMILLER: Sure.

8 MS. VACCARO: I think it's very important that
9 we're making clear that this is a contingent approval, not
10 that it is approving as presented. Because as presented in
11 the documentation I don't think it makes clear that it's
12 contingent, although Ms. Lew in her presentation, did
13 appraise everyone it's a contingent approval.

14 COMMISSIONER MCALLISTER: On funding, right?

15 CHAIRMAN WEISENMILLER: Yeah, on legislative
16 action.

17 COMMISSIONER MCALLISTER: Legislative action,
18 correct.

19 CHAIRMAN WEISENMILLER: Okay.

20 COMMISSIONER MCALLISTER: Well and then also just
21 to be clear these are guidelines such that they can be
22 updated at any time as well, right?

23 CHAIRMAN WEISENMILLER: Right, no --

24 COMMISSIONER MCALLISTER: So as the program rolls
25 out?

1 CHAIRMAN WEISENMILLER: Exactly. The Legislature
2 might, as part of its approval, change the program in a way
3 that we will have to guidelines. So again it is certainly
4 contingent, but again the notion is to be ready in a timely
5 fashion.

6 Again, I think all of us want to get money out to
7 our affected citizens as fast as we can in this area.

8 COMMISSIONER MCALLISTER: You know, I'll just
9 make on other point. The commercialization aspect of this,
10 there's sort of pure R&D, but there's also an increasingly
11 strong need to link to the marketplace. And so I think
12 that's the promise of this program really, is that it takes
13 existing advanced technology and looks for ways to apply it
14 effectively as well as sort of the things that we think
15 about as R&D. But it's got a near-term relevance for the
16 marketplace, which is really key in this, because we are in
17 an emergency.

18 So I definitely support that direction.

19 CHAIRMAN WEISENMILLER: Yeah, we should note that
20 there is an event on Friday on the water technology. I'll
21 be co-hosting a panel with Commissioner Sandoval on the
22 water energy nexus, but anyway it's really to focus on
23 technology and water.

24 COMMISSIONER MCALLISTER: So I'll redo my motion.
25 So I move Item 6 noting that it's contingent on legislative

1 action.

2 COMMISSIONER DOUGLAS: Second.

3 CHAIRMAN WEISENMILLER: Okay. All those in
4 favor?

5 (Ayes.)

6 CHAIRMAN WEISENMILLER: So this also passes 4-0.
7 Thank you, Virginia.

8 MS. LEW: Thank you.

9 CHAIRMAN WEISENMILLER: So let's go on to Item
10 Number 7, Cal Poly Corporation. Brad Williams, please.

11 MR. WILLIAMS: Good morning, Commissioners. My
12 name is Brad Williams with the Energy Efficiency Research
13 Office and also a member of the Water Energy Technology
14 team. I'm here today to request your approval of this
15 agreement with the Cal Poly Corporation in the amount of
16 \$125,000. This amount and this agreement is also
17 contingent upon the state legislative approval of the
18 funding.

19 The purpose of this contract is to support Phase
20 1 of the Water Energy Technology Program, the agricultural
21 element. Examples of the support will include, but is not
22 limited to program development, evaluation of technologies,
23 pre-installation baselines and post-installation
24 measurement and verification.

25 Thank you for your consideration. I'm available

41

1 for questions.

2 CHAIRMAN WEISENMILLER: Commissioners, any
3 questions or comments?

4 COMMISSIONER MCALLISTER: This is sort of Part B.

5 CHAIRMAN WEISENMILLER: Yeah, Part B, exactly.

6 Well, that's it. I mean, obviously this is an
7 area where we're going to need significant amounts of
8 technical support to evaluate the technology, so this is
9 the first part of that. The subsequent item also allows us
10 to provide access to UC's expertise in this area.

11 COMMISSIONER MCALLISTER: I'll move Item 7 noting
12 that it is contingent on legislative action.

13 COMMISSIONER DOUGLAS: Second.

14 CHAIRMAN WEISENMILLER: All those in favor?

15 (Ayes.)

16 This also passes 4-0. Thank you.

17 Let's go on to Number 8, University of
18 California, Berkeley, California Institute for Energy and
19 Environment. Chris Scruton, please. Or it looks like Brad
20 Williams again.

21 MR. WILLIAMS: Good morning again, Commissioners.

22 Yeah, I will be filling for Chris Scruton this morning.

23 Again, this contract will be in support of the
24 Water Energy Technology Program, specifically Phase 2 and
25 3: the commercial, residential, industrial and renewable

1 energy powered desalination portions. We are requesting
2 your approval today of the amount for \$250,000 for CIEE and
3 the California Institute for Energy and Environment.

4 Examples of the support for these areas will
5 include, but is not limited to, evaluation of technologies,
6 pre-installation baselines, post-installation measurement
7 and verification.

8 And thank you and I'm available for questions.

9 CHAIRMAN WEISENMILLER: Great, thank you.
10 Commissioners?

11 COMMISSIONER MCALLISTER: Part C.

12 CHAIRMAN WEISENMILLER: Part C, right yeah.

13 COMMISSIONER MCALLISTER: It's really good to see
14 all the pieces coming together here, so if and when that
15 legislative action does occur we'll be hitting the ground
16 running. And so I'll move, let's see this is now Item 7.
17 Oh, I'm sorry, move Item 8 noting the contingency on
18 legislative action.

19 COMMISSIONER SCOTT: Second.

20 CHAIRMAN WEISENMILLER: All those in favor?

21 (Ayes.)

22 CHAIRMAN WEISENMILLER: Item 8 also passes 4-0.

23 Let's go on to Item Number 9, which is Electric
24 and Gas Industries Association. Good.

25 MS. BERENSTEIN: Good morning, Chair and

1 Commissioners. My name is Maunee Berenstein from the
2 Efficiency Division.

3 The Efficiency Division requests approval of Item
4 9, an agreement with the Electric and Gas Industries
5 Association for up to \$20 million, to administer a
6 statewide water-reducing and energy-saving appliance rebate
7 program for clothes washers. The program will include
8 online rebates, mail-in rebates and instant rebates at
9 point of sale through major retailers.

10 This contract will implement the Energy
11 Commission's first phase of the mandated water appliances
12 rebate program pursuant to the Governor's Executive Order
13 B-29-15 in response to California's severe drought
14 conditions.

15 This contract is not to exceed \$20 million from
16 the Greenhouse Gas Reduction Fund administered by the Air
17 Resources Board. This contract is being brought forth
18 pending greenhouse gas reduction funding budget
19 authorization, emergency water code contract exemption for
20 the Department of Finance and the Air Resources Board
21 concurrence of the Greenhouse Gas Reduction Fund
22 expenditure record.

23 Please let me know if you have any questions.
24 Thank you.

25 CHAIRMAN WEISENMILLER: Thank you.

1 Commissioners?

2 COMMISSIONER SCOTT: I had a question on this
3 one. And I got an excellent briefing from staff on all of
4 the 6, 7, 8 and 9, which I very much appreciate. And so
5 you gave me the answer in the briefing, but I thought it
6 might nice for the public record as well, which is if the
7 Legislature were to approve the funding for this and it
8 goes forward, how will be we get the word out to people
9 that these rebates are available?

10 MS. BERENSTEIN: Thank you, Commissioner Scott.
11 Our outreach strategy consists of press releases, a
12 dedicated website for the program, point of sale materials
13 will be strategically placed on qualifying models at retail
14 stores informing consumers of the rebate.

15 We'll be partnering with the Save Our Water and
16 leveraging their network of water connections.

17 The contractor, EGIA, has relationships with
18 Southern California water districts and agencies we will
19 also leverage.

20 We'll be working closely also with the Department
21 of Water Resources turf and toilet rebate programs.

22 And lastly we'll be working with our utility
23 partners across the state to get the word out.

24 COMMISSIONER SCOTT: And I think you mentioned
25 also that when you go to your neighborhood store there'll

45

1 be fliers and leaflets and those types of things there as
2 well.

3 MS. BERENSTEIN: Absolutely. And we'll also have
4 education pieces on water saving and conservation efforts
5 that people can do at home to do their part.

6 COMMISSIONER SCOTT: Great, thank you.

7 COMMISSIONER MCALLISTER: Thanks, Maunee. And
8 I've been tracking this and working with staff on this and
9 getting regular updates and also just interested in it,
10 given that I back in the day did a lot of program design
11 and implementation of just this sort.

12 And I think so the context here is worth talking
13 about just a little bit. So this \$20 million first of all,
14 and you can confirm this, but the vast majority of that is
15 the actual incentive monies right, so it's not paying a
16 contractor \$20 million. It's mostly passed through for the
17 incentive monies and EGIA in particular, has a lot of
18 experience doing that back office work for utilities. And
19 so I think in that respect it's a very good choice and it's
20 a way to kind of get the money out quickly and effectively
21 at low cost as we've been directed by the Governor. So I
22 think this is very responsive to that.

23 Also, I wanted to just make sure that you had a
24 chance to talk about the broader context. You know, this
25 is not the only piece of getting money to change-outs for

1 water, water-efficient devices. And there's another
2 component to this program that focuses on disadvantaged
3 communities. And there will be sort of a follow-on that
4 covers a more diverse set of devices.

5 So maybe you can just talk about that a little
6 bit?

7 MS. BERENSTEIN: Okay. That'll be Phase 2.

8 COMMISSIONER MCALLISTER: Yeah, maybe you can
9 talk about that just a little bit, so people are aware.

10 MS. BERENSTEIN: Okay. During Phase 2 of our
11 program we'll be working with disadvantaged communities
12 with the Community Services Development Department. They
13 have their LIHEAP and LIWAP Programs, their Low Income
14 Assistance Weatherization programs. We intend to plug into
15 those existing programs and add the water saving appliances
16 to it. So faucets, shower heads, clothes washers, and
17 dishwashers, so we'll be working closely through their
18 program and giving them the funding to add those water-
19 saving fixtures to those low-income disadvantaged community
20 recipients.

21 COMMISSIONER MCALLISTER: Great, thanks very
22 much. So we're not voting on that right now?

23 MS. BERENSTEIN: Correct.

24 COMMISSIONER MCALLISTER: That's not a part of
25 this, but I just wanted to have the context there. And

1 those lower-cost devices like faucets, if you think about
2 market transformation, they're pretty hard to do. So it's
3 hard to administer a program to provide tiny bits of
4 funding for one faucet. Especially given that there's
5 uncertainty in terms of the long-term funding for this
6 program. You know, we're contingent on legislative
7 approval this year, but the sort of longer term really
8 depends on future events that we can't predict.

9 So I wanted to kind of make sure everybody had
10 that broad context that we're thinking about more than
11 clothes washers. But for the moment that's really the big
12 bang for the buck and the way to channel money quickly to
13 the marketplace for water efficiency. So anyways, those
14 are the kinds of discussions that we're having and continue
15 to have with staff about this program.

16 So anyway I'm very supportive. Thank you very
17 much, Maunee. I don't know if there's other comments?

18 Okay. So I'll move Item 9 noting the contingency
19 of legislative action.

20 COMMISSIONER SCOTT: Second.

21 CHAIRMAN WEISENMILLER: All those in favor?

22 (Ayes.)

23 CHAIRMAN WEISENMILLER: So Item 9 also passed,
24 4-0.

25 So let's go on to -- thank you -- let's go on to

1 Item Number 10, Salida Union School District. And this is
2 a ECAA-Ed program funding. Jim Holland, please?

3 MR. HOLLAND: Good morning, Mr. Chairman and
4 Commissioners. I'm Jim Holland of the Local Assistance and
5 Financing Office in the Efficiency Division.

6 Today I'm requesting approval of an Energy
7 Conservation Assistance Act, Education Subaccount Loan for
8 \$2,054,469 to the Salida Union School District to assist
9 four schools within the District. These schools are
10 located in the Central Valley in Stanislaus County in the
11 towns of Salida and Modesto.

12 This loan will fund photovoltaic systems at two
13 of the schools, HVAC replacement at three of the schools,
14 and a cool roof installation at one of the schools.

15 The photovoltaic systems include a 140 kW AC and
16 206 kW AC system. And the two combined are expected to
17 produce a total of approximately 524,000 kWh in electricity
18 per year for the school district. The HVAC replacements at
19 the three schools are expected to save a total of
20 approximately 121,000 kWh per year. And the cool roof
21 replacement at one school, is expected to save
22 approximately 12,000 kWh per year.

23 It is estimated that as a result of these measure
24 the school district will save over \$104,000 annually. And
25 reduce greenhouse gas emissions by 227 tons each year.

1 Salida USD is served by the Modesto Irrigation
2 District for its electricity and there are currently no
3 incentives available for photovoltaic systems under this
4 utility. As these photovoltaic systems will be school
5 district owned the solar investment tax credit is not
6 applicable.

7 Energy Commission staff have determined that this
8 loan is technically justified and based on the loan amount,
9 the payback period for this loan will be approximately 19.7
10 years, which is within the 20-year payback period
11 requirement for the 0 Percent Loan Program.

12 With this information I request your approval of
13 this loan for the Salida Union School District.

14 CHAIRMAN WEISENMILLER: Thank you.

15 Any comments on this?

16 Okay, Commissioners?

17 COMMISSIONER MCALLISTER: No representative from
18 the school district either or unless --

19 MR. HOLLAND: Yes, sir. We do have a John
20 Burdette here, I believe, from ABM Consulting that may be
21 available to answer any questions. But there's no district
22 personnel from Salida.

23 COMMISSIONER MCALLISTER: Yeah, okay.

24 CHAIRMAN WEISENMILLER: Please, come up to the
25 podium and introduce yourself.

1 MR. BURDETTE: Hello, my name is John Burdette.
2 I'm the Account Executive and Bundled Energy Solutions
3 Provider for Salida Union School District. And the
4 District wants to express their gratitude for entertaining
5 this loan application for us.

6 It's a community that has been hit very hard by
7 the housing bubble and they've tried to pass bonds over the
8 years to upgrade their facilities without any success, so
9 they're really counting on this loan to do critical
10 facility upgrades.

11 I'm here to answer any further questions, thank
12 you.

13 COMMISSIONER MCALLISTER: Thanks a lot for being
14 here. And I've just really been very supportive of the
15 Prop 39, the work that staff has done on Prop 39 Program,
16 really they're knocking it out of the park. And I want to
17 just encourage you and the other school districts that any
18 feedback you have about the process and application process
19 and follow-through and that sort of thing, we'd love to
20 hear it. Both good and not good, it's all very necessary.

21 And then I do have a question actually about the
22 school districts, how they fund projects and how they might
23 bring additional capital to do bigger projects, you know,
24 leveraging the Prop 39 Funds. I guess are you in the
25 practice of doing some kind of shared savings or some kind

1 of performance contracting that's off balance sheet, so
2 they don't have to go to the bond market?

3 MR. BURDETTE: Absolutely, there's a number of
4 financing mechanisms that are available. in fact, some
5 financing institutions have created very flexible lease
6 terms to accommodate Prop 39, because the annual
7 allocations come in as a reimbursement over the five-year
8 period. So some of the school districts that do not have
9 the cash flow to fund those projects up front, these
10 flexible lease vehicles allow them to get that cash up
11 front and then pay it down as fast as they can when the
12 reimbursements come in. And they also have very flexible
13 terms and very aggressive interest rates.

14 COMMISSIONER MCALLISTER: Great, so I would
15 encourage you to offer some of those details and insight to
16 the Prop 39 team, so that if there are ways we can make it
17 easier to put those deals together and leverage the Prop 39
18 funding for bigger bang, that'd be awesome.

19 MR. BURDETTE: Absolutely.

20 COMMISSIONER MCALLISTER: So thanks very much.

21 Mr. BURDETTE: Thank you.

22 COMMISSIONER MCALLISTER: Okay. So thanks a lot
23 Jim, I appreciate your and other staff's work on here. And
24 Marcia's team is doing a great job, so any other questions?

25 No. Okay, I'll move Item 10.

1 COMMISSIONER SCOTT: Second.

2 CHAIRMAN WEISENMILLER: Okay. All those in
3 favor?

4 (Ayes.)

5 CHAIRMAN WEISENMILLER: This item passes 4-0,
6 thanks.

7 Let's go on to North County Fire Protection
8 District.

9 MR. CHAUDHRY: Good morning, Chair, Commissioner.
10 I'm Shahid Chaudhry with the Local Assistance and
11 Financing Office of the Energy Efficiency Division.

12 I'm here to request your approval for \$227,475
13 ECAA loaned at 1 percent to North County Fire Protection
14 District in San Diego County. The District will use these
15 funds to install about 44 kW roof-mounted PV panels at
16 District Station Number 5.

17 I would like to bring to your attention that the
18 District received a loan of \$475,241 loan amount to install
19 136 kW PV panels at the other four stations last year and
20 that project was completed successfully.

21 On completion the proposed project will reduce
22 60,000 kWh of grid electricity every year, saving the
23 District about \$16,000 annually. The project will also
24 reduce 23 tons of carbon dioxide equivalent greenhouse gas
25 emissions each year. The payback on this loan is 13.9

1 years.

2 The loan request is in compliance with the terms
3 and conditions of the ECAA loan. Staff therefore requests
4 your approval of this loan.

5 Also, North County Fire Protection District's
6 Greg Wilson is online and would like to say a few words
7 about the program.

8 CHAIRMAN WEISENMILLER: Great. Please go ahead.

9 MR. CHAUDHRY: Well, apparently there's a
10 technical glitch. He couldn't connect, but he's very
11 appreciative of the program. He mentioned that without our
12 loan --

13 MR. WILSON: Hello?

14 COMMISSIONER MCALLISTER: Go ahead.

15 MR. WILSON: Okay. I think we've got the
16 glitches worked out.

17 Good morning, Commissioners. I'm Greg Wilson.
18 I'm a Fire Battalion Chief with North County Fire
19 Protection District down in San Diego County. As a
20 California special district we are funded through property
21 tax revenues and we're just now crawling out of the
22 recession having not returned to 2008-2009 funding levels.

23 With about 90 percent of our budget allocated
24 towards personnel costs the ability to fund projects like
25 this without such a program as the ECAA Low Interest Loan

1 Program for local government it would just not be doable.

2 As Mr. Chaudhry mentioned this is our second
3 project supported by the CEC. This is a new fire station
4 recently constructed. And given the three years it took us
5 to get through the County of San Diego's permitting process
6 we were unable to incorporate solar at the time of the
7 construction. This program has allowed us to install solar
8 on five of our six district fire stations as well as our
9 fleet maintenance facility. And saving the District
10 approximately \$50,000 a year in utility-based energy costs.

11 We're the first fire department in the County of
12 San Diego to take such an aggressive approach towards
13 solar. And I'd like to express my appreciation to not only
14 the Commission, but Karen Perrin and Mr. Chaudhry in the
15 Energy Commission office helping us navigate these waters.

16 This has gained quite a bit of traction in the
17 fire service. And I've been receiving calls from as far
18 away as the Central Valley, and most recently this week
19 from Orange County Fire Authority, asking us how we did it.
20 And I'm referring them to this program.

21 So again, I'm a firefighter and not an engineer
22 or a consultant, but I'd be happy to answer any of your
23 questions.

24 CHAIRMAN WEISENMILLER: Yeah, thanks for being
25 here.

1 Commissioners, any questions or comments?

2 COMMISSIONER MCALLISTER: Well, that's sort of
3 what we're here for is to allow you not to be an engineer,
4 but let the conversation -- let you do what you need to do
5 and let the program help you do what you have to do. So
6 thanks very much. It's terrific to hear that a new sort of
7 set is participants is hearing about the program and seeing
8 the value in it.

9 And, you know, ECAA has a long august history,
10 but it's all we want more and more participation as that
11 program continues to grow bit by bit. So this and the
12 former project ECCA-Ed, I think, have just so much
13 potential going forward that it's great to have the staff
14 working so well getting those funds out and making sure all
15 the projects are vetted and really solid.

16 So yeah, I'm very supportive of this. It
17 certainly looks like a great project, so I'll move Item 11.

18 COMMISSIONER DOUGLAS: Second.

19 CHAIRMAN WEISENMILLER: All those in favor?

20 (Ayes.)

21 CHAIRMAN WEISENMILLER: This item passes 4-0.

22 Let's go on to Item Number 12, which is -- thank
23 you -- University Enterprises. Bruce?

24 MR. HELFT: Good morning, Commissioners. My name
25 is Bruce Helft from the Appliances and Existing Buildings

56

1 Office in the Efficiency Division.

2 This agenda item requests approval of a three-
3 year agreement with University Enterprises, Incorporated an
4 auxiliary of Sacramento State University for \$600,000 to
5 purchase and test appliances to determine compliance with
6 Title 20's Energy Efficiency Standards.

7 Section 1608(d) of the Appliance Efficiency
8 Regulations requires the Energy Commission to test
9 appliances sold for end use in California to determine
10 compliance with efficiency performance. Test results are
11 evaluated by staff and used to support enforcement actions
12 and for data collection purposes. The Energy Commission
13 does not have its own test facility. The test lab at
14 Sacramento State is located at the School of Engineering
15 and engages technicians and engineering students under the
16 direct supervision of an engineering professor in the
17 testing process.

18 The terms of this agreement include all costs
19 involved with the acquisition of identified appliances,
20 their testing, report preparation and delivery of tested
21 appliances to locations designated by the contract manager.
22 Some tested appliances, as property of the state, will go
23 to auction at the Department of General Services facility
24 in Natomas while others will be stored at a secured
25 warehouse as evidence for enforcement cases.

1 I seek your approval of this item and I'm happy
2 to answer any questions that you may have on this item.

3 CHAIRMAN WEISENMILLER: Thank you.

4 Commissioners, any questions or comments?

5 COMMISSIONER MCALLISTER: Thanks, Bruce. I'll
6 just say this is a key part of what we do under Title 20.
7 It's all great to have regulations that are solid and
8 everything, but if we don't go out there and test and make
9 sure that we're actually seeing appliances that are in
10 there in the world and that they comply and that we
11 understand what's going on then there's a disconnect. And
12 so I think this is a really key piece of the puzzle.

13 Especially as we, now going forward, will have
14 enforcement authority that we're actively pursuing and
15 that's even more important, right? So I'm very supportive
16 of this contract and these technical details really matter.
17 So I'll move Item 12.

18 COMMISSIONER DOUGLAS: You know, and I'll just
19 echo Commissioner McAllister's strong support for this and
20 second.

21 CHAIRMAN WEISENMILLER: Okay. All those in
22 favor?

23 (Ayes.)

24 CHAIRMAN WEISENMILLER: This item passes 4-0.

25 MR. CHAUDHRY: Thank you.

1 CHAIRMAN WEISENMILLER: Thank you.

2 Let's go on to Item Number 13, National Renewable
3 Energy Laboratory and Jim McKinney, please.

4 MR. MCKINNEY: Good morning, Commissioners. My
5 name is Jim McKinney and I'm Program Manager for the
6 Alternative and Renewable Fuel and Vehicle Technology
7 Program.

8 This morning staff seeks possible Commission
9 approval for a \$3.6 million contract with the National
10 Renewable Energy Laboratory for another three years of
11 technical support work to the Alternative Renewable Fuel
12 and Vehicle Technology Program. This new contract would
13 run from the remainder of 2015 to 2018.

14 This new contract will provide technical support
15 services in four key areas. First, another three years of
16 benefits reporting assessments as required by AB 109, three
17 years of updates to the statewide infrastructure assessment
18 for electric vehicle charging as required by the ZEV Action
19 Plan, technical support for estimating hydrogen fueling
20 station costs in support of the Energy Commission's new AB
21 8 report responsibilities. And four, technical and
22 planning support for technology and market reviews, which
23 stems from a recommendation from the 2014 IEPR.

24 The RFT Program in the Transportation Division
25 secured NREL to provide technical support services from

1 2012 to 2015. Commission staff is highly satisfied with
2 the caliber of the NREL products and the highly cooperative
3 working relationship with principal investigator Dr. Marc
4 Melaina. The NREL benefits assessments are now an integral
5 part of our IEPR in our investment plans for ARFVTP and are
6 widely used in program summary presentations. The NREL
7 support work enables the Energy Commission to satisfy the
8 key reporting provision in AB 109, which requires a future
9 estimate of carbon criteria and particulate emission
10 reductions that results from ARFVTP investments in
11 alternative fuels, vehicles and fueling infrastructure.

12 Similarly, the statewide infrastructure
13 assessment for electric charters in California has also
14 been well received. The NREL support work resulted in a
15 state level estimate of how many electric chargers could be
16 needed in 2020 and 2025 to support the 1 million and then
17 1.5 million PEV targets as envisioned in the Governor's
18 Executive Order.

19 With that, I'd like to thank Aida Escala of our
20 program team for her work in preparing the contract
21 documents and the Scope of Work for this. And also
22 Samantha Arens of Counsel's Office for her good work in
23 reviewing the Scope of Work.

24 And I have with me Dr. Marc Melaina, Principal
25 Investigator for this contract from the National Renewable

1 Energy Lab.

2 DR. MELAINA: Good morning. It's great to be
3 here. I want to just mention that the program that we're
4 supporting is directly aligned with the National Renewable
5 Energy Lab's mission statement to deploy sustainable energy
6 technologies. We've done R&D research on all of these
7 technologies for decades and we're a very deployment
8 oriented laboratory. So we see this contract and the
9 support work as being very central to our ongoing
10 capabilities.

11 NREL has a long history of working with state
12 agencies including CEC and ARB on transportation as well as
13 on grid and renewable integration of renewables into the
14 grid. So we've built a lot of capabilities over the last
15 two-and-a-half years and a strong working relationship, so
16 we look forward to continuing that and expanding those
17 capabilities to provide more insights into the Commission's
18 impact on the transportation sector.

19 CHAIRMAN WEISENMILLER: Thanks for being here.

20 Commissioners, any questions or comments?

21 COMMISSIONER SCOTT: Sure. I'd just like to add
22 thank you, Dr. Melaina, for being here today. And the
23 capacity of the work that NREL does for us on the ARFVTP
24 Program is pretty cool. I mean, it gives us a chance to be
25 able to, as Jim said in his terrific presentation, measure

61

1 benefits, look at some of the metrics of the program to
2 really see how we're doing. And it gives us a robust
3 foundation, right? We can look at gallons of gasoline
4 reduced. We can look at CO2 reduced and start measuring
5 that from the projects and the investments that we invest
6 in.

7 And I also wanted to say thank you to NREL as
8 well, because they are typically very flexible. And quite
9 responsive and a good example of that is last year's
10 Integrated Energy Policy Report where we were measuring the
11 benefits of the projects we had funded. And they did a
12 terrific job for us and they gave it to us, I think right
13 in time for the September draft, and then it was December.
14 And I was like, "Can we add three more months of projects
15 into that?" And they added three more months of projects
16 into it and ran the numbers again. And then right before
17 the business meeting in February when we had it up for
18 consideration of adoption I said, "Oh, can we at least add
19 another little bit?" And they did and so I appreciate that
20 kind of work that you all do with us as well. So I'm in
21 strong support of this.

22 And if you all don't have questions I would be
23 happy to move approval of Item 13.

24 COMMISSIONER MCALLISTER: So I just wanted to ask
25 a clarification question, so these funds come from a

1 specific bucket for technical support, right? They're not
2 cannibalizing actual funding for projects and all that kind
3 of stuff? I just want to make that clear it's what I
4 thought.

5 COMMISSIONER SCOTT: Yeah, that's correct. We
6 have up to \$100 million that goes directly to the projects.
7 And then there's \$6 million for tech support contracts that
8 we can use for things like the NREL contract to help
9 support the work that the program does.

10 COMMISSIONER MCALLISTER: That's great. I mean,
11 doing the kind of keeping your finger on the pulse of
12 what's actually happening out there and then translating to
13 policy relevant understanding is really terrific. So very
14 much in support, so I'll second.

15 CHAIRMAN WEISENMILLER: Great, all those favor?

16 (Ayes.)

17 CHAIRMAN WEISENMILLER: So this passes 4-0.

18 Thank you.

19 MR. MCKINNEY: Thank you, Commissioners.

20 CHAIRMAN WEISENMILLER: Okay. I am going to turn
21 to our Chief Counsel who may have some clean up items.

22 Let's go with that now and then we'll go on to Larry.

23 MS. VACCARO: Yes, thank you Chair Weisenmiller.

24 I just want to bring us back a few moments to a
25 few items. On Item 6, I interjected just so that the

1 record was clear with respect to the guidelines that were
2 being presented by Ms. Lew. And what ended up happening is
3 that parts of that discussion seem to have got -- were
4 brought into items 7, 8 and 9. But in fact, that was only
5 relevant to Item 6. So what I would like to be able to do,
6 so that we have a very clean record on the approvals that
7 were made today, is to go back and reopen the votes on
8 Items 7, 8 and 9. So that what we're doing is merely
9 moving items as presented. Those are distinct and they are
10 different than the issues that were raised for Item 6.

11 But in order to reopen the vote I'm going to
12 first need a motion for that and then need a motion for the
13 actual vote language. And so we need to do it for each of
14 those three items.

15 CHAIRMAN WEISENMILLER: Okay.

16 MS. VACCARO: And all you'll be doing is moving
17 the item with no contingencies.

18 COMMISSIONER MCALLISTER: So I guess I need some
19 more clarification. So these are all being funded by
20 greenhouse gas reduction funds, right?

21 MS. VACCARO: Well, there are as I understand it,
22 at least two different sources of funding. So these
23 contracts can move forward with the initial funding that's
24 been provided. So staff can better speak to the funding
25 vehicles, but this is something where we can actually get

1 started on these contracts. And we don't want the
2 misunderstanding that we can't move forward unless there is
3 a contingency that might occur later in the future. We can
4 move forward now.

5 COMMISSIONER MCALLISTER: So you're saying that
6 these GGRF funds have already been allocated and we do not
7 need to wait for legislative or?

8 CHAIRMAN WEISENMILLER: It's not just GGRF funds,
9 there are --

10 COMMISSIONER MCALLISTER: Well, that's what it
11 says in the items.

12 CHAIRMAN WEISENMILLER: (Comments off mic.)

13 MS. VACCARO: Staff can better speak to the full
14 funding options. My understanding is that we have
15 constructed the funding such that we can move forward on
16 these contracts.

17 MR. OGLESBY: Yeah, Rob Oglesby, Executive
18 Director.

19 The intent here is to, on those items, enable us
20 to move forward on executing the contracts, getting the
21 approval internally and getting some initial work done, not
22 all of which would be funded by the GGRF. We'll have some
23 minor preliminary expenses that we're going to use
24 basically that we'll essentially absorb. But this is
25 necessary in order to be ready to implement the programs as

65

1 quickly as we can when and if the Legislature approves
2 Greenhouse Gas Reduction Fund funding for the programs.

3 COMMISSIONER MCALLISTER: And that distinction
4 does not exist for Item 6? I mean we've moved forward on
5 the guidelines.

6 CHAIRMAN WEISENMILLER: Yeah. But the
7 Guidelines, I mean unless the Legislature moves we could
8 not -- we need to buy in for the program. Well, anyway
9 speaking legally, let me turn to the attorneys to clarify.

10 MS. VACCARO: Yeah. Staff is going to come and
11 give a further explanation of the funding mechanism.

12 COMMISSIONER MCALLISTER: Okay. Great, it's not
13 that I don't believe you. I just don't quite understand
14 yet.

15 MS. GRANT-KILEY: Rachel Grant-Kiley, I'm the
16 Manager of the Contracts, Grants and Loans Office.

17 So the Guidelines are related to the actual are
18 related to the actual programs, no program implementation
19 is going to happen prior to the GGRF funds being approved
20 by the Legislature. What needs to happen on the contracts,
21 the three contracts that were brought up today, is that
22 some preliminary startup work -- the actual getting the
23 ideas and getting the contractors involved in building up
24 some of the basic startups is going to happen. And so that
25 is funded separately. We're just adding a little bit of

1 money until the GGRF funds are made available.

2 COMMISSIONER MCALLISTER: Okay, great. So really

3 the issue is that these items are not being funded GGRF as

4 noted?

5 CHAIRMAN WEISENMILLER: These items are not being

6 totally funded --

7 COMMISSIONER MCALLISTER: Preliminarily.

8 CHAIRMAN WEISENMILLER: -- but there is some

9 startup work that will be.

10 COMMISSIONER MCALLISTER: The preliminary work is

11 not being funded by GGRF, okay.

12 CHAIRMAN WEISENMILLER: So do I have a motion to

13 reopen Item 7?

14 COMMISSIONER MCALLISTER: Motion to reopen -- do

15 we do one at a time or?

16 CHAIRMAN WEISENMILLER: Yeah, let's do that.

17 COMMISSIONER MCALLISTER: Okay. So motion to

18 reopen Item 7.

19 COMMISSIONER DOUGLAS: Second.

20 CHAIRMAN WEISENMILLER: All those in favor?

21 (Ayes.)

22 CHAIRMAN WEISENMILLER: 4-0, so Item 7 is

23 reopened.

24 COMMISSIONER MCALLISTER: Motion to reopen Item

25 8.

1 CHAIRMAN WEISENMILLER: Well, let's vote on Item
2 7.
3 COMMISSIONER MCALLISTER: Okay.
4 CHAIRMAN WEISENMILLER: Let's get a motion to
5 approve Item 7?
6 COMMISSIONER DOUGLAS: Move approval of Item 7.
7 COMMISSIONER MCALLISTER: Second.
8 CHAIRMAN WEISENMILLER: All those in favor?
9 (Ayes.)
10 CHAIRMAN WEISENMILLER: So Item 7 is approved 4-
11 0.
12 Let's go on to Item 8. Do I have a motion to
13 reopen Item 8?
14 COMMISSIONER MCALLISTER: Motion to reopen Item
15 8.
16 COMMISSIONER DOUGLAS: Second.
17 CHAIRMAN WEISENMILLER: All those in favor?
18 (Ayes.)
19 CHAIRMAN WEISENMILLER: This was approved 4-0.
20 Now, do I have a motion for Item 8?
21 COMMISSIONER DOUGLAS: Move Item 8.
22 COMMISSIONER SCOTT: Second.
23 CHAIRMAN WEISENMILLER: Second, okay. All those
24 in favor?
25 (Ayes.)

1 CHAIRMAN WEISENMILLER: So Item 8 is approved 4-
2 0.
3 Let's go on to Item 9.
4 COMMISSIONER MCALLISTER: Motion to reopen Item
5 9.
6 COMMISSIONER DOUGLAS: Second.
7 CHAIRMAN WEISENMILLER: All those in favor of
8 reopening Item 9?
9 (Ayes.)
10 CHAIRMAN WEISENMILLER: So that's been reopened
11 4-0.
12 Now, do I have a motion for approving Item 9?
13 COMMISSIONER DOUGLAS: Move approval.
14 COMMISSIONER SCOTT: Second.
15 CHAIRMAN WEISENMILLER: All those in favor?
16 (Ayes.)
17 CHAIRMAN WEISENMILLER: This item has been
18 approved 4-0.
19 So at this point Items 7, 8 and 9 have been
20 approved, but in an unconditioned fashion.
21 So let's go on to Item 14. This is the Medium
22 and Heavy-Duty Advanced Vehicle Technology Demonstration,
23 PON-14-605. Larry.
24 MR. RILLERA: Good morning, Chairman and
25 Commissioners. My name is Larry Rillera. I am with the

1 Fuels and Transportation Division.

2 I am seeking approval of four agreements for a
3 total of \$10,474,233 resulting from the Medium and Heavy-
4 Duty Advanced Vehicle Technology Demonstration solicitation
5 issued under the Alternative and Renewable Fuel and Vehicle
6 Technology Program.

7 The purpose of the solicitation was to encourage
8 demonstration of advanced truck technologies in communities
9 throughout California. These field demonstrations will
10 help develop commercial vehicle technologies to reduce
11 greenhouse gas emissions, displace petroleum fuel demand,
12 stimulate economic development and enhance market
13 acceptance that will lead to commercial production.

14 All of the projects recommended for funding today
15 will be demonstrated in disadvantaged communities of the
16 state. These demonstrations of advanced zero and near-zero
17 emission truck technologies will provide the communities
18 immediate benefits of reduced pollution, job creation and
19 sustainability.

20 The four projects under consideration today: Item
21 14a, Hydrogenics, will demonstrate an advanced fuel cell
22 range-extended electric bus in disadvantaged communities of
23 the Coachella Valley. The grant requested \$2,148,177. The
24 project team includes New Flyer of America, Siemens and the
25 SunLine Transit Agency.

1 The advanced fuel cell propulsion technology will
2 be integrated into New Flyer's 40-foot battery transit bus
3 platform with a Siemens electric drive system. SunLine
4 Transit will demonstrate the bus on its Line 90 East Valley
5 route in the Coachella Valley.

6 Item 14b, Hydrogenics will also demonstrate an
7 advanced fuel cell range-extended electric drayage truck in
8 disadvantaged communities in the Ports of Long Beach, Los
9 Angeles and the Alameda Corridor. The grant requested is
10 \$2,679,417. The project team includes Total Transportation
11 Services, Siemens, Actia and Freightliner.

12 The fuel cell propulsion technology will be
13 designed for a Class 8 drayage truck. Hydrogenics will
14 integrate the advanced fuel cell propulsion into the
15 drayage truck glider that is to be provided by
16 Freightliner. It will also have a Siemens electric hybrid
17 drive using Actia battery packs. Total Transportation
18 Services will operate the truck on the Alameda Corridor in
19 a 150-mile long loop linking the Ports of Long Beach and
20 Los Angeles to the Transcontinental Rail network near
21 Downtown Los Angeles.

22 With respect to Item 14c, CALSTSART will
23 demonstrate four battery electric transit buses in
24 disadvantaged communities of Los Angeles. The grant
25 requested is \$2,886,248. CALSTART in partnership with BYD

1 and the Los Angeles Department of Transportation will
2 demonstrate four 33-foot electric drive buses with a goal
3 of 165-mile range in a three-and-a-half hour charge time.
4 BYD will build the buses in their Lancaster, California
5 manufacturing facility. The buses will be operated by the
6 Los Angeles Department of Transportation on their DASH
7 Route A, traveling through Downtown Los Angeles including
8 Little Tokyo, the Civic Center, Bunker Hill and portions of
9 the Financial District.

10 Item 14d, Motiv Power Systems will demonstrate
11 five battery-electric school buses in Reedley, Colton and
12 Los Angeles Regions, which contain disadvantaged
13 communities. The grant requested is \$2,760,391. The
14 project includes Los Angeles Unified School District, Kings
15 Canyon Unified School District, Colton Joint Unified School
16 District, ROUSH and StarCraft. StarCraft's Quest XL school
17 bus will be designed, built and demonstrated in an all-
18 electric version.

19 Staff thank you for consideration of this item
20 and there are representatives that are here from the
21 projects should there be any questions. Thank you.

22 CHAIRMAN WEISENMILLER: Yeah, Okay. I believe I
23 have one blue card for a speaker on this item?

24 MR. DEL CORE: Good morning, Commissioners. My
25 name is Rob Del Core. I'm with Hydrogenics, USA and first,

1 on behalf of Hydrogenics and all our project partners, I'd
2 like to thank the Energy Commission for the support of our
3 projects. We're very excited and very enthusiastic about
4 working on them. And we're also very, very committed to
5 the commercialization of fuel cell buses and trucks in the
6 heavy-duty space as well.

7 We're also very proud to integrate their Celerity
8 Plus, which is the latest fuel cell power system
9 technology, which is the first bundled system that
10 integrates the fuel cell with the drive designed to reduce
11 the total cost of ownership and to accelerate
12 commercialization of fuel cell vehicles. So we're very
13 excited and very proud to put it into a New Flyer bus and
14 also the drayage truck application with the Freightliner
15 chassis.

16 This is an exciting team. We have invested a lot
17 in the Celerity development and we continue to invest in
18 California. So we're very excited to work with this
19 wonderful team and have this opportunity to deliver a
20 really good drayage truck and transit bus operation here as
21 well, which will be operating in disadvantaged communities
22 in the Coachella Valley and also the L.A. Basin.

23 So I'm here for any questions as well too, but
24 thank you again for the opportunity.

25 CHAIRMAN WEISENMILLER: Great, thanks. Thanks

1 for being here. Anyone else want to speak?

2 Okay, then Commissioners questions or comments?

3 COMMISSIONER SCOTT: I did have a quick question
4 for you. Thank you so much for coming to the meeting. How
5 long do you think it will take to get this up and running
6 and get the technologies into the bus and the drayage
7 truck?

8 MR. DEL CORE: We want to move as quickly as
9 possible and so we're in the process of kicking things
10 forward. So we're looking at a preliminary timing of
11 February for the drayage truck to get things moving
12 forward. And we're looking at the 2016-2017 timing to have
13 components procured, so we're looking at a 2017
14 demonstration for the fuel cell bus at SunLine Transit in
15 the Coachella Valley.

16 COMMISSIONER SCOTT: Great. Great, thank you.

17 So I would just add on this one that these are
18 really exciting projects. I think the team did a great job
19 putting together the medium-duty, heavy-duty program
20 opportunity notice. And we got some really great projects
21 in and these are exciting, because we've got zero emission
22 technologies in both the school buses to potentially have
23 solutions for our children to be in a school bus with no
24 tailpipe pollution, and transit buses, right? So everyone
25 who takes public transit has an opportunity also to

1 experience the zero emission technologies.

2 And then the drayage trucks and figuring out how
3 to clean up the trucks that we have around our ports and
4 get those to zero emission in the goods movement space is
5 exciting.

6 So I think we've got a really nice slate of
7 projects here. So I hardily recommend them for your
8 approval.

9 CHAIRMAN WEISENMILLER: Great. I was going to
10 make just a couple of comments.

11 COMMISSIONER SCOTT: Oops, sorry, go ahead.

12 CHAIRMAN WEISENMILLER: One, I was going to say
13 no this is great really, to focus there. As you know 20
14 percent of the economy in L.A. is goods movement and L.A.
15 is certainly ground zero in dealing with air quality
16 issues. So if we can help make that transformation it's
17 really important.

18 Also, I was just going to mention that when the
19 Governor had his first trade mission to China we went to
20 the BYD factory. And actually there was a picture in a
21 Chinese newspaper of the Governor on one of their electric
22 buses as we were being ferried from one part of their
23 factory -- it's quite large -- but anyway from one part to
24 the other.

25 And so what we've seen is obviously with a whole

1 shift to the Pacific, that the good news is that
2 particularly some of our traditional companies are moving
3 to wherever, that certainly there's a lot of Chinese
4 companies coming into California and helping to grow our
5 economy. And certainly BYD is certainly one of those. So
6 that's good to see this progress too.

7 COMMISSIONER SCOTT: Great, well I will -- did
8 you have questions?

9 COMMISSIONER MCALLISTER: Yeah, I just wanted to
10 highlight yesterday we had an IEPR meeting about the
11 Forecast and quite a good discussion about the ports and
12 drayage and kind of all the electrification aspects of
13 that. So it's all related, right? As we move over to
14 electrification and we de-carbonize the grid then this
15 really becomes progressively more and more important of
16 benefit for low-carbon futures. So did you move?

17 COMMISSIONER SCOTT: I will move approval of Item
18 14

19 COMMISSIONER MCALLISTER: I'll second.

20 CHAIRMAN WEISENMILLER: All those in favor?

21 (Ayes.)

22 CHAIRMAN WEISENMILLER: This item also passes
23 4-0.

24 Let's go on to Item 15, Electric Power Research
25 Institute, Brad Meister, please?

1 MR. MEISTER: Good morning, Commissioners. I'm
2 Bradley Meister. I'm here today to request your approval
3 of Grant Number EPC-15-04 for \$2,834,721 under PON-13-301
4 with the Electric Power Research Institute.

5 The purpose of this agreement is to develop and
6 demonstrate a climate-appropriate HVAC system for
7 commercial buildings that integrates variable refrigerant
8 flow technology with indirect evaporative cooling. And
9 operationally optimizes the use of the building control
10 system. This combined system is expected to reduce energy
11 use and peak demand. The length of the agreement is 41
12 months.

13 The goal of this project is the advancement of a
14 novel controls-based system to synchronize the operation of
15 variable refrigerant flow. And the indirect evaporative
16 cooling to reduce energy use for both interior and outside
17 air loads and to reduce peak demand while keeping a high
18 level of occupant comfort.

19 A second key technology advancement will be the
20 evaluation of alternative zero-ozone depletion potential,
21 low-greenhouse warming potential refrigerants for
22 commercial HVAC systems that can help California move
23 towards its AB 32 goals. Lowering the index of ozone
24 depletion potential and greenhouse warming potential at the
25 same time presents a real problem for the air-conditioning

1 industry.

2 Specific project objectives include the
3 following: annual energy use reduction of 40 percent
4 compared to standard rooftop unit operation, reduction of
5 peak energy use by 40 percent through indirect evaporative
6 cooling and occupancy management, demonstration of both
7 prototypes in both Northern and Southern California with
8 existing VRF systems, a control system that integrates
9 building occupant preferences and building models to reduce
10 run time and increase occupant comfort.

11 Designing cooling systems for California's
12 climate is entwined in the close relationship between water
13 and energy and the relative scarcity of both resources on
14 both peak and annual basis. I believe there exists viable
15 alternatives for reducing energy consumption and peak
16 electricity demand that do not significantly increase
17 overall water use. One such solution may be in designing a
18 hybrid evaporator plus compressor systems that
19 significantly reduce peak and annual energy demand while
20 making efficient use of onsite water.

21 I would ask for your approval and I'm happy to
22 answer any questions.

23 CHAIRMAN WEISENMILLER: Thank you.

24 Obviously as the Lead Commissioner on R&D I've
25 reviewed this. It's a good project. Are there any

1 questions or comments?

2 COMMISSIONER SCOTT: I will move approval of Item

3 15.

4 COMMISSIONER MCALLISTER: I'll second.

5 CHAIRMAN WEISENMILLER: All those in favor?

6 (Ayes.)

7 CHAIRMAN WEISENMILLER: This passes 4-0.

8 Thanks, just go ahead.

9 MR. MEISTER: Yes, thank you.

10 CHAIRMAN WEISENMILLER: Let's go on to Item 16,

11 Minutes, June 10.

12 COMMISSIONER SCOTT: Move approval of the

13 Minutes.

14 COMMISSIONER DOUGLAS: Second.

15 CHAIRMAN WEISENMILLER: All those in favor?

16 (Ayes.)

17 CHAIRMAN WEISENMILLER: This also passes 4-0.

18 Let's go to Lead Commissioner or Presiding Member

19 Reports. Commissioner Scott?

20 COMMISSIONER SCOTT: Great, just a couple of

21 things for you. I think might have reminded or let you

22 know about this last time. I have a new adviser, I think

23 as you all know, her name is Courtney Smith. And she

24 started right before the last business meeting and it was a

25 long business meeting, so I just thought I'd reiterate that

1 she's here. She's doing a terrific job and is already, I
2 think, working well with your teams and with other folks
3 around the Energy Commission.

4 Let's see, I've gone a tribal visit with
5 Commissioner Douglas and maybe I'll let her talk a little
6 bit more about that, but it was really great. We spent a
7 day with the San Manuel tribal folks and they took us
8 around and showed us cultural vistas and other cultural
9 pieces that were important to their tribe.

10 And it was really there's nothing like actually
11 getting out there to see it. It's just very different than
12 when you read about it in a report or when you see it on a
13 map, but the map is flat. And so I appreciated the
14 opportunity to get to do that and to start building
15 relationships with the tribes.

16 I also went and attended a Western Interstate
17 Energy Board meeting. It was in Idaho a few weeks ago and
18 there were some pretty interesting topics amongst the
19 western states. We talked a little bit about --
20 interesting and wide-ranging.

21 I mean, we talked about the drought and how the
22 drought is impacting different western states. And what
23 the anticipated impact on some of the energy systems may
24 be, because of that. In California it's very different,
25 because we're not really getting any water right, versus in

1 Oregon and Washington where they anticipate having about
2 the same amount of water, but just at very different times
3 of the year. And their system isn't set up -- it's set up
4 based on the seasonal patterns that they've had before and
5 not the seasonal patterns that they expect going forward.
6 And so it was just very interesting to have that
7 conversation with the other western states.

8 We talked a little bit about the Clean Air Act
9 111(d) and what the states are thinking there, waiting for
10 the final rule really to come out from the Environmental
11 Protection Agency and see what's there. I think a lot of
12 the states are in very, very different places, but most of
13 them have stayed at the table to talk to one another about
14 potential partnerships, because I think they all agree that
15 they don't want to have a federal plan in place rather than
16 a state plan in place. And so it was pretty interesting to
17 watch that dynamic and hear from the different states what
18 they were thinking about and working on.

19 We got a terrific update on the energy imbalance
20 market, had some of the Nevada Energy folks there with our
21 friends from the California ISO.

22 So it was a pretty wide-ranging set of topics
23 that we discussed at the meeting, but I thought that that
24 might be of interest to you all as well. So those are a
25 couple of things I've been up to.

1 CHAIRMAN WEISENMILLER: Great. Commissioner
2 McAllister?

3 COMMISSIONER MCALLISTER: Yeah. So let's see, I
4 want to second the diversity of state opinion on the 111(d)
5 stuff, because through NASEO I kind of get a similar view,
6 right? So some are kind of hoping it goes away and
7 actually the ruling recently about Mercury emissions and
8 the cost issues that the Supreme Court made, that was kind
9 of a little bit of a heads up on all of those issues that
10 are related, you know, vis-à-vis EPA sort of administrative
11 actions.

12 But in any case, I think yeah the states are in
13 very different places. And actually, the ones who may not
14 be able to say in public that they are really looking for
15 solutions actively still look to us for input, you know, if
16 it goes that way. And many of the people in the state
17 agencies, even in the states that sort of formally are
18 again or their governors are against and kind of want it
19 all to go away, the agencies that would be responsible for
20 implementation actually are in some cases in support. And
21 want that action and need that backup and are looking for
22 solutions, so it's a pretty interesting dynamic around the
23 country.

24 I guess just a couple of things to highlight.
25 We've been moving forward on a lot of IEPR activity, really

1 the staff is doing a great job. There's been a flurry of
2 workshops. In the most recent couple of them, yesterday I
3 mentioned we had the Preliminary Forecast Workshop to
4 present that. And it tends to be pretty technical and not
5 maybe as accessible to the public as some of the topics
6 that we talk about in the Commission. But just the level
7 of development, the level of sophistication I think of not
8 only our staff but stakeholders around all these issues
9 that are increasingly going to affect electricity demand
10 over time. And sort of that blurring of the line between
11 supply and demand is just remarkable these days.

12 So, you know, we have the Transportation Forecast
13 and we have the traditional Forecasts in Electric and
14 Natural Gas. But now we have to talk about all the
15 subcategories of Transportation and it's not just liquid
16 fuels. It's all sorts of things and it affects the Natural
17 Gas Forecast and the Electricity Forecast.

18 And there's lot of bleed-over and movement
19 between those categories that there really hasn't been
20 before, you know, storage and it's all going to affect the
21 Demand Forecast and the relationship between energy and
22 peak load. It's all just all very fluid and in a very
23 exciting way, so I think we're really moving into a future
24 that is going to be different. And it's going to be, I
25 think, manageable, challenging, but the net impact is going

1 to be we're all going to be better off.

2 And then another IEPR Workshop that we had on
3 Monday, but really it was more than an IEPR Workshop, we
4 sort of leveraged the IEPR team to organize it. But really
5 it was an interagency meeting about the Governor's third
6 goal, doubling energy efficiency in our existing buildings
7 and cleaning up our heating fuels. And so we had CSD, the
8 Community Services and Development. We had ISO. We had
9 the CPUC. Commissioner Peterman was here. And we had the
10 Governor's Office, actually. Cliff Rechtschaffen was here
11 for the whole day and I think really was impressed with the
12 high quality of the panelists and really the relevance of
13 the topics that we were able to work through.

14 And it was actually at a very high level. I
15 think everybody learned a lot, so it's going to inform kind
16 of policy on a number of fronts going forward and certainly
17 the current discussions in the legislative arena. So that
18 was kind of a big deal and I think really elevated the
19 level of that discussion, so terrific. And specifically
20 Jeanne Clinton provided a lot of input on it and the
21 liaison between the Governor's office and the CUPUC, she
22 just has such a deep reservoir of knowledge and contacts.
23 And that really helped us assemble the panels.

24 And then my adviser, Hazel Miranda, really just
25 knocked it out of the park. And I have to just give her

1 all of the kudos for it. Just the dogged persistence here
2 and framing the topics, what's going to be in and what's
3 not going to be in there, and that required quite a bit of
4 discipline. So you can imagine, but then getting really a
5 diversity of opinion on each panel so that we can have a
6 robust discussion and highlight the issues that we really
7 have to deal with was super important. And I think it just
8 wouldn't have happened to that level without her being the
9 lead on it.

10 So those are a couple of highlights in my IEPR
11 and Efficiency worlds.

12 And I did make a trip to San Diego a couple of
13 weeks ago, C3, Citizens Coordinating for Century 3. It's a
14 kind of a unique San Diego organization, but they sponsor
15 talks every so often. So I went down and shared a panel
16 with SDG&E and EPIC -- a different EPIC -- the law school
17 EPIC down there about the new electricity grid. And I
18 think San Diego's got a kind of interesting context that
19 they're trying to deal with.

20 And I got caught up with SANDAG who I used to
21 work with quite a bit and they're doing some really
22 interesting things on the planning front. And visited a
23 large PACE provider down there and kind of learned what
24 their evolution of their business model has been.

25 And I think there's just a lot to learn there,

1 these days, in terms of what the barriers have been. And
2 how they've really solved them for the most part including
3 things like making sure that permitting happens as part of
4 the process and what some of the barriers are there. How
5 they work with their contractors, ensure quality happens,
6 how they evaluate their participating contractors. And how
7 they listen to customers and have kind of the setup such
8 that they can learn at each step from how the marketplace
9 is going.

10 And just the success that they've had getting
11 placements in the bond markets; I mean, it's pretty
12 remarkable. You know, the latest placement I think around
13 not just the one I visited, but I think they're uniformly
14 having increasing success getting there. But the scale is
15 just pretty breathtaking actually.

16 And I think the broader impact in the housing
17 industry actually is something we need to start paying
18 attention to. Not just okay, how many energy efficiency
19 savings, but it's really a question of how can we help.
20 How can we kind of piggyback on the fact that people are
21 doing projects in their homes and businesses to shape those
22 projects, so that they align as much as possible with the
23 Governor's goals, because those projects are happening.
24 People want them and they have an energy component, but
25 they have many, many other components.

1 And so just it was a lot of food for thought, a
2 lot happening out there in the marketplace that's really
3 out in front of this. And so I was very impressed and it
4 was something I really want to keep working on. To learn
5 from to make sure that certainly we're not creating
6 barriers, but really that we can leverage for a great
7 effect, in our existing building stock. Which is, in my
8 world, it's kind of the question of the day, the challenge
9 of the day is how to get our existing buildings upgraded.

10 So those are kind of the highlights for me.

11 Thanks.

12 COMMISSIONER DOUGLAS: Well, as Commissioner
13 Scott noted we did a visit with the San Manuel Tribe
14 recently. We did it together, which was really nice and
15 with Tom Gates and Roger Johnson on our staff.

16 And it's been part of an effort we've made to
17 talk to tribes and engage in some pretty informal
18 consultation around DRECP both in terms of Phase 1, which
19 is at least some discussion of the BLM Land Use Plan
20 Amendment portion. But really with a focus on Phase 2, on
21 partnership with the counties, on working to increase
22 information and analysis and engage with the tribes
23 proactively on how to think about bringing together the big
24 picture on renewable energy and conservation.

25 So it's been a nice set of meetings. And I think

1 that's my only report today.

2 CHAIRMAN WEISENMILLER: A couple of things from
3 me, I mean first was as you recall, at our last business
4 meeting, we named the building and there's sort of a nice
5 note from Charlie Warren afterwards. And I just wanted to
6 at least read part of it to folks which was, "Please accept
7 and convey to your colleagues my gratitude and appreciation
8 of your naming your wonderful building after me and Senator
9 Alquist. It was a unexpected honor and will be cherished
10 not only by me and my wife, but our offspring as well." So
11 that was nice.

12 In terms of other things just briefly, so I went
13 to Berlin for about a week. There was an event scheduled
14 by the U.S. State Department, Department of Energy and the
15 German Economy and Energy Ministry to look at the operation
16 of the German power markets. I was there, a couple of
17 people from the ISO, Ed Randolph from the PUC.

18 Germany and California are unique in that we both
19 have very high levels of renewables in the operation
20 integrations. It's always interesting where they're -- we
21 just have to do the correction of saying the Germans define
22 renewables as including large hydro, which we don't. So
23 they always talk about how they're like at 28 percent now,
24 which includes 3 percent large hydro. We're at roughly 25
25 percent excluding large hydro. And if you did include

1 large hydro even with our drought-impacted hydro system
2 we'd be more like at 35 percent.

3 So you often hear the vaunted German, why aren't
4 we doing as well as they? The answer is actually we're
5 doing better in that sense. But this focused a lot more on
6 some of the operational issues and got pretty technical.
7 And it was a pretty interesting conversation and they're
8 struggling a lot with -- well, I mean, obviously both of us
9 are really trying to do these things for greenhouse gas
10 emissions. At the same time the Germans are sort of moving
11 away from nuclear. They've actually like 7 or 8,000
12 megawatts of coal as part of the transition. So actually
13 their greenhouse gas emissions have gone up and not down
14 with the renewables, although I think last year they
15 finally actually went down some.

16 But we talked about moving some of the -- they
17 were trying to -- the international emissions trading
18 system was not working very well in Europe. So their
19 talking about putting a tax on coal plants to try to bring
20 them more in line with their 2020 goals has been
21 politically very unpopular. So they're now talking about
22 moving a bunch of the coal plants into a sort of capacity
23 reserve category where they would pay them --

24 (Colloquy off mic.)

25 No, I mean it's a difficult issue. There were

1 German villages which are probably mined and it's probably
2 been the major source of their economy for 100 or more
3 years of mining coal. And so they would like to keep doing
4 that, I guess, in those villages is the bottom line. So
5 the politics are rather intense, but again we dealt much
6 more with some of the nuts and bolts issues. You know,
7 things like trying to pin down from them how much -- we
8 have a single ISO statewide. They have like four different
9 RTOs. Ours is very automotive, actually from the German
10 Siemens software and theirs is manual. So they re-dispatch
11 20 percent of their power each day manually, which is just
12 like oh my god, you know?

13 (Colloquy off mic.)

14 Yeah, so anyway it's certainly interesting to
15 compare and contrast, but this is my third meeting with the
16 Energy Ministry folks. Last year I was in Germany and the
17 prior year they were here, so it's good to sort of stay in
18 contact. And to work through the similarities and
19 differences of what we're doing. So that was a good trip.

20 Also, as you know I'm on the EIM Transitional
21 Committee, so was in Reno as we went through. Although
22 it's sort of we've all had that experience where you have a
23 public meeting to get comments on something and you do the
24 presentation and there's like no comments. And you're
25 trying to figure out, is it you're not doing it in your

1 normal operation, so you're using some sort of webcast or
2 something that's provided by somebody else so you don't
3 know if it's just not working right or whether the topic
4 has been covered enough different times that people were
5 pretty happy. So anyway, but we will have written comments
6 to get a better sense.

7 So anyway, that's moving along. It's pretty
8 impressive on where things have gotten on the energy
9 imbalance market with PacifiCorp and now their proposal to
10 join the ISO. And at the same time obviously we have
11 Nevada who will kick in on October. And on this Committee
12 is one of the gentlemen who is really running a lot of
13 their systems trying to be ready and also then Puget in
14 Arizona.

15 So it's pretty amazing how fast it's growing.
16 But at the same time it was actually one of the things that
17 came out in the German conversation, was that as you look
18 at renewable integration going from hourly dispatch to 15-
19 minute or 5-minute really makes a big difference in terms
20 of what you need, in terms of operationally reserves and
21 the ease or complexity of doing it.

22 And so joining ISO basically provides these other
23 entities sort of access to 21st Century operational
24 systems, which unfortunately many of them are more like
25 1960s cobalt or whatever. Anyway, so it's a real

1 advancement and certainly I think this is a good platform
2 for us to move forward for renewables region-wide and
3 reductions of greenhouse gas emissions region-wide.

4 CHAIRMAN WEISENMILLER: So with that let's go on
5 to Chief Counsel's Report.

6 MS. VACCARO: I don't have a report this morning,
7 but if I may I'd like to introduce our three summer
8 interns?

9 CHAIRMAN WEISENMILLER: Oh, sure.

10 MS. VACCARO: Okay. Thank you.

11 And if you would stand when I introduce you; we
12 have UCLA law student Anna Farrow, we have two UC Davis law
13 students, Colin Chandler and Randall Brecht. (phonetic)
14 And we're very pleased to have them in our office. They've
15 been with us for about a month. They sat through the last
16 business meeting up until the end and then they needed to
17 leave, but thank you for letting me introduce them. And
18 again, we're really pleased to have them.

19 CHAIRMAN WEISENMILLER: Oh, sure. Thank you.

20 And thanks for your assistance, welcome.

21 Executive Director Report?

22 MR. OGLESBY: I think I can pass today.

23 CHAIRMAN WEISENMILLER: Public Adviser Report?

24 MR. PITTARD: Yes, thank you. The Public

25 Adviser's Office wants to just take a minute and thank all

1 the people that helped us with the Summer Institute for
2 Energy Law and Policy. It ran from June 15 to the 26th, it
3 was two weeks, it was a pilot program. It was for high
4 school students and they got an idea of what the Energy
5 Commission does, what kind of careers are available to them
6 in organizations like the Energy Commission. And they
7 learned a lot about climate change and the leadership that
8 the Commission is showing in that subject area.

9 They had many presentations. It was fantastic.
10 It included Commissioners, their advisers, the Executive
11 Director, the Chief Counsel -- I forget your actual title,
12 I'm sorry -- Chief Deputy Director.

13 And then staff from all the divisions presented,
14 so from Fuels and Transportation we had Randy Roesser, Jim
15 McKinney, Leslie Baroody. Rauol Renaud from the Hearing
16 Office brought his electric car in for them to see after
17 that briefing. Energy Efficiency Division staff included
18 Dave Ashukian, Ken Rider. Siting Division's Eric Knight,
19 Christine Stora, Tom Gates and Lisa Worrall presented. I
20 think Lisa kind of bent their minds on how to mine census
21 data. That was pretty cool.

22 Then we also had Laurie ten Hope and Leah Mohny
23 from Research and Development, Angela Gould, Cheryl
24 Closson. Attorneys from the Legal Office, Jeff Ogata,
25 Pippin Brehler, Galen Lemei. We had a really fun -- oh and

1 Samantha Arens too -- and a really interesting conversation
2 between Jeff Harris, Scott Galati and Carrie Willis. So
3 one of our siting attorneys and two private sector
4 attorneys; they enjoyed that.

5 Finally, we had Dr. Reed come in and give a
6 fantastic presentation on scholarships and how to get them,
7 how to apply for them. And Michelle Chester and Laura
8 Murphy were our chief wranglers and they made everything go
9 smoothly.

10 So thank you all very much for all your help. It
11 was a pilot. We think we learned a lot and we know the
12 students got a lot out of it.

13 CHAIRMAN WEISENMILLER: Now, thanks. Thanks a
14 lot for doing that program.

15 COMMISSIONER SCOTT: Yeah, I'd just like to add
16 my thanks to everybody for really helping to make that
17 work. The students were really excited. They took
18 advantage of the program. I think they had lunch with a
19 bunch of advisers and some of them had lunch with me,
20 because they were really interested and wanted to follow
21 up. And so I wanted to also thank Alana for her leadership
22 on that and helping to put it together.

23 We're just trying to think of innovate ways to
24 reach a broader set of people than sort of the self-
25 identified energy wonks that are on our e-lists and things

1 and so we thought potentially reaching out to some of the
2 high school students -- They also had a chance to analyze
3 a bill like you would do for OGA, which I think was pretty
4 cool. So Alana and the team designed a really kind of
5 robust program to try to spark some interest with some
6 students. And so I appreciate everyone's help and work and
7 taking the time out to come and give presentations and
8 bring cars and neat stuff for the students.

9 CHAIRMAN WEISENMILLER: Great.

10 So we have one public comment, yeah?

11 MR. DESMOND: Knowing who you are, but there's
12 only one huh?

13 CHAIRMAN WEISENMILLER: Yeah, right.

14 MR. DESMOND: And I guess almost good afternoon,
15 Commissioners. Jerry Desmond, Jr. representing Plumbing
16 Manufacturers International, PMI, and they thought it would
17 be a timely opportunity to come here again. It was April
18 8th that I was here, and PMI, when you all took the action
19 in the business meeting to adopt the emergency regulations
20 pursuant to the Emergency Order on the drought. And as we
21 said then, that we are committed as an industry to, you
22 know, work towards accomplishing what we're all trying to
23 do, save water in this emergency situation both now and in
24 the future. And we have been endeavoring since then and
25 it's been three months. And we have a bit of an update.

1 What we're finding is that the fixtures that are
2 in the regulation that are kitchen faucets and public
3 lavatory faucets and toilets, they're moving forward and we
4 believe that there will be product on the shelves January 1,
5 2016. And that'll work.

6 If there's a concern, and there is, it's with the
7 residential lavatory faucets and moving to a maximum of 1.2
8 GPM, which is a bit of a precedential flow rate to go to.
9 And what we're finding is as we are dedicated to moving to
10 1.2 GPM, and we know that's got to happen, it's a question
11 of how do we get there and will there be a severe
12 disruption to the marketplace?

13 We are engaged with the manufacturers themselves.
14 You know, PMI represents as a trade association, 90 percent
15 of the companies that produce these products and offer them
16 for sale in California. And we engage with the aerator
17 manufacturers and we engage with the retailers who will
18 bring it on the shelves. It still looks like it will not
19 be sufficient products on the shelves on January 1, 2016.
20 And we predict a severe market disruption that would be of
21 concern to all of us at that time, because I think then we
22 all take blame including us as the manufacturers, you know,
23 the consumers. So we are endeavoring and we are suffering
24 through that process.

25 We have found, and hopefully there's more of a

1 common factual pattern, I know that it was stated at the
2 April 8th meeting that there were an understanding that
3 there were 800 compliant residential lavatory faucets on
4 the market today. And I think we now have a clarification
5 that it's not that at all and that it's closer -- our
6 numbers are 13. There might be some, I think it's a couple
7 dozen or so, but our PMI number after going exhaustively
8 through the list is that it's 13 products today. So in
9 order to meet the demand for consumer acceptance on the
10 shelves of the major retailers there's quite a stress.

11 We also know that we've done some numbers to come
12 up with what has been the market penetration in terms of
13 WaterSense products here in California, which would be the
14 1.5 GPM. And that is 21 percent, so there is a great
15 opportunity -- in fact there is pursuant to state
16 legislation SB 407 -- for residents to move over to 1.5 by
17 2017 and commercial by 2019. If we could move that up you
18 can see the opportunities that could be there. And we
19 encourage that.

20 And we encourage as well that there would be an
21 augmentation of this 1.5 GPM. You could do it today. We
22 think that there's enough that could be available on the
23 market and there through the retailers that the regulation
24 could be augmented to move up at 1.5 immediately. Maybe
25 even in your next business meeting or today. We would

1 support that as a move to go forward.

2 And then lastly we do note and appreciate that
3 there's a workshop notice that's been published today for
4 July 28th. And we will be engaged. Our commitment as we
5 work together towards accomplishing these water savings --
6 we are committed to work towards that workshop and at the
7 workshop to see what can be done to accomplish water
8 efficiencies and not have the destruction in the
9 marketplace, because I think those objectives we share in
10 common.

11 And so thank you very much for the opportunity to
12 just give a brief update.

13 CHAIRMAN WEISENMILLER: Well, thanks for being
14 here with us. I think I might as well start and then go to
15 Commissioner McAllister, but I was just going to say that
16 I've had the opportunity to do a number of legislative
17 hearings or briefings with Felicia and the water team. And
18 the thing is that every time I'm there I'm just amazed at
19 the impacts. You know, that we have cities up and down the
20 Valley, which are trucking water in, that the agricultural
21 fields have been fallowed. We're trucking food in to
22 people with no jobs.

23 You know, that in terms of impact on wildlife I
24 mean, with the warmer water we could lose the salmon run
25 this year. And to one example in the non-migratories in

1 Bakersfield there were 12 bears that had to be moved out of
2 the area in December. So again, and at the same time a lot
3 of the actions we're taking are for fear that the drought
4 continues next year.

5 And then Felicia was very clear to the
6 Legislature that when she's really telling everyone to cut
7 back 25 percent, and there's a certain amount of we already
8 cut back or can't someone else do it, she was saying, "You
9 don't understand. This is so if it continues next year
10 that we don't have to cut off cities." I guess down in
11 Brazil and San Paolo they did not take these actions, and
12 so at this point they're really just cutting off water.

13 And so again, this is a pretty dire situation,
14 which is certainly why we're all taking the emergency
15 actions we're taking. We do appreciate that there are
16 limits, but I mean part of it is underlying for people the
17 seriousness of the issues we're facing.

18 Do you want to talk about this also?

19 COMMISSIONER MCALLISTER: Yeah, I do.

20 So thanks Chair, for being here.

21 And absolutely, I've lived in a lot of developing
22 countries and the status quo in many of these places is you
23 have private companies trucking water around and people
24 filling their individual tanks with it. We don't want to
25 get there, you know? It's more costly, it's more

1 polluting, it's just not anything we want to do. And
2 that's kind of a few steps down the road from where the
3 Chair was talking. You know, driving around the Sierra
4 Foothills into these little there are public signs
5 everywhere saying, "Don't use outdoor water" "top five
6 things to do for water." And it's not just because of the
7 Executive Order and the 25 percent reduction. It's because
8 they don't have water to buy, to feed their population, to
9 send to their population. So this is a big, big deal. But
10 I think we all are aware of that.

11 So a couple of things -- you know, I want to just
12 let you know we're absolutely listening. At the same time
13 we're listening to you staff is trying to ground truce sort
14 of some of the supply chain issues and just make sure that
15 we're operating with a full deck of information. And, you
16 know, the conversations with you and others absolutely
17 reflect that.

18 So the workshop is a reflection of that,
19 absolutely. I think we want to have an open process here
20 and really just make sure that we're following the
21 information trail and making sure we have the best
22 information available. And hear what your updates are kind
23 of in as real-time as possible.

24 I don't remember there people a claim that there
25 were 800 products that were at 1.2 at that point. I think

1 it wasn't that big, but it was definitely bigger than 13,
2 so I'm interested in hearing you unpack that. I certainly
3 hope that you and your members intend to bring as much
4 information as you possibly can. And if there are IP
5 issues we can deal with that. So I think we just want to
6 make sure we have that discussion.

7 The other thing I would just exhort you and your
8 members is to really work on the market movement. You
9 know, the retailers are a powerful voice for consumers.
10 And making it as easy as possible for them to find the
11 groups of the most efficient devices whether it's
12 showerheads or faucets or whatever. And making it just
13 having resources just organized in a way that they're
14 completely accessible to consumers and easy to navigate and
15 that comparing and contrasting isn't a huge headache that
16 takes half a day when consumers are looking for that new
17 device.

18 People are aware of all of this and they want to
19 do the right thing. And they need the information to do it
20 quickly and easily in a way that they're going to follow
21 through with. And so I think part of this market movement
22 is really educating the population and your members have
23 the platform to do that, both up the supply chain and right
24 there at the retail. So I think that's a conversation we
25 should also continue in addition to the technical

1 conversation about the regulations and the timeframe for
2 implementation. So thanks.

3 CHAIRMAN WEISENMILLER: Yeah. No, I was just
4 going to note that one of the things also that certainly
5 affected my thinking on having this workshop was that I did
6 reach out to Ralph Cavanagh at the NRDC. And at this point
7 they have seconded some of your concerns about
8 availability. They had some proposals and I'm sure we'll
9 hear some other proposals from the utilities on how we
10 might move forward. And we thought those might be a little
11 bit more complicated than what we could actually implement,
12 but I'm hoping that you'll be there. Certainly the
13 utilities and NRDC will be at the workshop to help us work
14 through the issues.

15 MR. DESMOND: I didn't want to be disrespectful
16 by sitting down as you were addressing me.

17 CHAIRMAN WEISENMILLER: That's fine.

18 MR. DESMOND: Also and I appreciate and endorse
19 what you're all saying including the opportunities to
20 educate consumers and other retailers that we're talking
21 to. And you have some ideas that they've started to
22 implement in some other regions that might be very
23 translatable to California and some of our members. And
24 even on the PMI website there's a prominent mention of the
25 drought and what you can do to save water in the drought.

1 So we agree with that.

2 And as well, as the efforts towards a rebate
3 program, together with the Water Board and yourselves, in
4 terms what can be hopefully a statewide program that's easy
5 for consumers. So that they will be incentivized and not
6 have the struggle of identifying well, you know, have one
7 retailer that covers several counties. And they have
8 several kinds of coupons and how do you work that? So
9 consumers can make knowledgeable decisions and be
10 incentivized to purchase the products too. And we're
11 committed to that kind of program and support a rebate
12 program with the monies that have already been budgeted,
13 more that can. And so we're committed to that aspect of it
14 as well as everything that you have mentioned.

15 And we take your comments very seriously and we
16 endorse them. Yeah, thank you.

17 CHAIRMAN WEISENMILLER: That's very good. At
18 this point on our website I believe, and of course not
19 everyone is computer-oriented, but I believe now we're up
20 to five or six languages. So the notion was to have the
21 information be multilingual.

22 And also I think we put together a chart that
23 tries to map our rebate program and the various water
24 district rebate programs, the utility rebate and to sort of
25 provide a road map there for people on where to look for

1 funding.

2 COMMISSIONER MCALLISTER: Yeah, your program
3 design point is very well taken. I mean, it's a challenge,
4 because there are lots of chefs in the kitchen in terms of
5 rebate programs in any given place. But absolutely harping
6 on I do it and I hope you will do it as well, just let's
7 make this as simple for any given consumer as possible. So
8 that they don't have confusion and they're not having to go
9 to three different places for their rebates. And just
10 channel the funds through existing channels as much as we
11 possibly can. So that conversation is ongoing and
12 appreciate your kind of hitting on those issues as well.

13 And also, I appreciate your acknowledgement of
14 the severity of the crisis. And really I don't think
15 there's any debate that we need to get down the GPM on
16 faucets. And when we're talking about implementation I
17 think we're really all in large consensus about the big
18 picture here. So thanks.

19 CHAIRMAN WEISENMILLER: Yeah. Okay, we have
20 another public comment from a gentleman on the line, Ravi
21 Sharma.

22 DR. SHARMA: May I speak now?

23 CHAIRMAN WEISENMILLER: Sure. Please introduce
24 yourself for the court reporter.

25 DR. SHARMA: My name is -- hello?

1 CHAIRMAN WEISENMILLER: Yes, please introduce
2 yourself for the court reporter and go forward.

3 DR. SHARMA: Yes, thank you. Can you hear me?

4 CHAIRMAN WEISENMILLER: Yes.

5 DR. SHARMA: (Technical issues with audio.)

6 Thank you. I'm Dr. Ravi Sharma. I'm a
7 scientist. I have a background in space, nuclear, images
8 and natural resources and IT.

9 I just want to bring the Commission notice to the
10 following request. There is a tremendous amount of
11 momentum on the (indiscernible) reduction side of energy,
12 there is no problem. I think what is helpful to educate
13 everyone would be the proportion of energy going into let's
14 say lawn sprinklers versus drinking water. It is here and
15 there, it's catchy, but in a drought scenario if we could
16 highlight pictorially on your sites, the various sites, and
17 maybe TV and other sites the relative importance of
18 (indiscernible).

19 And so for example, I'm just thinking of a
20 scenario, if a couple of cities could give up their lawns
21 would there be then no reduction in agriculture? Those
22 kinds of balances we need to proceed, that's one main
23 point.

24 The other point I want to make is the generation
25 side. (phonetic) If we know that water wells are going

1 five feet, ten feet down every year, whatever that number
2 is, we need to make public aware of how it is impacting.
3 And also the Commission can have very visionary
4 (indiscernible) starting from this year, next year, two
5 years from now, and five years from now we will have energy
6 water surplus situations, because of X, Y, Z actions we are
7 taking. Whether it's raising more funds, whether there
8 will be more federal rules, whether it's taxing us,
9 whatever it takes so that (indiscernible) in agriculture,
10 neither in industry, neither in (indiscernible) as you all
11 have done a wonderful job.

12 I have just moved to this state from the
13 Washington D.C. area two years ago and I'm very proud to be
14 listening to such enlightened reports as today. Thank you.

15 CHAIRMAN WEISENMILLER: Thank you. Thanks for
16 your call in. I would note that if you go to our website
17 under the Water Energy Technology Program that we have a
18 special --

19 DR. SHARMA: Yes.

20 CHAIRMAN WEISENMILLER: -- part there for people
21 to come up with innovative ideas on the water energy
22 technologies. So again, I certainly encourage everyone to
23 come up with their best thinking as part of that or submit
24 their best thinking as part of that.

25 DR. SHARMA: Thank you, will do.

1 CHAIRMAN WEISENMILLER: Okay. I think with that
2 this -- well, actually one last one, Harriet? Any more
3 comments before you go, one last comment?

4 Again, thank you.

5 MS. KALLEMEYN: I will say that this has been as
6 interesting as any meeting I have attended. And they asked
7 me how long I thought it would go. I said about two hours
8 and I wasn't off by much.

9 CHAIRMAN WEISENMILLER: Thanks, again.

10 The meeting is adjourned.

11 (Whereupon, at 12:20 p.m., the Business Meeting
12 was adjourned.)

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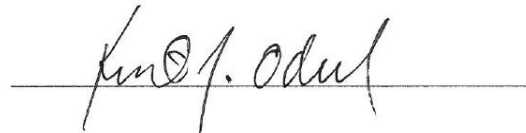
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A handwritten signature in cursive script, appearing to read "Kent Odell", is written over a horizontal line.

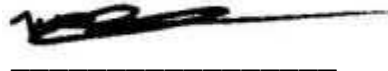
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