

## DOCKETED

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BUSINESS MEETING  
 BEFORE THE  
 CALIFORNIA ENERGY COMMISSION

In the Matter of:	)	
	)	Docket No.
	)	16-BUSMTG-01
<i>Business Meeting</i>	)	
_____	)	

CALIFORNIA ENERGY COMMISSION  
 1516 NINTH STREET  
 ART ROSENFELD HEARING ROOM - FIRST FLOOR  
 SACRAMENTO, CALIFORNIA 95814  
 WEDNESDAY, FEBRUARY 10, 2016  
 10:00 A.M.

Reported by  
 Peter Petty

## APPEARANCES

### COMMISSIONERS

Robert B. Weisenmiller, Chair

Karen Douglas

David Hochschild

Andrew McAllister

Janea Scott

### Staff Present:

Rob Oglesby, Executive Director

Kourtney Vaccaro, Chief Counsel

Alana Mathews, Public Advisor

Shawn Pittard, Public Advisor's Office

Tiffani Winter, Secretariat

### **Agenda Item**

Kevin Barker	2
Dale Rundquist	3, 4
Mike Monasmith	5
Ken Celli	6
Leonidas Payne	6
Lisa DeCarlo	6
Heather Raitt	7
Caryn Holmes	7
RJ Wichert	8
Suzie Chan	9
Reta Ortiz	10
Brad Williams	11

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Reynaldo Gonzalez	12
Marc Perry	13
Sarah Williams	14

### **Also Present**

#### Interested Parties

Greggory Wheatland, Ellison Schneider & Harris  
 Melissa Foster, Stoel Rives  
 Andrew Bell, Marten Law  
 Ian Black, EDF Renewable Energy  
 Tiffany North, County of Riverside  
 Sarah Clark, Colorado River Indian Tribes  
 Lisa Belenky, Center for Biological Diversity  
 Kevin Emmerich  
 Jason Lenzmeier, CHEERS  
 Michael Hodgson, CHEERS

#### Public Comment

Dr. Alexander Cannara  
 Rochelle Becker, Alliance for Nuclear  
 Responsibility  
 Valerie Winn, PG&E  
 Rick Owen  
 Tim Carmichael, So Cal Gas

I N D E X

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1.	CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)	11
a.	UNIVERSITY OF CALIFORNIA, IRVINE. Proposed resolution approving a purchase order with The Regents of the University of California's Advanced Power and Energy Program at Irvine, for \$4,999 to co-sponsor the 2016 International Colloquium on Environmentally Preferred Advanced Generation: Microgrid Global Summit in Irvine, California from March 22 -24, 2016; and approving use of the California Energy Commission logo in co-sponsorship advertisements. (ERPA funding) Contact: Eli Harland.	
2.	<del>ENERGY COMMISSION COMMITTEE APPOINTMENTS. Possible approval of appointments to the Energy Commission's Standing Committees and Siting Case Committees. Contact: Kevin Barker. (5 minutes)</del>	
3.	OTAY MESA ENERGY CENTER (99-AFC-5C). Proposed order approving the petition to amend the California Energy Commission Decision. The modifications proposed in the petition would replace certain combustion section components with Advanced Gas Path components on the two existing combustion turbines and will increase the combined generating capability of both turbines by approximately 15 megawatts. Staff proposes new conditions of certification TRANS-7 and TRANS-8 to avoid potential hazards to aviation from thermal plumes. Contact: Dale Rundquist	11
4.	PIO PICO ENERGY CENTER (11-AFC-1C). Proposed order approving the petition to amend the California Energy Commission Decision. The modification would be limited to the proposed nominal (approximately 10 percent) increase in hourly heat input. Staff has proposed modifications to Air Quality conditions of certification to keep current with the Air District conditions and to TRANS-9 to avoid potential hazards to aviation from thermal plumes. Contact: Dale Rundquist.	16
5.	MISSION ROCK ENERGY CENTER Project (15-AFC-02). Contact: Mike Monasmith.	20
a.	Proposed order approving the Executive Director's recommendation to find the Mission Rock Energy Center project application for certification (AFC) data inadequate. The Mission Rock Energy Center would be a natural gas-fired, nominal 255-megawatt simple cycle electrical generating facility that would include 100 MWhr (25 MW x 4 hours) of battery storage and synchronous condenser clutch technology to provide ancillary and grid reliability services. The	

- project would be located in Ventura County, California, approximately 2 miles west of Santa Paula, near State Highway 126. 23
6. PALEN SOLAR POWER PROJECT (09-AFC-07C). Contact: Ken Celli.
    - a. Proposed order addressing Palen SEGS I, LLC's petitions to: 1) change ownership to Maverick Solar, LLC; and 2) extend the deadline to begin construction to June 15, 2017, conditioned upon submittal of an application to convert the approved solar trough technology to photovoltaic technology by June 15, 2016.
    - ~~b. Proposed order appointing a Committee to conduct further proceedings on one or both of the above-described petitions.~~
    - c. Possible closed session deliberation on the above-described petitions.
  7. 2015 INTEGRATED ENERGY POLICY REPORT. Proposed resolution approving "Final Lead Commissioner 2015 Integrated Energy Policy Report" (CEC-100-2015-001- CMF). Senate Bill 1389 (Bowen, Chapter 568, Statutes of 2002) requires the Energy Commission to prepare a biennial integrated energy policy report that assesses major energy trends and issues facing the state's electricity, natural gas, and transportation fuel sectors and provides policy recommendations to conserve resources; protect the environment; ensure reliable, secure, and diverse energy supplies; enhance the state's economy; and protect public health and safety (Public Resources Code § 25301[a]). The Energy Commission prepares these assessments and associated policy recommendations every two years, with updates in alternate years, as part of the Integrated Energy Policy Report. Contact: Heather Raitt. 77
  8. ENERGYPRO V7.0. Proposed resolution approving EnergyPro Version 7.0, by EnergySoft, LLC., as an alternative calculation method for demonstrating performance compliance with the nonresidential provisions of the 2016 Building Energy Efficiency Standards, [California Code of Regulations, Title 24, Part 6, and associated administrative regulations in Part 1, Chapter 10 (Standards)]. Contact: RJ Wichert. 117
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  10. ASPEN ENVIRONMENTAL GROUP. Proposed resolution approving Agreement 300- 15-003 with Aspen Environmental Group for a \$3,000,000 contract to provide technical support for the Energy Research and Development Division's EPIC program. Work will be assigned to the contractor on an "as needed" basis. (EPIC funding) Contact: Reta Ortiz 126

11. DEVELOPING A PORTFOLIO OF ADVANCED EFFICIENCY SOLUTIONS: TECHNOLOGIES AND APPROACHES FOR MORE AFFORDABLE AND COMFORTABLE BUILDINGS, PON-13-301. This solicitation sought proposals to fund applied research and development projects that develop next generation end-use efficiency technologies and strategies for the building sector. Funded projects must emphasize emerging energy efficiency technologies and improvements to processes and operations in new construction and existing buildings. (EPIC funding) Contact: Brad Williams. 131
- a. ELECTRIC POWER RESEARCH INSTITUTE. Proposed resolution approving Agreement EPC-15-020 with Electric Power Research Institute (EPRI) for a \$2,705,759 grant to develop a prototype thermostat for low-income and senior housing that will overcome the lack of broadband access. The thermostat will reduce HVAC runtime and energy use, have diagnostic capabilities and provide consumers with access to energy use information. The prototype will be tested in low income and senior housing units in Northern and Southern California.
12. DRIVING THE INTEGRATION OF ELECTRIC VEHICLES TO MAXIMIZE BENEFITS TO THE GRID, PON-14-310. This solicitation sought proposals to develop technologies, tools, and methods for efficiently integrating plug-in electric vehicles into the electricity grid through smart and efficient charging and grid communication interfaces. (EPIC funding) Contact: Reynaldo Gonzalez. 134
- a. UNIVERSITY OF CALIFORNIA, BERKELEY. Proposed resolution approving Agreement EPC-15-013 with The Regents of the University of California, on behalf of the Berkeley campus for a \$1,500,000 grant to develop an advanced smart charging technology that maintains plug-in electric vehicle consumer needs while reducing charging loads, to achieve electricity grid benefits.
13. HUNTINGTON BEACH UNION HIGH SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-15-053 with Huntington Beach Union High School District for a \$500,000 grant to expand infrastructure necessary to store, distribute and dispense compressed natural gas for use in the District's current fleet of CNG school buses and for possible future expansion of CNG-fueled vehicles. (ARFVTP funding) Contact: Marc Perry. 137
14. HYDROGEN REFUELING INFRASTRUCTURE, PON-13-607. This solicitation had two goals: 1) to develop infrastructure necessary to dispense hydrogen transportation fuel; and 2) to provide needed Operation and Maintenance (O&M) funding to support hydrogen fueling operations prior to the large-scale roll-out of fuel cell electric vehicles. (ARFVTP funding) Contact: Sarah Williams. 140

- a. AIR PRODUCTS AND CHEMICALS, INC. Proposed resolution approving Agreement ARV-15-043 with Air Products and Chemicals, Inc. for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs of the station located at 15606 Inglewood Ave., Lawndale, CA and gather data about the station.
- b. FIRSTELEMENT FUEL, INC. Proposed resolution approving Agreement ARV- 15-044 with FirstElement Fuel, Inc. for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs of the station located at 3060 Carmel Valley Rd., San Diego, CA and gather data about the station.
- c. FIRSTELEMENT FUEL, INC. Proposed resolution approving Agreement ARV- 15-045 with FirstElement Fuel, Inc. for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs of the station located at 2855 Winchester Blvd., Campbell, CA and gather data about the station.
- d. FIRSTELEMENT FUEL, INC. Proposed resolution approving Agreement ARV- 15-046 with FirstElement Fuel, Inc. for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs of the station located at 570 Redwood Highway, Mill Valley, CA and gather data about the station.
- e. FIRSTELEMENT FUEL, INC. Proposed resolution approving Agreement ARV- 15-047 with FirstElement Fuel, Inc. for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs of the station located at 1200 Fair Oaks, South Pasadena, CA and gather data about the station.
- f. FIRSTELEMENT FUEL, INC. Proposed resolution approving Agreement ARV- 15-048 with FirstElement Fuel, Inc. for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs of the station located at 20731 Lake Forest Dr., Lake Forest, CA and gather data about the station.
- g. AIR LIQUIDE INDUSTRIAL US LP. Proposed resolution approving Agreement ARV-15-049 with Air Liquide Industrial US LP for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs for the hydrogen refueling station located at 3601 El Camino Real, Palo Alto, CA and gather data about the station.
- h. LINDE, LLC. Proposed resolution approving Agreement ARV-15-050 with Linde LLC for a grant, up to \$240,000 depending on the

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operational date of the hydrogen refueling station, to cover operation and maintenance costs for the station located at 390 Foster City Blvd., Foster City, CA and gather data about the station.

- i. H2 FRONTIER, INC. Proposed resolution approving Agreement ARV-15-051 with H2 Frontier, Inc. for a grant, up to \$240,000 depending on the operational date of the mobile refueler, to cover operation and maintenance costs of the hydrogen mobile refueler based at 403 E. Gardena Blvd., Gardena, CA and gather data about the refueler.
- j. ONTARIO CNG STATION, INC. Proposed resolution approving Agreement ARV-15-052 with Ontario CNG Station, Inc. for a grant, up to \$240,000 depending on the operational date of the hydrogen refueling station, to cover operation and maintenance costs of the station located at 1850 Holt Blvd., Ontario, CA and gather data about the station.
- k. Lead Commissioner or Presiding Member Reports. A Lead Commissioner on a policy matter may report to the Commission on the matter and discussion may follow. A Presiding Member on a delegated committee may report to the Commission on the matter and discussion may follow. Chief Counsel's Report: The Energy Commission may adjourn to closed session with its legal counsel [Government Code Section 11126(e)] to discuss any of the following matters to which the Energy Commission is a party:
  - l. In the Matter of U.S. Department of Energy (High Level Waste Repository), (Atomic Safety Licensing Board, CAB-04, 63-001-HLW).
  - m. Communities for a Better Environment and Center for Biological Diversity v. Energy Commission (Court of Appeal, First Appellate District, # A141299).
  - n. Energy Commission v. SoloPower, Inc. and SPower, LLC. (Sacramento County Superior Court # 34-2013-00154569)
- 15. 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. 143
- 16. ~~Executive Director's Report.~~ 151
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P R O C E E D I N G S

FEBRUARY 10, 2016

10:09 A.M.

CHAIR WEISENMILLER: Good morning. Let's start with the Pledge of Allegiance.

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

CHAIR WEISENMILLER: Good morning. Let's start for the record. We posted notice of an audio teleconference location for today's business meeting. Commissioner McAllister is participating from a conference room at the office of the National Association of State Energy Officials in Arlington, Virginia. He's actually running a little late so I don't think he's on the line at this moment, but we will announce when he is on the line.

Because he's calling in, this business meeting is audible to members of the public who are also present at the teleconference location.

If the Commission meets in closed session we will announce the general nature of the issues to be considered prior to going into closed session. We will then deliberate in closed session and then reconvene in open session. During closed session the meeting will not be available to members of the public who are present here or at the teleconference location.

1           Public comments will be taken from the  
2   teleconference location, and all votes will be taken  
3   by roll call.

4           So with that, let me make one correction on a  
5   consent item. Item 2 will be held today, but before we  
6   get to the consent, that is not ERPA but EPIC funding.

7           So with that, at least for the existing  
8   Commissioners do I have a motion on the consent  
9   calendar?

10           COMMISSIONER SCOTT:   Move consent calendar.

11           COMMISSIONER HOCHSCHILD:   Second.

12           CHAIR WEISENMILLER:   Okay. So let's go  
13   through it.

14           Commissioner Scott?

15           COMMISSIONER SCOTT:   Aye.

16           CHAIR WEISENMILLER:   Commissioner Douglas?

17           COMMISSIONER DOUGLAS:   Aye.

18           CHAIR WEISENMILLER:   Commissioner Hochschild?

19           COMMISSIONER HOCHSCHILD:   Aye.

20           CHAIR WEISENMILLER:   And myself, aye. So this  
21   is four to zero.

22           Okay, so let's go on to Item No. 3. Otay Mesa  
23   Energy Center, and Dale Rundquist, please.

24           MR. RUNDQUIST:   Good morning, Commissioners.  
25   My name is Dale Rundquist, and I am the Compliance

1 Project Manager for the Otay Mesa Energy Center.

2 With me this morning is Kevin Bell, Senior  
3 Staff Counsel, and technical staff from Air Quality  
4 and Traffic and Transportation.

5 Also present in the room are representatives  
6 from Otay Mesa Energy Center, LLC.

7 Otay Mesa is a combined cycle air-cooled  
8 natural gas-fired electricity generating facility that  
9 was certified by the Energy Commission in its decision  
10 on April 23rd, 2001. It began commercial operation on  
11 October 3rd, 2009.

12 The facility is located in southwestern San  
13 Diego County, California.

14 On May 26th, 2015, Otay Mesa Energy Center  
15 LLC filed a petition with the California Energy  
16 Commission requesting to amend the final decision for  
17 Otay Mesa. The modifications proposed in the petition  
18 would replace certain combustion section components  
19 with advanced gas path components. These advanced  
20 components will increase the combined generating  
21 capability of both turbines by approximately 15  
22 megawatts.

23 The San Diego Air Pollution Control District  
24 considers the proposed modifications to be maintenance  
25 and did not need to modify the district's permit to

1 operate because the established emissions limits would  
2 not be exceeded.

3 Staff reviewed the proposed project changes  
4 and determined that only the technical area of traffic  
5 and transportation would be affected by the proposed  
6 project changes.

7 Staff has proposed new condition of  
8 certification Trans 7 to provide aviation warning  
9 lights on the exhaust stacks, and new condition of  
10 certification Trans 8 to warn pilots of the need to  
11 avoid direct overflight of Otay Mesa because the  
12 hourly heat input increases would result in slight  
13 increases in the exhaust plume velocities and  
14 temperatures.

15 Although the 4.3 meters per second plume  
16 velocity threshold is predicted to occur up to 1,020  
17 feet above ground level, the adjacent Pio Pico Energy  
18 Center plume velocity of 4.3 meters per second is  
19 predicted to occur at 1,910 feet above ground level.

20 In order to increase the margin of safety,  
21 staff recommends no overflight for both Otay Mesa and  
22 Pio Pico below 2,000 feet above ground level.

23 The notice of receipt was mailed to the post  
24 certification mailing list and affected public  
25 agencies, docketed, and posted on the Energy

1 Commission website on June 4th, 2015.

2 The staff analysis was mailed, docketed, and  
3 posted to the Energy Commission website on November  
4 17th, 2015, for a 30-day comment period.

5 The project owner commented within the 30-day  
6 comment period. The comments were addressed by staff,  
7 agreed to by the project owner, and a response to  
8 comments was published on February 5th, 2016.

9 Energy Commission staff reviewed the petition  
10 and finds that it complies with the requirements of  
11 Title 20, Section 1769(a) of the California Code of  
12 Regulations and recommends approval of the project  
13 modifications and the addition of the traffic and  
14 transportation conditions of certification.

15 Thank you.

16 CHAIR WEISENMILLER: Applicant?

17 MR. WHEATLAND: Good morning. I'm Greg  
18 Wheatland, and with me here this morning is Barbara  
19 McBride. The project owner has reviewed the draft  
20 order approving the petition to amend the hot gas path  
21 components, and we are in agreement with the order.

22 We're here and available if you have any  
23 questions.

24 CHAIR WEISENMILLER: Great. Anyone either in  
25 the room or on the line have comments on this item?

1           Then let's transition to the Commissioners.

2           COMMISSIONER DOUGLAS: So I just wanted to  
3 briefly comment. I've taken a close look at this one.  
4 This was kind of an interesting amendment and really  
5 they're looking at an improvement in the operation of  
6 the facility and staff realized that that could  
7 trigger an issue that they needed to look at around  
8 the plume potentially being higher and they looked at  
9 it.

10           I'm pleased to see that the staff and  
11 applicant have communicated well and reached a good  
12 resolution on this issue, and I'd recommend it to all  
13 of our support today.

14           If there are no other questions, I move  
15 approval of Item 3.

16           COMMISSIONER SCOTT: Second.

17           CHAIR WEISENMILLER: Okay. So again let's go  
18 to the roll call.

19           Commissioner Scott?

20           COMMISSIONER SCOTT: Aye.

21           CHAIR WEISENMILLER: Commissioner Douglas?

22           COMMISSIONER DOUGLAS: Aye.

23           CHAIR WEISENMILLER: Commissioner Hochschild?

24           COMMISSIONER HOCHSCHILD: Aye.

25           CHAIR WEISENMILLER: And myself, aye.



1 And Commissioner McAllister just in case.

2 So again this will be four to zero.

3 Let's go on to Item No. 4, Pio Pico Energy  
4 Center. Thanks, staff. And again, Dale.

5 MR. RUNDQUIST: Good morning again,  
6 Commissioners. My name is Dale Rundquist, and I am the  
7 Compliance Project Manager for the Pio Pico Energy  
8 Center, or Pio Pico.

9 With me this morning is Kevin Bell, Senior  
10 Staff Counsel, and, and, technical staff from Air  
11 Quality and Traffic and Transportation.

12 Also present in the room and on the phone are  
13 representatives from Pio Pico Energy Center LLC.

14 Pio Pico was certified by the Energy  
15 Commission in its decision on September 12th, 2012, to  
16 be a simple cycle natural gas-fired 300 megawatt  
17 facility located immediately adjacent to the Otay Mesa  
18 Energy Center in southwestern San Diego County,  
19 California. Construction of the project is  
20 approximately 48 percent complete.

21 On July 15th, 2014, Pio Pico Energy Center  
22 LLC filed a petition with the Energy Commission  
23 requesting to amend the final decision for Pio Pico to  
24 reflect a nominal increase in hourly heat input to the  
25 gas turbines of approximately 10 percent. The nominal

1 gas turbine output will increase from 100 megawatts  
2 per turbine to approximately 106 megawatts per  
3 turbine. This increase will allow Pio Pico to deliver  
4 up to an additional 18 megawatts total.

5 This increase is a result of operational  
6 experience and machine tuning rather than major  
7 physical changes to the LMS100 turbine.

8 The increases in hourly heat input would  
9 result in slight increases in exhaust characteristics  
10 such as the exhaust velocities and temperatures, which  
11 would increase plume rise impacts.

12 A screening air quality modeling assessment  
13 was performed by the project owner which shows the  
14 maximum model pollutant impacts from the gas turbines  
15 with proposed heat input are less than or equal to  
16 those evaluated for the original application.  
17 Therefore, the proposed changes do not result in any  
18 significant adverse air quality impacts.

19 The increase in hourly input to the gas  
20 turbines increases the heights of thermal plumes  
21 emitting from turbine exhaust stacks, necessitating  
22 changes to the aviation hazard notifications required  
23 under traffic and transportation Condition of  
24 Certification, Trans 9.

25 Staff determined that administrative changes

1 are also required for the air quality Conditions of  
2 Certification. In all cases air quality impacts are  
3 less than or equal to those in the original Commission  
4 decision.

5 The changes to the air quality Conditions of  
6 Certification make the Energy Commission and San Diego  
7 Air Pollution Control District air quality conditions  
8 consistent.

9 Traffic and transportation staff has proposed  
10 modifications to Condition of Certification Trans 9 in  
11 order to assure potential environmental impacts remain  
12 less than significant. Although the average plume  
13 vertical velocity would be 4.3 meters per second or  
14 higher, up to 1,910 feet, with the proposed change  
15 staff believes avoidance of overflight of the project  
16 site below 2,000 feet should be required to create an  
17 additional buffer from potential hazards to aviation  
18 from thermal plumes.

19 The Notice of Receipt was mailed the post-  
20 certification mailing list and affected public  
21 agencies, docketed and posted on the Energy  
22 Commission's website on July 23rd, 2014.

23 The staff analysis was mailed, docketed, and  
24 posted to the Energy Commission website on November 6,  
25 2015, for a 30-day comment period.

1           The project owner commented within the 30-day  
2 comment period. The comments were administrative and  
3 minor in nature. These comments were addressed by  
4 staff, agreed to by the project owner, and a response  
5 to comments was published on February 5, 2016.

6           Energy Commission staff reviewed the petition  
7 and finds that it complies with the requirements of  
8 Title 20, Section 1769(a) of the California Code of  
9 Regulations and recommends approval of the project  
10 modifications and associated revisions of the air  
11 quality and traffic and transportation Conditions of  
12 Certification.

13           Thank you.

14           CHAIR WEISENMILLER: Thanks. Applicant?

15           MS. FOSTER: Good morning, Commissioners.

16 Melissa Foster with Stoel Rives, counsel for Pio Pico  
17 Energy Center LLC. With me here today is Tom Andrews  
18 from Sierra Research, air quality consultants to the  
19 project owner. And on the phone we have Dave Jenkins,  
20 project owner representative, and Maggie Fitzgerald  
21 with CH2MHill. And they're all available for you if  
22 you have any questions.

23           CHAIR WEISENMILLER: Okay. Anyone in the room  
24 or on the line have comments on this? Then let's  
25 transition to the Commissioners.

1 Commissioner Douglas.

2 COMMISSIONER DOUGLAS: I'll just comment  
3 briefly that, as with the prior matter, I've taken a  
4 look at this. I recommend it to your support. And in  
5 fact, I'll move Item 4.

6 COMMISSIONER SCOTT: Second.

7 CHAIR WEISENMILLER: Okay, great.

8 Commissioner Scott?

9 COMMISSIONER SCOTT: Aye.

10 CHAIR WEISENMILLER: Commissioner Douglas?

11 COMMISSIONER DOUGLAS: Aye.

12 CHAIR WEISENMILLER: Commissioner Hochschild?

13 COMMISSIONER HOCHSCHILD: Aye.

14 CHAIR WEISENMILLER: And myself, aye.

15 Commissioner McAllister?

16 So again this will be four to zero.

17 Thank you.

18 MS. FOSTER: Thank you.

19 CHAIR WEISENMILLER: Let's go on to Item No.  
20 5, Mission Rock Energy Center. Mike Monasmith, please.

21 MR. MONASMITH: Good morning, Commissioners.  
22 My name is Mike Monasmith, Project Manager for the  
23 Energy Commission review of the Mission Rock Energy  
24 Center application for certification. With me is  
25 project attorney Galen Lemai.

1           Mission Rock as proposed by Mission Rock  
2   Energy Center LLC, which is owned by Calpine  
3   Corporation, would be a natural gas-fired 255 megawatt  
4   simple cycle power plant in Ventura County, two miles  
5   west of the city of Santa Paula.

6           Mission Rock would consist of five GELM 6000  
7   turbine generators, battery storage capable of  
8   providing 100 megawatt hours of battery storage, or 25  
9   megawatts times 4 hours, and synchronous condenser  
10   technology, to provide ancillary and grid reliability  
11   services.

12           Mission Rock is proposed for a brown field  
13   site in an industrial park currently used for  
14   recreational vehicles and boat storage.

15           Staff has reviewed the AFC and found the  
16   information incomplete in eleven technical areas: air  
17   quality, biological resources, cultural resources,  
18   project overview, reliability, soils, traffic and  
19   transportation, transmission system design, visual  
20   resources, waste management, and water resources.

21           Therefore, staff proposes that you accept the  
22   Executive Director's recommendation finding the  
23   application incomplete or data inadequate.

24           Thank you.

25           CHAIR WEISENMILLER: Thank you. Applicant?

1 MR. WHEATLAND: Good morning again. Greg  
2 Wheatland and Barbara McBride here at the table. Also  
3 here today is Mitch Weinberg and Doug Davy, who will  
4 both be very engaged in this project.

5 We don't necessarily agree with all of the  
6 alleged deficiencies in the Executive Director's  
7 determination, but rather than take up your time today  
8 on those, our preference is to work with the staff to  
9 try to reach resolution so that we can provide all of  
10 the information that the staff needs to begin its  
11 analysis consistent with the requirements.

12 In fact, right after this meeting today we'll  
13 be meeting with the staff to discuss the various areas  
14 that have been identified as deficient and to work up  
15 a plan to meet these requirements.

16 So we will accept the Executive Director's  
17 determination today, but just to advise you in the  
18 event that we're not able to work out all the  
19 differences with the staff, we may be back to talk to  
20 you at a future meeting.

21 CHAIR WEISENMILLER: Okay, thank you.

22 Any public comment, either in the room or on  
23 the line?

24 Commissioner, any comment?

25 COMMISSIONER DOUGLAS: No. I will move to

1 adopt the recommendation that the project is currently  
2 data inadequate.

3 COMMISSIONER SCOTT: Second.

4 CHAIR WEISENMILLER: Okay. Commissioner  
5 Scott?

6 COMMISSIONER SCOTT: Aye.

7 CHAIR WEISENMILLER: Commissioner Douglas?

8 COMMISSIONER DOUGLAS: Aye.

9 CHAIR WEISENMILLER: Commissioner Hochschild?

10 COMMISSIONER HOCHSCHILD: Aye.

11 CHAIR WEISENMILLER: And myself, aye.

12 Commissioner McAllister?

13 So this is four to zero. Thank you.

14 Let's go on to Item No. 6, Palen. Ken Celli,  
15 please.

16 MR. CELLI: Good morning, Commissioners.

17 Kenneth Celli, Hearing Advisor, appearing in the  
18 matter of the Palen Solar Power Project.

19 What's before you today is a petition to  
20 transfer ownership to Maverick Solar LLC, and a  
21 petition for an extension of the deadline for  
22 commencement of construction.

23 To give you a brief history of the Palen  
24 case, the Commission issued a final decision approving  
25 two alternative configurations for the 500 megawatt



1 Palen Solar Power Project using solar parabolic trough  
2 technology on December 15th, 2010.

3 On December 17th, 2012, the project owner  
4 filed a major amendment to change the technology to  
5 solar power towers.

6 The amendment was withdrawn by the petitioner  
7 on September 29th, 2014.

8 On September 16th, 2015, the Energy  
9 Commission granted the project owner's petition to  
10 extend the time to construct the Palen Solar Power  
11 Plant from December 15th, 2015, to December 15th,  
12 2016, and granted the request to file a project  
13 amendment to include a solar trough generating  
14 technology and energy storage capabilities.

15 The order specified that, "If the petition  
16 for amendment is not received by 5:00 o'clock p.m. on  
17 December 22, 2015, this order is automatically  
18 rescinded and the permit for the PSPP, the Palen Solar  
19 Power Project, shall be deemed to have expired as of  
20 December 15th, 2015."

21 On December 16th, 2015, the project owner  
22 filed a petition to transfer ownership to Maverick  
23 Solar LLC. The petition included a request for a 12-  
24 month extension of the start of construction deadline  
25 to December 15th, 2016, pursuant to Public Resources

1 Code Section 25534(j).

2 Now, that code section, subdivision (j),

3 provides for an extension of the construction

4 deadlines based upon the sale of a certificate.

5 However, the subdivision (j) is limited to those

6 projections that meet specific criteria identified

7 elsewhere in 25534, including a requirement that the

8 project has received all permits necessary for the

9 project to become final, and for which the revocation  
10 process is underway.

11 Revocation is fundamentally different than

12 the license expiration which is before the Commission

13 today.

14 Now, also on December 16th, 2015, the project

15 owner filed a declaration signed by Cliff Graham,

16 Vice-President of EDF Renewable Energy, the managing

17 member of Maverick Solar LLC, stating that Palen SEGS

18 I LLC agreed to transfer ownership of the solar power

19 project to Maverick subject to approval by the United

20 States Bankruptcy Court for the District of Delaware.

21 On December 22nd, 2015, which was the date

22 that the amendment was due, Palen SEGS I LLC filed a

23 request for an extension of the deadline for the

24 commencement of construction of the PSPP, asking for

25 June 15th, 2017, conditioned upon the new owner, which

1 is Maverick Solar LLC, filing a petition to amend the  
2 PSPP to include photovoltaic technology by June 15th,  
3 2016.

4           The petition cites Title 20 of the California  
5 Code of Regulations Section 1720.3, which is our five-  
6 year construction deadline statute, and that enables  
7 an extension upon a showing of good cause, as well as  
8 Public Resources Code Section 25534(j), which is the  
9 revocation statute. Both of these were cited in  
10 support of the request to extend the construction  
11 deadline.

12           We received comments from the Center for  
13 Biological Diversity, Colorado River Indian Tribes,  
14 Basin and Range Watch, Riverside County, and Kings  
15 County. All comments opposed the extension of the  
16 deadline and all argue that the petitions were  
17 untimely, and all commenters reacted negatively to the  
18 suggestion that the new project owner intends to amend  
19 to add photovoltaic technology and to opt into the  
20 Energy Commission's jurisdiction.

21           Today's agenda divides this item into three  
22 subsections.

23           First, Palen SEGS I LLC's petition seeks two  
24 orders; one to change the ownership to Maverick Solar  
25 LLC, and the other to extend the deadline to begin

1 construction to June 15th, 2017, conditioned upon a  
2 submittal of an application to convert the approved  
3 solar trough technology to photovoltaic technology by  
4 June 15th, 2016.

5 Secondly, the backup materials contain a  
6 proposed order appointing a committee to conduct  
7 further proceedings on one or both of the above-  
8 described petitions if the Commission deems it  
9 necessary.

10 And lastly, the agenda noticed a possible  
11 closed session deliberation on the above-described  
12 petitions.

13 CHAIR WEISENMILLER: Thank you. So let's  
14 start with the applicant, since it's your petition.

15 MR. BELL: My name is Andrew Bell, I'm  
16 counsel to the petitioner Palen SEGS I LLC, also  
17 counsel to Maverick Solar LLC and its parent company,  
18 EDF Renewable Energy, Incorporated. Right next to me  
19 is Ian Black of EDF Renewable Energy.

20 Thank you for the opportunity to address you  
21 today. Rather than summarize every particular we've  
22 addressed in our January 22nd filing, which I assume  
23 you've read, we'd like to just keep our comments here  
24 relatively short, only about five minutes, and  
25 generally address the petitions that we timely filed

1 on the 15th of December and the 22nd of December,  
2 2015.

3 That said, if there are particular questions  
4 of your own or questions that are raised by opponents  
5 in the course of the proceedings so far that you think  
6 we haven't addressed fully in our January 22nd filing,  
7 I'd just ask for the opportunity to actually discuss  
8 those with you either today or in a committee later  
9 on, if you want to go that route instead.

10 And likewise, if there are concerns raised  
11 today, as I think there may be, that we get an  
12 opportunity to address those as well.

13 As suggested by staff in their February 3rd  
14 filing, we ask that this morning's session really  
15 focus just on the petitions to transfer and the  
16 petition to extend, as opposed to the question of  
17 jurisdiction over solar photovoltaics.

18 That, we agree with staff as per their  
19 February 3rd filing, is an appropriate subject for  
20 deliberation through the jurisdictional determination  
21 process of Section 1234 of the Commission's guidelines  
22 and regulations.

23 To allow time for that process, my client  
24 asks to modify its request for extension as follows.

25 To require a petition for amendment within

1 three months of a final decision under the  
2 jurisdictional determination process. And to extend  
3 the term of the license for the duration of CEC  
4 deliberations on a petition for amendment to PV should  
5 jurisdiction over PV actually obtain.

6 Doing so would avoid the need for multiple  
7 changes to milestones as we try to navigate through  
8 this process, and I think that could actually be  
9 achieved through a single order today, if you so wish.

10 Getting back to our petitions, I just want to  
11 talk a little bit about them briefly.

12 As you are aware, last September and as  
13 Mr. Celli summarized, there was an order granting an  
14 extension through December of 2016 if a petition to  
15 amend for new trough technology and storage were filed  
16 by the 22nd of December. And if it was not, then the  
17 license would expire as of, through the words of the  
18 actual order itself, as of December 15, 2015.

19 However, due to pre-insolvency proceedings of  
20 Abengoa Solar that were initiated in late November  
21 2015, the project license was sold to EDF Renewable  
22 Energy, Maverick, on December 15, 2015, and the  
23 remainder of the project's assets, the bulk of the  
24 assets associated with the project, were sold to EDF  
25 on December 22nd, 2015.

1           As Mr. Celli, I think rightly pointed out,  
2   the primary question before you today is whether or  
3   not the license has expired as a consequence of  
4   Abengoa not filing a petition to amend for trough and  
5   for storage by the 22nd of December. And the answer,  
6   in our opinion and as you've seen in our papers, is  
7   no, the license is not expired.

8           We have filed timely petitions to modify the  
9   September order, and we believe that the Commission  
10  should grant both of them.

11          Our December 15th petition for transfer --  
12  and I should talk about December 15 for a moment.

13          The filings were made on December 15 for the  
14  petition for transfer and not December 16. It is  
15  correct that the filing was published at 5:17 p.m. on  
16  the 15th. We actually filed it, I think it was about  
17  one minute and 34 seconds after the hour. We weren't  
18  familiar with the uploading process with the CEC, that  
19  we would actually need to register ourselves and fill  
20  out about ten minutes worth of boxes before we could  
21  actually upload the document to the system, and so we  
22  were, it's true, a minute or two late. We were  
23  actively on the phone with staff and I'm sure they can  
24  attest to the fact that we were on the system before  
25  5:00 o'clock working with staff to resolve issues such

1 as do we need to serve process or will it be  
2 sufficient under just the uploading process to satisfy  
3 everyone?

4 So there was diligence and a good faith  
5 attempt to make the 5:00 o'clock deadline, and I think  
6 that, in my mind, would be sufficient to satisfy the  
7 fact that we did file on the 15th of December.

8 Getting back to that particular filing. So  
9 the 25534(j) extension that we referenced in the  
10 December 15 request for transfer of ownership is a  
11 mandatory provision. It requires upon sale of a  
12 license an extension of up to 12 months to initiate  
13 construction or to start to satisfy other milestones  
14 or deadlines, and I think that latter clause is  
15 important to recall.

16 The question of whether or not this  
17 subsection of 25534 is constrained solely to 25534 and  
18 the circumstances it invokes is, on its face, I think  
19 an easy one to answer.

20 If you read subsection (j) it stands on its  
21 own. In fact, it's worded as an exception to 25534  
22 generally. It's the only provision that doesn't invoke  
23 -- there's a primary framework in 25534 that focuses  
24 on subsection (a). Every section of 25534 links back  
25 to subsection (a) except for this particular clause.



1           And it's the only clause that addresses  
2   transfer of ownership in the Act itself. You have to  
3   look at the regulations to find further clarification  
4   on that score. It's the only place that you would put  
5   a transfer provision in the Warren Alquist Act because  
6   the duration question only comes up in 25534(j).

7           So it's an independent exception to 25534,  
8   it's referred to to substantiate 1769 of the  
9   regulations, because again it addresses transfer and  
10   sales and duration of permits. So it clearly has an  
11   independent existence separate from 25534; it was just  
12   the only place that you could put in the Warren  
13   Alquist Act.

14           With regard to our second petition of  
15   December 22nd, it establishes good cause for an  
16   extension, clearly we feel that way. Granting a good  
17   cause extension necessarily entails excusing a project  
18   owner from compliance with deadlines set in previous  
19   orders, such as the September 2015 order itself,  
20   provided a showing of good cause is made.

21           Well, good cause exists here.

22           First, the mandatory sale extension I  
23   mentioned a moment ago alone establishes good cause. A  
24   sale occurred on the 15th of December, and through  
25   25534(j) an extension must be granted.

1           While it must be granted, it's up to the  
2   discretion of the Commission as to whether or not it  
3   should be 12 months or less.

4           Second, petitioner diligently pursued a  
5   potential amendment for new trough technology and  
6   storage until its parent company filed for pre-  
7   insolvency proceedings in Spain in November.

8           Less than four weeks later, the license and  
9   the petitioner itself were sold to Maverick DDF. A  
10   petition for ownership transfer was filed the same day  
11   as the license was sold. And a petition for extension  
12   was filed the same day that Maverick acquired the  
13   remainder of the project's assets.

14          Now, that constitutes diligent pursuit of the  
15   extension and of construction; the filings were done  
16   the exact same day the actual closing occurred, and  
17   they couldn't have occurred faster than that.

18          Third, the Spanish pre-insolvency proceeding  
19   of Abengoa Solar, it's a global company of 24,000  
20   employees in which the petitioner, Palen SEGS I, is a  
21   very small part. It was clearly outside petitioner's  
22   control. A small operating company based in the United  
23   States for a single project is not capable of  
24   controlling the tides of the global economy in order  
25   to avoid insolvency.

1           Fourth, the Commission has already evaluated  
2 this project twice, this project site twice. Once,  
3 actually making a decision, and again almost making a  
4 decision until the last moment.

5           Far more time and resources would be spent if  
6 the extension were denied and the process started over  
7 again than if the petition were granted, the petition  
8 to extend.

9           Almost done here.

10          Fifth, the project will further benefit the  
11 public interests by contributing to the RPS and the  
12 President's Climate Action Plan, in a location that's  
13 approved by the very agencies that have been tasked  
14 witness the realization of those goals.

15          For example, the project lies within  
16 (inaudible), the BLM (inaudible). It lies within a  
17 SEIS, the BLM SEIS. It lies within a DRECP, or soon to  
18 be DFA. Cal-ISO has granted an LGIA for the project.  
19 The Red Bluff substation was assigned to accommodate  
20 the project along with Desert Sunlight. And above all,  
21 the CEC has already approved the site for development.

22          For these reasons, again, we ask that you  
23 grant the petition for ownership transfer and the  
24 petition for extension, and issue an order requiring a  
25 petition for amendment within three months of a final

1 determination under the jurisdictional determination  
2 process. And if jurisdiction obtains, extend the term  
3 of the license for the duration of CEC deliberations  
4 on a PV petition for amendment.

5 Thanks again for your time, that's all we  
6 have.

7 CHAIR WEISENMILLER: Thank you.

8 So I'm going to turn to staff and then  
9 interveners and public, and then you'll have an  
10 opportunity to respond after that.

11 So staff, what's your position?

12 MR. PAYNE: I'm Lon Payne. I'm Project  
13 Manager in the Siting Division for the Siting  
14 Transmission and Environmental Protection Division,  
15 and with me is Attorney Lisa DeCarlo from our legal  
16 office, and we're available to answer any questions  
17 you may have specifically about any of these matters.

18 CHAIR WEISENMILLER: So in the room, I  
19 believe we have one intervener, I think the County of  
20 Riverside, Tiffany North, please.

21 MS. NORTH: Good morning, Commissioners. Just  
22 to clarify, we are not an intervener.

23 CHAIR WEISENMILLER: Okay.

24 MS. NORTH: We're just an interested agency.

25 Tiffany North, Deputy County Counsel with the

1 County of Riverside. Thank you for giving my county  
2 the opportunity to provide comments. We submitted  
3 written comments on this matter and I will keep my  
4 verbal comments brief.

5 Most important to the County, even though I  
6 know it's not correctly before the Commission at this  
7 time, is the jurisdictional issue. The County  
8 disagrees with the petitioner's argument that Public  
9 Resources Code 25502.3 allows the developer of a PV  
10 project to voluntarily elect to file an amendment with  
11 the Commission.

12 The Commission is created by the Legislature  
13 and has a very defined scope. That scope does not  
14 include photovoltaic facilities. The only time  
15 photovoltaic facilities can come before this  
16 Commission is under the limited circumstances in  
17 Section 25500.1 Public Resources Code. And those  
18 circumstances do not apply in this case.

19 25502.3 references facilities. Facility are  
20 defined to include thermal power plants, which  
21 specifically exclude photovoltaic projections.

22 As stated in our February 3rd letter,  
23 although the project is entirely on BLM land and it  
24 still does not have a record of decision from BLM, we  
25 are concerned about the precedential effect of a

1 decision in this case that it could have on other  
2 energy projects throughout the state and the county.

3           The County has permitted numerous large scale  
4 photovoltaic projections and solar energy systems.  
5 Most recently we approved a 485 megawatt photovoltaic  
6 project known as the Blythe Mesa Project, and we're  
7 currently working on amending our General Plan  
8 pursuant to a generous CEC grant to expand the  
9 discussion and mapping of renewable energy in our  
10 General Plan.

11           The County supports renewable energy but we  
12 believe that local siting of PV projections is  
13 important.

14           We reviewed staff's February 3rd submittal in  
15 which staff recommends that petitioner seek a  
16 jurisdictional determination under Section 1234. This  
17 is a newly adopted regulation, and while staff  
18 believes it is well suited to this matter, I question  
19 the transparency and opportunity for public  
20 participation and participation in the process by  
21 interested agencies, because it seems to be handled at  
22 the executive director level without any public review  
23 or comment. So if I could get some additional feedback  
24 on that process I would appreciate it.

25           Finally, I wanted to also mention that both

1 Kings County and San Bernardino County submitted  
2 letters on this matter, joining in Riverside County's  
3 comments, and I respectfully ask that those be  
4 considered by the Commission as well.

5           So just to sum up. Since the petitioner does  
6 not intend to construct a solar thermal power plant  
7 project, the Commission respectfully does not have  
8 jurisdiction over this matter, and the petitioner's  
9 request for an extension of the construction deadline  
10 for a PV project should be denied.

11           Thank you.

12           CHAIR WEISENMILLER: Thanks for being here.

13           MS. VACARRO: Chair Weisenmiller, before you  
14 move forward with any additional comment, I wanted to  
15 make sure the record reflects that Commissioner  
16 McAllister is now on the line. He joined us just  
17 before the public comment.

18           But I would like to clarify that it's my  
19 understanding that petitioner's counsel essentially  
20 was summarizing the petitions and the information  
21 that's already been put forward in the record. I  
22 didn't hear anything augmenting that but I'd like to  
23 be sure of that, because if there is something beyond  
24 the petitions, which have been before Commissioner  
25 McAllister and which he has already reviewed, that we

1 have the opportunity for Commissioner McAllister to  
2 hear any additional information.

3 I didn't hear any.

4 MR. BELL: No, our papers are pretty  
5 comprehensive.

6 MS. VACARRO: Okay, thank you. So I think  
7 what we do then is just move forward with the  
8 comments.

9 MR. BELL: Although there actually is the one  
10 thing is the request to modify the actual request for  
11 extension. And if you want, I can recite that.

12 MS. VACARRO: I think why don't you, please,  
13 for the record.

14 CHAIR WEISENMILLER: Please.

15 MR. BELL: Okay. So as I stated before, we're  
16 requesting that you grant the petition for ownership  
17 transfer and the petition for extension, and issue an  
18 order requiring a petition for amendment within three  
19 weeks of a final determination under the  
20 jurisdictional determination process. And if  
21 jurisdiction obtains, extend the term of the license  
22 for the duration of CEC deliberations under PV  
23 petition for amendment.

24 CHAIR WEISENMILLER: Thank you. Now, anyone  
25 else in the room? Then let's go to the line.



1           Let's start with Sarah Clark for the Colorado  
2 River Indian Tribes.

3           MS. CLARK: Yes, thank you, Commissioners,  
4 for having us. I think mainly we will just rest on the  
5 papers we submitted, but I had a clarification  
6 question on this modification to the extension.

7           I'm just wondering if the last part of it,  
8 the extension of time to cover the Commission's  
9 deliberation, is that the extension of time for  
10 construction? Because in my mind that actually doesn't  
11 make much sense if we're only extending the  
12 construction period to cover the determination. Just  
13 wanted clarification.

14          MR. BELL: Would you like me to answer that?

15          CHAIR WEISENMILLER: Please, go ahead.

16          MS. CLARK: (inaudible) on the same day you  
17 got your determination.

18          MR. BELL: In fairness, the regulations of  
19 the CEC are sometimes a bit opaque. The deadline for  
20 construction, I'm beginning to see, is more of a term  
21 of art than an actual deadline itself for construction  
22 to commence.

23          Now, if that's not the case then of course we  
24 would want the extension to add on an element that  
25 allowed us to construct the project in due fashion,

1 and presumably we could address that down the line if  
2 we get through the jurisdictional determination  
3 question.

4           So that is a good question you raise. It's  
5 generally intended to grant an extension sufficient to  
6 allow the applicant to implement the project before  
7 the license expires; simple as that.

8           And what we would like to avoid is pegging it  
9 to a particular date certain because we don't know how  
10 long the jurisdictional determination process would  
11 take. And so to set an artificial deadline of mid-2017  
12 or later will just bring us back here potentially for  
13 another request to extend because it perhaps took  
14 longer for all parties involved to assess the merits  
15 of a PV conversion.

16           So that's why we'd like to have a floating, I  
17 guess a deadline that is pegged to rather than a date  
18 certain an actual culmination of the process itself.

19           CHAIR WEISENMILLER: Does that clarify your  
20 question?

21           MS. CLARK: Yes. I would just add that to the  
22 extent that the Commission would grant this extension,  
23 which we don't believe it should be granted, as stated  
24 in our papers, I would think we would need an  
25 additional date certain for the commencement of

1 construction.

2           The same policy reasons behind why we have a  
3 commencement of construction deadline would still  
4 apply. Even understanding that the period of the time  
5 required for the determination might be unknown, I  
6 would think that adding a time period after that  
7 determination of, say, one year to begin construction,  
8 or six months to begin construction, would be  
9 appropriate. That's all.

10           MR. BELL: That sounds reasonable to us as  
11 well. It may be that there would need to be  
12 conversations between the applicant and staff or other  
13 members about what is a realistic timeframe, but in  
14 concept that makes sense.

15           CHAIR WEISENMILLER: Okay. So let's go on to  
16 the Center for Biological Diversity.

17           Lisa, are you there? Lisa, go ahead if you're  
18 there.

19           MS. BELENKY: Hello? This is Lisa. Hello?

20           CHAIR WEISENMILLER: Yes, Lisa, would you go  
21 ahead. This is Bob.

22           MS. BELENKY: Yes. Can you hear me? Thank  
23 you. Sorry, my conference line wasn't quite working.

24           Yes, good morning, Commissioners. Thank you  
25 for holding this hearing and having the public and of

1 course interveners like the Center be able to weigh in  
2 on this matter.

3 We will, of course, stand on the briefing  
4 we've already submitted, but I did want to mention  
5 several issues in response to what's been said today.

6 One issue that we are extremely concerned  
7 about is the question of this new idea of leaving it  
8 to a jurisdictional determination under the new  
9 regulation. And under that regulation there would be  
10 no public process unless the applicant themselves  
11 appealed the decision.

12 Which means that if the Commission chose to  
13 take jurisdiction, no one else could appeal that  
14 decision, and that would all happen without a public  
15 comment.

16 So we do not agree that that is appropriate.  
17 We believe that PV is beyond the jurisdiction of the  
18 Commission, and that that process is not the proper  
19 process to make this determination.

20 Any process where the Commission is making a  
21 determination regarding extending its jurisdiction in  
22 what we believe is beyond its statutory limits would  
23 need to be a full public process hearing with briefing  
24 of all interested parties. And to the extent that the  
25 Commission is a quasi-judicial board that that would

1 be required.

2           The second question that I just wanted to  
3 briefly note is that the applicant said that it would  
4 be inefficient to start over, and we don't believe  
5 that at all.

6           And our briefing very clearly states as well  
7 as briefings by other parties that the environmental  
8 review for this project, which was a trough project as  
9 was stated by Mr. Celli, is over five years old. It's  
10 actually even older than that when you look at when  
11 the actual documents were prepared.

12           It's true that there were some interim steps  
13 where there were other amendments where additional  
14 review was done, but a lot of that is extremely  
15 piecemeal on both the environmental issues and the  
16 cultural issues.

17           And we firmly believe that starting from a  
18 new -- starting from today with the current things  
19 that we know, with the information, in fact, gathered  
20 through the DRECP process and other processes is  
21 absolutely essential in any new permitting at this  
22 site.

23           So we would ask the Commission to deny the  
24 transfer and deny the extension of the deadline.

25           Or if you feel that you must provide for the

1 transfer to make it retroactive to the 22nd of  
2 December when this company, knowing full well it was  
3 required by the Commission that a new amendment be  
4 filed, did not file that amendment.

5 We believe that the Commission should not  
6 just kick the can down the road again on this. You do  
7 not have jurisdiction over photovoltaic projections of  
8 this size and in this configuration.

9 You did have a special exception that was  
10 provided for the fast track projections for very  
11 specific projections. This project was not one of  
12 those projections. It has never had BLM approval, as  
13 was also noted by the County of Riverside. And we do  
14 not believe that you should approve it at this point,  
15 or just keep this basically dead project going another  
16 six months or eight months or until a jurisdictional  
17 determination is made behind closed doors without  
18 public input. That is completely unacceptable.

19 Thank you for listening today and we hope  
20 that you deny the petition.

21 CHAIR WEISENMILLER: Thank you.

22 Kevin Emmerich, please.

23 MR. EMMERICH: Hello, can you hear me?

24 CHAIR WEISENMILLER: Yes, we can. Please go  
25 ahead.

1           MR. EMMERICH: Oh, okay. Thank you and  
2 thanks for letting us comment here and participate in  
3 this, we appreciate that. Our comments will be brief  
4 as well.

5           We'd like to encourage you to deny this  
6 petition for the following reasons.

7           We would agree with the previous comment that  
8 the Energy Commission is really only mandated to do  
9 the thermal power plants and not photovoltaic, so we  
10 agree that it's inappropriate to review a photovoltaic  
11 project.

12          If you do review it, though, we feel that  
13 since they missed the deadline on the 15th and filed  
14 late, and because of the different circumstances  
15 required for building PV, I mean, it should at least  
16 be reviewed with an entire new application.

17          PV is different. The applicant said that the  
18 site was reviewed, and it really wasn't, it wasn't  
19 reviewed for photovoltaic ever, not even in the last  
20 five years.

21          And photovoltaic can have different impacts.  
22 It's still very visual. It doesn't have solar flux but  
23 there are a lot of birds that are killed by the  
24 polarized glare issue of PV.

25          Photovoltaic could actually in different ways

1 alter sand transport corridors. There are a lot of  
2 additional impacts.

3 The visual impacts will also be detrimental  
4 to the cultural values and resources of the area as  
5 well as the massive modifications of the landscape.

6 Another thing to consider is that several of  
7 these big projections have also been built now, and  
8 since five years ago there are some additional  
9 cumulative impacts, and all those impacts should be  
10 reviewed as a whole when you're talking about  
11 biological resources, visual resources, cultural  
12 resources, etcetera.

13 In short, we also agree that the BLM has not  
14 come to any conclusions on this, so that should be  
15 considered as well.

16 So again, thank you for letting us comment,  
17 and we urge you to deny this request. Thank you.

18 CHAIR WEISENMILLER: Thank you. Anyone else  
19 on the line?

20 Okay. So let's just, first I was going to ask  
21 the staff to respond on the jurisdictional question  
22 and then go to the applicant.

23 MS. VACARRO: Chair Weisenmiller, before we  
24 do that let's just verify there's no one in the room  
25 with Commissioner McAllister that might wish to speak.



1 CHAIR WEISENMILLER: That's true. Is there  
2 anyone -- go ahead, Commissioner McAllister?

3 COMMISSIONER MCALLISTER: Yes, everybody else  
4 can hear me; is that correct?

5 CHAIR WEISENMILLER: Yes.

6 COMMISSIONER MCALLISTER: Great. No, there  
7 was definitely no stampede here at the D.C. franchise.

8 CHAIR WEISENMILLER: Okay. Thanks. Thanks for  
9 that clarification.

10 COMMISSIONER MCALLISTER: Nobody here at all,  
11 so just me.

12 CHAIR WEISENMILLER: Okay.

13 MS. DECARLO: Lisa DeCarlo, Energy Commission  
14 staff counsel. Just to clarify, Section 1234 is in  
15 fact not new, it was just moved from a previous  
16 location with the recent reorganization of our  
17 regulations, so it's been on the books prior to this  
18 reorganization.

19 In terms of the parties or commenters  
20 concerns about lack of input in the process, while the  
21 provision does not specify an appeal process for a  
22 determination if the project owner does not initiate  
23 it, it does not prohibit it either. Staff would  
24 definitely not be opposed to allowing commenters and  
25 concerned persons to appeal an Executive Director

1 determination on that decision to go before the  
2 Commission.

3 CHAIR WEISENMILLER: Thank you for that  
4 clarification.

5 Applicant, any response?

6 MR. BELL: Yes. On the question of the JD  
7 process, I think we're open to that as well, giving an  
8 opportunity for others to appeal if it were a  
9 favorable decision.

10 And I should add that through the appeal  
11 process then opens up a public process. So if there is  
12 an appeal of the Executive Director's decision,  
13 Subsection (d) states that the chair should file a  
14 hearing order identifying a schedule for hearings,  
15 whether the hearings will be before a hearing officer,  
16 committee, or the full Commissioners, etcetera. So  
17 that seems to provide ample opportunity to create a  
18 procedural structure that allows all interested  
19 parties to be involved in the process.

20 If I can move to some of the questions  
21 raised --

22 CHAIR WEISENMILLER: Sure, please.

23 MR. BELL: -- by the CBD and by Basin and  
24 Range Watch.

25 With regard to the concerns that Ms. Belenky

1 has raised, there's not a lot of daylight actually  
2 between us on that question.

3           The thing about CEQA -- and it really is CEQA  
4 that governs in this instance -- is CEQA actually  
5 mandates, requires, that when you have a CEQA document  
6 that's been prepared for a project that it be the only  
7 CEQA document for the project, unless you have new  
8 significant or more intense significant impacts above  
9 and beyond what was already identified in the prior  
10 analysis. If there are such effects, then the analysis  
11 must be supplemented and address those concerns.

12           So for example, we've had concerns about new  
13 cumulative impacts there are more projections out  
14 there along the I-10 than there were at the time of  
15 the original analysis in 2010.

16           Well, if in conducting supplemental review  
17 it's determined that those new cumulative projections  
18 have created new cumulative impacts above and beyond  
19 the 2010 analysis, that's the only point at which the  
20 analysis can be supplemented, and should be.

21           If there are no new impacts proposed by a  
22 solar photovoltaic project above and beyond what was  
23 assessed for a trough technology on the site and it's  
24 demonstrated with substantial evidence through the  
25 CEC's procedures, then no supplementation is required.

1           It has been some time. There may be areas  
2   that will require supplementation, and that's  
3   something that would need to be determined if we  
4   decided to move forward after having performed the  
5   jurisdictional determination.

6           But I just need to be clear that CEQA, again,  
7   sets a bright line. Whether or not you need to  
8   reinitiate review is a question of whether or not  
9   there are any new significant impacts, and that's when  
10   you start over and do what would be a supplemental EIR  
11   outside of a certified regulatory program, or a  
12   supplemental staff assessment in this instance.

13           If you have questions, I'm happy to answer.

14           CHAIR WEISENMILLER: Okay. I think we're now  
15   transitioning to the conversation among the  
16   Commissioners since all interested parties have had an  
17   opportunity to speak on this issue.

18           So Commissioner Douglas?

19           COMMISSIONER DOUGLAS: Thank you, Chair  
20   Weisenmiller. I've got some comments and some  
21   questions, you know, I think primarily really for the  
22   petitioner.

23           But I wanted to start by saying that, you  
24   know, first of all, I appreciate public participation,  
25   letters, calls, Ms. North coming here in person, so

1     thank you for being here.

2                 I really wanted to start by reassuring the  
3     petitioner that in my mind at least the one minute and  
4     34 seconds is not really the issue upon which this  
5     matter should hang. I think that it's clear that you  
6     saw the -- you know, you were attempting to file by  
7     5:00 p.m. and I don't want to make, you know, a  
8     mountain out of one minute and 34 seconds.

9                 I do want to ask you, though, to elaborate on  
10    the sentence that you said that troubled me a good  
11    deal more, I think, which is that a grant of good  
12    cause -- and I'm paraphrasing, I think, necessarily  
13    entails excusing a project owner from compliance with  
14    deadlines and orders.

15                And I just want to start from the premise  
16    that, actually, from the perspective of the  
17    Commission, our orders and the deadlines that we put  
18    in those orders do matter, at least to us, and we hope  
19    they matter to others.

20                And so I just wanted to ask you, you know --  
21    let me sort of back up for a moment.

22                In the order itself there was very clear  
23    language that we expected an amendment to be filed for  
24    a certain kind of technology with storage on a date  
25    certain. And that didn't come in and hasn't come in,

1 and I think that, at least my assumption is that at  
2 some point prior to December 15th at 5:01 p.m. you  
3 were aware or the prior owner was aware that it wasn't  
4 going to come in.

5 And really, the time to ask the Commission to  
6 reconsider its order or modify its order is before the  
7 week or the day of the deadline, so I really wanted to  
8 start there and ask you to address that question.

9 MR. BELL: Sure. I think it goes a bit to the  
10 diligence question as well.

11 I think first the most important thing to  
12 recall is that demonstration of good cause has to be  
13 made. That is the only circumstance by which you could  
14 change the deadline in an order, at least in this  
15 particular instance if you're filing a petition for  
16 extension as opposed to the mandatory extension that  
17 we've discussed about transfer.

18 With regard to the timing, the sale of the  
19 actual license occurred before there was even a  
20 closing on the project as a whole, out of an attempt  
21 to be as diligent as possible in informing the CEC of  
22 what was occurring with the project.

23 The decision as to whether or not to go  
24 forward on a PV conversion as opposed to a trough  
25 technology decision was made very late. EDF Renewable

1 Energy has solar trough facilities in Europe but not  
2 in the States, and so there was time spent discussing,  
3 well, what are we going to do with this project as  
4 we're due diligencing the project itself, which route  
5 are we going to take?

6 And prior to closing it was the decision that  
7 we would go forward with PV and not with trough and  
8 that that would be the best business approach to the  
9 project. And the same day as the closing we filed a  
10 petition to extend.

11 So I think there's been a very diligent  
12 effort that's taken the order seriously. You can rely  
13 on the fact that we thought about this very quickly.

14 At the same time we're moving very quickly on  
15 diligencing and deciding whether to acquire a project,  
16 and we acted as quickly and as responsibly as we  
17 could.

18 COMMISSIONER DOUGLAS: So I hear what you're  
19 saying. I think I want to draw the distinction between  
20 the company actually, you know, making a sale and  
21 making an affirmative decision about what technology  
22 it would pursue and so on, versus the understanding  
23 that, you know, you probably aren't about to file  
24 imminently an amendment for trough with storage.  
25 Because even if you'd made the decision to go with

1     trough with storage, that wasn't going to be filed  
2     imminently.

3             So I think Commissioner Hochschild has a  
4     question or a comment.

5             COMMISSIONER HOCHSCHILD: Yeah, and I concur  
6     with everything my colleague has said. I just would  
7     make two points.

8             First of all, on the technology question. We  
9     actually had this happen ourselves when the Energy  
10    Commission was filing comments with the PUC and had a  
11    glitch and we had to refile, so this is certainly not  
12    the first time this has happened. But I would urge,  
13    not just you but all parties to not wait until the  
14    end.

15            But I just wanted to make one point and ask a  
16    question related to it, which is the other big thing  
17    that was going on this week of December 16th was, from  
18    my perspective, an unexpected extension of the federal  
19    solar tax credit. And if you recall, the difference  
20    between the wind production tax credit and the solar  
21    tax credit is the commence construction clause, so  
22    that a wind project, even if you start it just the  
23    first shovelful of dirt gets moved on December 31st of  
24    the year the credit's expiring, you can get the credit  
25    even if it takes two years to complete the project.



1           Solar had to be commissions and completed by  
2   the end of 2016. That changed, and now also the  
3   commence construction language itself has changed, and  
4   I just wanted to know how significant that was in the  
5   decision you came to here.

6           MR. BLACK:   Good question, Commissioner. And  
7   the timing is incidental. The acquisition of this  
8   project had nothing to do with the tax credit.

9           COMMISSIONER HOCHSCHILD:   Thank you.

10          COMMISSIONER DOUGLAS:   Thank you. I just  
11   maybe have one more comment. I mean, I think there's a  
12   lot more I could say but I want to make sure I'm not  
13   the only one commenting or asking questions as well.

14          And that is that, as I look at this, the  
15   language in the order we put was, as we describe it,  
16   self-executing. If a certain thing doesn't happen by a  
17   certain date, then the license is no longer in effect  
18   essentially.

19          One of the things that we have done, and I  
20   was interested looking at your papers. I think you  
21   make the argument that so long as a request for an  
22   extension is filed timely, that essentially tolls all  
23   deadlines, even very specific self-executing language  
24   in orders that the Commission put out, for the  
25   Commission to reconsider it.

1           And I just wanted to flag that in the history  
2 of Commission practice that isn't really how we have  
3 interpreted it.

4           In the history of Commission practice we have  
5 at times done some amount of gymnastics, including  
6 short-term extensions or other prioritizing workload  
7 and so on in order to have the Commission itself act  
8 to amend or change orders prior to deadlines in those  
9 orders being triggered.

10          So I just want to raise that. It's an  
11 opportunity for you to address it. I'm not necessarily  
12 asking you to. But I do think there's one more  
13 question I have for you.

14          You've made a number of arguments about  
15 25534(j) and how you believe that it applies to  
16 essentially expirations as well as revocations. I  
17 don't agree with that necessarily, but what you didn't  
18 address is the issue that the hearing officer raised  
19 about how this also by its terms applies to  
20 projections that have all of their entitlements and  
21 the project does not have a record of decision from  
22 BLM.

23          So I wanted to flag those issues, give you a  
24 chance to speak to any of them, but particularly the  
25 latter one that you didn't really address.

1 MR. BELL: Right, I can address that first.

2 So the question of, again, it's about the  
3 question of whether it's tied to the other provisions  
4 of 25534(j), or to 534 generally.

5 Again, by my reading of it, it is an  
6 independent exception to the rest of 25534, and also  
7 generally applies across any transfer situation that  
8 occurs. If you look closely at the language itself, it  
9 is the only independent provision that is within  
10 25534.

11 The question as to whether or not it applies  
12 only to revocations. Again, in that instance it says  
13 -- I should find the actual section.

14 "This section does not prevent a certificate  
15 holder from selling its license to construct and  
16 operate a project prior to its revocation by the  
17 Commission."

18 That's one instance, but the following  
19 sentence itself, "In the event of a sale of an entity  
20 that is not an affiliate of the certificate holder,  
21 the Commission shall adopt new deadlines or milestones  
22 for the project that allow the new certificate holder  
23 up to twelve months," clearly stands on its own.

24 So there is reference to 25534 and the  
25 revocation process, but the language itself expands

1 beyond that. It is a larger concept that is anchored  
2 in 25534 because there's nowhere else to put it.

3 The question as to why wouldn't you limit it  
4 solely to projections that have already obtained all  
5 their permits.

6 In this instance if you read it so narrowly  
7 it would only apply to instances where the applicant  
8 had obtained all permits and had the California  
9 (inaudible) Authority, I think it was called, decide  
10 that it would take on the project instead of the  
11 developer, and that's the only case in which an  
12 extension would apply.

13 But that seems odd in that if you have an  
14 applicant who hasn't quite got all the permits yet and  
15 is not in trouble in a sense that they need to go to  
16 the California (inaudible) Authority and have them  
17 take over the project and is actually diligently  
18 moving along, that they can't be afforded the same  
19 concept that is contained through the transfer  
20 mechanism in 25534. The idea being that if a new owner  
21 comes in, they should be afforded a period of time in  
22 which to get their arms around the project and begin  
23 to pursue it diligently, and that's precisely the  
24 situation that we are in now.

25 Does that help answer the question?

1           COMMISSIONER DOUGLAS: Well, it's helpful in  
2 terms of giving you a chance to speak to the question.  
3 I mean, all applicants of course or all permit holders  
4 have the ability to come here and request an extension  
5 for good cause of the deadline for construction.

6           MR. BELL: And with regard to practices, if I  
7 can.

8           COMMISSIONER DOUGLAS: Um-hmm.

9           MR. BELL: The Commission's practice. I think  
10 this isn't a good example of why requiring the  
11 decision to be made before the deadline could be  
12 impractical in many situations. Because again, as we  
13 mention in our papers, you would have applicants  
14 needing to anticipate how long it's going to take to  
15 make a decision on items that are subject to great  
16 variability under the facts and under the law, and so  
17 you would be making strategic assumptions about how  
18 things are going to go rather than actually focusing  
19 on the process itself.

20           And so I could see many instances where you  
21 would have untimely filings or premature filings  
22 simply out of concern for what would, I think, be a  
23 bit of an arbitrary approach to addressing the  
24 question.

25           So as experienced with other agencies, it's

1 not uncommon at all but as long as the application is  
2 filed prior to expiration that there is a period of  
3 time allowed for the agency to at least consider the  
4 petition in this instance before they decide.

5 COMMISSIONER DOUGLAS: So I appreciate your  
6 comments. Obviously, I'm pointing out the standard  
7 practice here mainly because that's how we work.

8 I really, though, also want to keep drawing  
9 attention to the words of the order, which were, I  
10 think, pretty clear on their face.

11 I don't have additional questions at this  
12 time. I'd like to see if any of my colleagues have  
13 questions for any of the parties.

14 COMMISSIONER SCOTT: I had many of same ones  
15 you did, so they've been answered.

16 COMMISSIONER MCALLISTER: This is Andrew on  
17 the line. I just wanted to make clear that I did  
18 receive a solid briefing on this and have reviewed all  
19 the materials and came in for the discussion, so I  
20 feel like I've seen staff's position and understand  
21 it.

22 MR. BELL: Thank you for reviewing them.

23 CHAIR WEISENMILLER: Yeah, thank you. So  
24 we're going to go into a brief executive session. I  
25 think we'll be back somewhere between 11:30 and 11:45.

1 MS. VACARRO: And Chair Weisenmiller, just in  
2 keeping with your script that you read at the  
3 beginning, or the admonition that you gave at the  
4 beginning, I think we want to point out that we're  
5 doing this pursuant to what's in the agenda itself,  
6 which is saying that this is a possible closed session  
7 deliberation on the above-described petitions, and  
8 those petitions are described with particularity in  
9 Item 6 of this business meeting agenda.

10 CHAIR WEISENMILLER: That's correct. And we  
11 will obviously connect with Commissioner McAllister,  
12 although no one else in the room with him will be part  
13 of that discussion.

14 COMMISSIONER MCALLISTER: Yes.

15 CHAIR WEISENMILLER: Okay.

16 (Adjourned to Closed Executive Session  
17 11:16 a.m. to 11:46 a.m.)

18 CHAIR WEISENMILLER: So we are back on the  
19 record and I understand Commissioner McAllister is  
20 also on the line.

21 COMMISSIONER MCALLISTER: Yes, I am.

22 COMMISSIONER DOUGLAS: So I'd just like to  
23 talk about post Executive Session, share some thoughts  
24 about how I think we should proceed on this matter for  
25 Commissioner discussion and action.

1           I think that it's my belief that the  
2 Commission order speaks for itself and by its terms it  
3 expired when the amendment was not filed on the  
4 deadline set out in the order. The Commission can, of  
5 course, change orders but we are now at a point where  
6 the effective language in the order has already  
7 executed.

8           So I wanted to speak really less about that  
9 and more about where we go from here, because I want  
10 to say, first of all, that I'm actually really pleased  
11 that the new project owner -- and we'll talk about  
12 your change of ownership petition in a minute -- but  
13 that you are contemplating a project on the site. And  
14 while the Energy Commission's jurisdiction over some  
15 technologies but not others, at least setting aside  
16 for a moment the opt-in question you raised, we don't  
17 necessarily have favorites and the State has important  
18 renewable energy goals, so I want to encourage you to  
19 move forward and develop your ideas and bring the  
20 project proposal, get it together and bring it to the  
21 appropriate licensing entity.

22           The Energy Commission, as you point out, has  
23 developed a pretty substantial record on this project,  
24 but a lot of what we did was, of course, analysis for  
25 the approval of the original Palen project, the trough



1 project, and that was something over five years ago.  
2 Commissioner Hochschild and I were very deeply  
3 involved in the amendment proceedings where the  
4 project was proposed to be shifted to a power tower.

5           And there's a tremendous amount of analysis  
6 that the Energy Commission did on that site as it  
7 pertained to not the site as a whole and the impacts  
8 as a whole, but particularly to the changes that were  
9 being proposed at that time, and so it was the shift  
10 in technology, it was the impacts that we hadn't  
11 addressed the first time around that came from the  
12 height of the tower potential solar flux, potential  
13 avian, potential cultural issues.

14           We did not relitigate or reanalyze or invite  
15 any parties to reanalyze other issues raised in the  
16 case. There was less ground disturbance, for example,  
17 for the amendment, so we rested on the older decision  
18 as allowed under CEQA and as appropriate in the  
19 amendment.

20           So that's a long way of saying that I think  
21 you will find that some of the record developed by the  
22 Energy Commission, both five years ago and more  
23 recently, is very relevant to you and some of it is  
24 not relevant to you, and some significant portion of  
25 it will need to be updated.

1           And while I do not support extending the  
2   license today, I want to encourage you to do the work  
3   to bring the project together and bring it -- you  
4   know, nothing stops you when you have a firmed up  
5   proposal from bringing that to the appropriate  
6   authorities and from considering whether you wish to  
7   ask the Energy Commission to make a jurisdictional  
8   determination at that point in time, or not.

9           So I just wanted to say something more about  
10   the jurisdictional determination. There was a lot of  
11   discussion about it and concerns raised about how that  
12   process would work.

13           I don't have an opinion sitting here right  
14   now about whether the regulatory provision cited by  
15   staff is the right venue or not. It's certainly a way  
16   of doing it; it may not be the way of doing it.

17           I want to say that this question is one  
18   that's obviously of pretty significant importance, and  
19   it's certainly of importance to some of the counties  
20   that I've worked with closely over the years, and one  
21   is here in person and a number of counties have  
22   written in. I think if there had been more time maybe  
23   more would have written in.

24           So I want to say that regardless of what  
25   process is used for making that kind of determination

1 if we are asked to make it at some time in the future,  
2 it's really important that it be an open and public  
3 process, that it be noticed so people know well in  
4 advance and have an opportunity to file briefs and  
5 make comment and participate. And so I think from the  
6 point of view of the Commission that's what we would  
7 expect and want to see and we would, if that question  
8 were brought before us, need and want to handle it in  
9 a kind of open way.

10 So those are my comments right now. I'd  
11 certainly welcome hearing from my colleagues.

12 COMMISSIONER SCOTT: I would just underscore  
13 two points I'd like to.

14 I think I agree that the Commission order  
15 speaks for itself, so I wanted to underscore that.

16 And also I wanted to underscore that as the  
17 public member with this agency, as something that  
18 Commissioner Douglas just said as well, that the  
19 Energy Commission is about transparency and a full and  
20 fair public process, and so I wanted to make sure that  
21 folks heard that and understood that.

22 That's all from me.

23 COMMISSIONER HOCHSCHILD: Yeah, just to  
24 briefly add. I think the circumstance we had in  
25 December is not one I would hope would ever be

1 repeated. Both were stakeholders who are filing really  
2 urge to act judiciously in advance of the deadline,  
3 but also for staff to the extent that there's not  
4 clarity on the part of the parties about the  
5 consequence of different actions to just go the extra  
6 mile just so we can really make sure that's understood  
7 clearly, just because procedurally I just think this  
8 kind of thing is just not something I would hope we  
9 have to repeat again.

10 CHAIR WEISENMILLER: Commissioner McAllister,  
11 do you have anything to contribute?

12 COMMISSIONER MCALLISTER: You know, I agree  
13 with what my colleagues have said here. I think the  
14 logic is very clear here.

15 I do want to just reiterate that there's no  
16 prejudice here. Commissioner Douglas said it well. You  
17 definitely should feel free to come back through an  
18 appropriate process with the new project.

19 CHAIR WEISENMILLER: And I was just going to  
20 say I think we got to what is a good resolution. I  
21 think having said that, certainly we welcome you to  
22 California on the project. It's always good to see  
23 potential project someone step in who has the  
24 wherewithal to really make it happen.

25 And at the same time, that would lead to jobs

1 in that area. That would certainly lead to reduced  
2 greenhouse gas benefits, emissions. And so there would  
3 be lots of benefits to the project going forward, but  
4 this particular mechanism is one which we don't think  
5 works at this stage, but again encourage you to move  
6 forward on it.

7 COMMISSIONER DOUGLAS: And I'll just add  
8 because you raised the DRECP, in fact it is within a  
9 proposed development focus area and DRECP is an area  
10 that, as Ms. Belenke said, there's been a lot of  
11 environmental analysis done for DRECP that I think  
12 will be very helpful to you as you bring this project  
13 forward and together.

14 So I don't want you to be discouraged in your  
15 work in California from this license not being  
16 extended. We welcome renewable energy.

17 Again, there's no prejudice involved in this  
18 decision not to extend the license.

19 MS. VACARRO: So just for clarity of the  
20 record, there's not yet been any vote by the  
21 Commission or any decision of the Commissioners. As I  
22 understood it, Commissioners were expressing their  
23 leaning and their opinion with respect to what's  
24 before them, but you still have a vote to take on this  
25 matter, and the agenda frames for you what some of the

1 questions were before the Commission.

2 COMMISSIONER DOUGLAS: Thank you, Kourtney,  
3 you're right, and I wasn't as clear in my choice of  
4 words as I could have been.

5 I'm looking for the agenda because I took it  
6 out of here. I think I found it.

7 So do you have a recommendation for how to  
8 frame a motion at this point? Start with number one.  
9 Actually, start with number two.

10 CHAIR WEISENMILLER: Actually, let me ask the  
11 basic question.

12 So I think at this point we've given  
13 sufficient direction for Mr. Celli to come back to us  
14 with a written order.

15 MR. CELLI: That's correct.

16 CHAIR WEISENMILLER: And so what I would  
17 suggest is that we move on to the next item, and  
18 basically --

19 MS. VACARRO: I think for the purposes of  
20 where we are, you did go into closed session and  
21 deliberate but you have not taken any action and I'm  
22 not sure that there is direction for Mr. Celli to be  
23 able to perhaps commemorate whatever it is in an  
24 order.

25 CHAIR WEISENMILLER: Okay.

1 MS. VACARRO: So I think we might need a bit  
2 of clarity on that point, which is why --

3 CHAIR WEISENMILLER: Okay, so let's do that.

4 COMMISSIONER DOUGLAS: So would a motion to  
5 deny the request to extend the deadline of  
6 construction be sufficient, then? All right, so moved.

7 COMMISSIONER SCOTT: Second.

8 CHAIR WEISENMILLER: Okay, we'll call a vote.  
9 Commissioner McAllister?

10 COMMISSIONER MCALLISTER: Aye.

11 CHAIR WEISENMILLER: Commissioner Scott?

12 COMMISSIONER SCOTT: Aye.

13 CHAIR WEISENMILLER: Commissioner Douglas?

14 COMMISSIONER DOUGLAS: Aye.

15 CHAIR WEISENMILLER: Commissioner Hochschild?

16 COMMISSIONER HOCHSCHILD: Aye.

17 COMMISSIONER MCALLISTER: And myself, aye. So  
18 five to zero on this issue.

19 COMMISSIONER DOUGLAS: And then maybe I'll  
20 ask the applicant, the change of ownership, is that  
21 relevant; are you asking us to take action on that?  
22 There was a brief period of time where there was a  
23 change of ownership that we could recognize.

24 MR. BELL: I suppose as a formal matter  
25 probably, yes.

1 COMMISSIONER DOUGLAS: Okay. Well, then I  
2 move to approve the change of ownership.

3 MR. BELL: In fairness, though, remember that  
4 we invoked the mandatory extension in that request, so  
5 while I'm not doing myself a favor I think I'm doing  
6 the right thing by saying you may need to modify that  
7 request.

8 COMMISSIONER DOUGLAS: Yes, in our written  
9 order we'll deal with that, thank you.

10 So, yes, I am not referencing the provision  
11 invoked in the petitioner's request, but I do move to  
12 approve the change of ownership request.

13 COMMISSIONER SCOTT: Second.

14 CHAIR WEISENMILLER: Commissioner McAllister?

15 COMMISSIONER MCALLISTER: I have a question  
16 on that, actually. Is there a need to make a decision  
17 on this one way or the other if what we just asked for  
18 on Item 2 actually is approved?

19 MR. CELLI: If I may, Hearing Officer Celli.

20 I'm of the opinion that by abiding by the  
21 original order, that retroactively found the  
22 certificate was expired, that that renders the change  
23 of ownership moot at this time.

24 And so really there's only the one decision,  
25 I think, that the Commission needs to make, which is



1 whether the extension or not, which you've already  
2 denied.

3 CHAIR WEISENMILLER: Applicant, do you want  
4 to respond?

5 MR. BELL: I think functionally that's the  
6 case. If the permit is expired, ownership is expired  
7 with it.

8 COMMISSIONER DOUGLAS: And there are no  
9 confidential records or anything else that they  
10 wouldn't have access to, I don't think so in this  
11 case, so I think you're fine.

12 MR. BELL: Well, it would only be the license  
13 itself. We would not own something that doesn't exist.

14 COMMISSIONER DOUGLAS: Right.

15 MR. BLACK: I guess the question I want to  
16 ask, Commissioners, is with the encouragement to come  
17 back, would we then have to ask for change in  
18 ownership if we came back?

19 COMMISSIONER DOUGLAS: No, it's a new  
20 application.

21 MR. BELL: It would be new. No.

22 COMMISSIONER DOUGLAS: It would be a new  
23 application and you could bring it. It wouldn't be  
24 tied to any past decision.

25 So Mr. Celli, I agree you're right, so I'll

1 withdraw that motion.

2 CHAIR WEISENMILLER: Actually, again, the  
3 only thing I could think of is if there was anything  
4 confidential submitted in the prior record by the  
5 applicant, but I'm assuming that since you're getting  
6 that out of the bankruptcy court you would have access  
7 to it even without the change of ownership.

8 MR. BLACK: I wouldn't make that assumption.  
9 During the diligence phase the seller laid off 95  
10 percent of their personnel and shipped their laptops  
11 back to Spain. We have not been able to get probably  
12 more than half the information on those laptops to us.  
13 It's part of the challenge in our running the  
14 diligence on the question before us, so I wouldn't  
15 make the assumption we have all the information.

16 CHAIR WEISENMILLER: Again, I'm referring to  
17 simply things that were filed at the Energy  
18 Commission.

19 MR. BELL: Right, that --

20 CHAIR WEISENMILLER: My chief counsel may  
21 have a correction for me on that statement.

22 COMMISSIONER DOUGLAS: My memory of the case  
23 -- sorry. You know, I think I'm correct in  
24 remembering, and Ken, you were the hearing officer on  
25 this case, and David, you were on for the amendment.

1 I do not believe that applicant submitted  
2 confidential information into our record.

3 MR. CELLI: We do not have any confidential  
4 information in the evidentiary hearing record. I know  
5 that during the phase of data adequacy and during  
6 discovery there may have been some applied for  
7 confidential -- some documents that they applied for  
8 confidentiality that are routine, such as Native  
9 American artifacts and things like that.

10 COMMISSIONER DOUGLAS: Right.

11 MR. CELLI: They were not offered into the  
12 record at the evidentiary hearing, though.

13 MR. BELL: Well, if I may, I think this  
14 probably brings us back to the more formal approach in  
15 that I would request that the Commission approve the  
16 transfer of ownership so that we can -- we didn't  
17 contemplate this circumstance but it seems like we  
18 should cover all bases by doing so, so that we do have  
19 possession of all records, public or private,  
20 confidential or otherwise, even though the extension  
21 itself hasn't been granted.

22 COMMISSIONER DOUGLAS: I think that what we  
23 should do is think about that question, because we  
24 hear you on your request and we are going to do is  
25 give our staff some time to develop a written order

1 that would address the action on the extension, and  
2 we'll ask them to spend a little bit of time also just  
3 thinking about this question.

4 Is there anything that pertains to the  
5 earlier case that you wouldn't otherwise have access  
6 to?

7 Again, my instinct is probably not, and if it  
8 is it might have to do with proprietary technology  
9 information for technology you're not planning to use,  
10 and so I just don't know.

11 MR. BELL: Right. With all due respect, it is  
12 a very large record, and I think for that reason it  
13 probably would be safer to take the more formal  
14 approach rather than rely on assumption. And even  
15 investigation, I don't know if anyone would be able to  
16 (inaudible).

17 CHAIR WEISENMILLER: Again, I think the  
18 question of taking action at this stage, so what I was  
19 planning to do was cover Item 7, which has a number of  
20 public comments, then break for lunch under the theory  
21 that those who are sticking around for the IEPR could  
22 then go home after we adopt that.

23 There are additional items, and at the same  
24 time, the hearing advisor can draft the order. And so  
25 certainly if there's opportunity for you and staff to

1 meet and confer on this question, see if we can come  
2 up with a resolution. I suspect the ISO  
3 interconnection agreement might be -- anyway. But just  
4 to see if there's anything there that we're talking  
5 about on this.

6 COMMISSIONER DOUGLAS: That's right. I agree  
7 with you strongly. And then when they come back after  
8 lunch we'll be prepared to take that up. We don't have  
9 a substantive disagreement with what you're asking  
10 for.

11 CHAIR WEISENMILLER: But again maybe there's  
12 really nothing there, so let's just clarify what's  
13 going on and do some homework, clarify what's going on  
14 and try to work out a resolution.

15 MS. VACARRO: Okay. So just for clarity, we  
16 had a motion and then there was a question, and so  
17 we're not so much dealing with the motion to  
18 separately address the change of ownership as much as  
19 incorporate it into the order and address it when it  
20 comes back to the Commission after lunch.

21 COMMISSIONER DOUGLAS: Right. I withdrew the  
22 motion but I'd like to see the results of staff and  
23 applicant and what they're able to come up with and if  
24 there's a direction that make sense based on that it  
25 would be very helpful to have that incorporated into

1 the order, and we can act on it then.

2 CHAIR WEISENMILLER: Right, exactly. Okay.

3 Thanks for making sure the record's clear. So thanks.

4 So let's go on to Item 7. Heather Raitt,  
5 please, presentation.

6 MS. RAITT: Good afternoon, Commissioners.

7 Staff is requesting that you adopt the 2015 Integrated  
8 Energy Policy Report, the IEPR. I'm Heather Raitt, the  
9 program manager for the IEPR.

10 The Energy Commission is required to prepare  
11 an IEPR every two years that assesses energy supply  
12 and demand, production, delivery and distribution,  
13 market trends, and major challenges. The Energy  
14 Commission uses these assessments to develop use these  
15 assessments and forecasts to develop energy policies  
16 that conserve resources, protect the environment,  
17 ensure energy reliability, enhance the state's  
18 economy, and protect public health and safety. I'll  
19 present a high level overview of the report.

20 First some background. The IEPR Lead  
21 Commissioner, Andrew McAllister, issued a Scoping  
22 Order on February 27th, 2015, identifying the report  
23 topics. The Energy Commission held 30 public workshops  
24 and webinars on topics identified. The information  
25 gleaned from the workshops was instrumental in

1 developing the report.

2           The Energy Commission held a workshop on the  
3 draft 2015 IEPR on October 20th, 2015. More than  
4 thirty parties provided written comments on the draft.  
5 The written and oral comments were carefully  
6 considered in developing the final report presented  
7 today.

8           The Lead Commissioner released the final  
9 draft on January 27th, and subsequently made changes  
10 to the report that are detailed in the errata which is  
11 posted online and available at the entrance to the  
12 hearing room.

13           The report highlights efforts needed to meet  
14 Governor Brown's Executive Order establishing a new  
15 statewide goal to reduce greenhouse gas emissions  
16 forty percent below 1990 levels by 2030.

17           In his 2015 Inaugural Address the Governor  
18 put forward the following three goals to help reduce  
19 greenhouse gas emissions from the energy sector.

20           Double the efficiency savings achieved at  
21 existing buildings and make heating fuels cleaner;  
22 increase from one-third to fifty percent California's  
23 electricity derived from renewable resources; and  
24 reduce today's petroleum use in cars and trucks by up  
25 to fifty percent.

1           The Clean Energy and Pollution Reduction Act  
2 of 2015, Senate Bill 350 by Senator De Leon,  
3 subsequently codified doubling energy efficiency  
4 savings by 2030 and increasing renewable electricity  
5 procurement to fifty percent by 2030.

6           The 2015 IEPR focuses on energy efficiency to  
7 help meet the State's climate, clean air, and energy  
8 goals. Topics are listed here and address  
9 decarbonizing the energy system, developing fuel  
10 forecasts, and other issues facing California's energy  
11 system.

12           The graph shows greenhouse gas emissions by  
13 sector of the economy, including electricity sector  
14 emissions broken down by end use.

15           California's transportation sector is the  
16 largest source of greenhouse gas emissions, accounting  
17 for about thirty percent of the state's total.

18           Emissions from the industrial sector are  
19 about twenty-seven percent and includes emissions  
20 associated with oil refineries.

21           By comparison, electricity generation  
22 accounts for about twenty percent of the state's  
23 greenhouse gas emissions, although it's not shown as a  
24 discreet category in this graph.

25           Close to half of the electricity emissions



1 are from out-of-state power consumed in California.

2           The residential and commercial sectors  
3 account for about twenty-seven percent of emissions.  
4 This includes both fossil fuel consumed onsite such as  
5 natural gas or propane for heating, and emissions  
6 associated with electricity consumed in existing  
7 buildings; for example, for lighting, appliances, and  
8 cooling.

9           Assembly Bill 758 by Assembly Member Skinner  
10 recognized the need for California to address climate  
11 change through reduced energy consumption in existing  
12 buildings. It directed the Energy Commission to  
13 develop a plan to achieve cost-effective energy  
14 savings in California's existing residential and non-  
15 residential buildings and to report on implementation  
16 in the IEPR.

17           The Energy Commission adopted the Final  
18 Existing Buildings Energy Efficiency Action Plan in  
19 September 2015. One of the strategies is to enhance  
20 government leadership in energy and water efficiency,  
21 such as improving the efficiency of public buildings,  
22 developing a new statewide benchmarking and disclosure  
23 program, encouraging local government innovations, and  
24 supporting the State and Federal development of new  
25 (inaudible) efficiency standards.

1           Another strategy is to provide building  
2 owners and their agents easy access to the building  
3 energy use data needed for improved decision making.  
4 Advancing high quality building upgrades and increased  
5 financing options is another strategy.

6           The Action Plan provides a ten-year framework  
7 to help achieve greenhouse gas reduction goals and  
8 help consumers save money and enjoy more comfortable  
9 homes through energy efficiency.

10           Another important mechanism for advancing  
11 energy efficiency is the lowest cost energy resource  
12 option is through utility programs overseen by the  
13 California Public Utilities Commission.

14           Also energy upgrades in California schools  
15 are being realized as a result of funding available  
16 from the Clean Energy Jobs Act, or Proposition 39.

17           For newly constructed low rise buildings the  
18 state is steadily moving toward implementing zero net  
19 energy buildings for 2020.

20           Outstanding issues remain, however, including  
21 identification of compliance pathways when onsite  
22 renewable generation is not feasible, and the  
23 appropriate role for natural gas.

24           To meet California's energy use needs the  
25 State is increasingly working to decarbonize the

1 electricity sector. Although California's electricity  
2 sector is already about twenty percent below 1990  
3 levels of greenhouse gas emissions, further work is  
4 needed to implement SB350, which codified the  
5 Governor's goal for California to serve half its  
6 electricity with renewable resources by 2030.

7           A challenge is integrating increasing amounts  
8 of intermittent renewables into the grid and  
9 addressing overgeneration that occurs at specific  
10 times of the day when generation exceeds demand. This  
11 can be addressed through an integrated portfolio that  
12 includes increased energy efficiency, demand response,  
13 time of use rate, storage, a greater diversity of  
14 renewable resources, and transportation  
15 electrification.

16           Also, a key solution to integrating increased  
17 renewables is through a more regional grid. SB350  
18 paves the way for the voluntary transformation of the  
19 California independent system operator into a regional  
20 organization. This is likely to reduce greenhouse gas  
21 emissions through coordinated planning, reduced  
22 curtailment of renewable generation, and lower overall  
23 costs for new renewable resources.

24           As the grid becomes increasingly regional,  
25 strategic transmission investments are needed.

1 Transmission planning processes will need to be  
2 streamlined and coordinated to ensure the siting,  
3 permitting, and construction of the most appropriate  
4 transmission projections takes proper consideration of  
5 renewable energy potential, land use, and  
6 environmental factors.

7           Drawing on lessons learned from previous  
8 planning efforts and scientific studies, the Energy  
9 Commission, CPUC, and the California ISO have  
10 initiated Ready 2.0. This process will consider the  
11 relative potential of various renewable energy  
12 resources and explore the associated transmission  
13 infrastructure through an open and transparent  
14 stakeholder process.

15           Developing a ten-year forecast of electricity  
16 consumption and peak electricity demand is a  
17 fundamental part of statewide electricity  
18 infrastructure planning. The Energy Commission, CPUC,  
19 and California ISO are continuing their commitment to  
20 consistently use a single forecast set in each of  
21 their planning processes, as first implemented through  
22 the 2013 IEPR.

23           The 2015 forecast was adopted in January  
24 2016. It includes estimated impacts from energy  
25 efficiency programs administered by investor and

1 publicly owned utilities and incorporates anticipated  
2 changes in demand due to climate change, photovoltaic  
3 self-generation, electric vehicles, and other factors.

4           The Energy Commission also assesses natural  
5 gas demand, supply, price, and infrastructure needs as  
6 part of resource planning. Consistent with the  
7 requirements of Assembly Bill 1257, the IEPR includes  
8 highlights from the report on strategies to maximize  
9 benefits obtained from natural gas as an energy  
10 source.

11           Natural gas may provide a lower carbon fuel  
12 source when compared to other fossil fuels used for  
13 electricity generation or transportation. However,  
14 studies indicate that methane leakage can reduce the  
15 climate benefits of switching to natural gas and many  
16 research efforts are aimed at better understanding the  
17 leakage rates during normal operations.

18           The gas well leak at Southern California  
19 Gas's storage facility Aliso Canyon is an example of  
20 an unexpected gas leak that is disrupting the daily  
21 lives of nearby residents and impacting the State's  
22 short-term carbon footprint. The Energy Commission  
23 plans to further address issues with Aliso Canyon and  
24 gas leakage more generally in the 2016 IEPR Update.

25           Turning next to transportation.

1           The Governor has released several executive  
2 orders easing the transition to the low carbon  
3 transportation future.

4           Further, a suite of policies and programs are  
5 in place that support the Governor's goal of fifty  
6 percent petroleum reduction by 2030, including zero  
7 emission vehicle mandate, the low carbon fuel  
8 standard, the CAP and Trade Program, and the Energy  
9 Commission's Alternative and Renewable Fuel and  
10 Vehicle Technology Program.

11           As part of the Energy Commission's energy  
12 planning efforts, the draft IEPR includes draft  
13 transportation energy demand forecasts through 2026.

14           This IEPR also includes updates on nuclear  
15 energy, electricity reliability in southern  
16 California, and crude oil transportation by rail.

17           Beginning with nuclear, the decommissioning  
18 of San Onofre Nuclear Generating Station is underway.  
19 Southern California Edison is on track to meet the  
20 2013 IEPR recommendation to transfer all spent nuclear  
21 fuel from cooling ponds to dry casts by 2019.

22           The Energy Commission intends to actively  
23 engage in a rulemaking by the Nuclear Regulatory  
24 Commission to identify potential improvements to  
25 federal decommissioning regulations that better ensure

1 state and local concerns are addressed.

2 Diablo Canyon Units 1 and 2 are operating  
3 under their original licenses which are set to expire  
4 in 2024 and 2025 respectively. While PG&E filed a  
5 federal application to renew its operating license in  
6 2009, it is uncertain whether Diablo Canyon will  
7 continue to operate beyond the current licenses.

8 One important factor is the safety of the  
9 facility to withstand potential earthquakes, tsunamis,  
10 and flooding. The cost of compliance of the State  
11 Water Resources Control Board (inaudible) policy is  
12 another issue, as is the management of spent fuel.

13 The Energy Commission will continue to  
14 monitor federal nuclear waste management program  
15 activities and support federal efforts to develop a  
16 long-term nuclear waste management solution. Proposed  
17 federal legislation founded on a consent based process  
18 would authorize the U.S. Department of Energy to move  
19 forward with developing an interim storage facility  
20 and provide financial benefits to communities that  
21 agree to host such facilities.

22 With the impending retirement of several  
23 fossil powered facilities that use (inaudible) cooling  
24 and the closure of San Onofre in southern California,  
25 ensuring the region's electricity system reliability

1 has been a major focus since 2011.

2           An interagency team with members from the  
3 Energy Commission, CPUC, California ISO, and the Air  
4 Resources Board closely follow the development of  
5 preferred resources, conventional generation and  
6 capacity additions, and transmission upgrades that are  
7 needed to ensure reliability in the area.

8           Because resource margins are tight, the group  
9 is developing contingency plans in case development  
10 does not continue as planned. Close attention to local  
11 reliability issues will continue.

12           As outlined in the 2014 IEPR Update,  
13 transport of oil by rail rapidly increased in 2014 due  
14 to a large increase in crude oil production that  
15 surpassed the ability of existing crude oil pipeline  
16 and distribution infrastructure to keep pace. Over the  
17 last eighteen months, however, prices have dropped and  
18 additional pipeline capacity has come online such that  
19 rail transport has declined. Also, new safety  
20 regulations were finalized.

21           The 2015 IEPR also focuses on the impacts  
22 from California's drought and the connection between  
23 water and energy. The IEPR also includes details on  
24 the Energy Commission's activities in support of water  
25 conservation such as the water appliance efficiency



1 standards as well as highlights and key lessons from  
2 the IEPR multi-agency workshop on California's  
3 drought.

4           Finally, climate research specific to  
5 California's energy sector is critical to supporting  
6 our mid- and long-term climate and energy goals.  
7 Impacts to California's energy system from climate  
8 change include increased risks from extreme weather  
9 events, including flooding and drought, increased  
10 wildfires, changes in hydropower resources, and sea  
11 level rise. The types and severity of impacts vary  
12 across electricity, natural gas, and petroleum sectors  
13 and vary geographically.

14           Areas for future research specific to the  
15 energy system include the development of improved  
16 climate and sea level rise scenarios, improved methods  
17 to estimate greenhouse gas emissions, development of  
18 advanced methods to simultaneously consider mitigation  
19 and adaptation, and detailed local and regional  
20 studies. Additional research is needed to help make  
21 California more resilient to climate change and to  
22 reduce greenhouse gas emissions.

23           So that concludes my presentation. Staff  
24 requests that you adopt the 2015 IEPR with the changes  
25 detailed in the errata.

1 Thank you.

2 CHAIR WEISENMILLER: Thank you. So the errata  
3 are in the back for people.

4 MS. RAITT: They're on the table and we  
5 posted them as well.

6 CHAIR WEISENMILLER: Okay. So we have a  
7 number of comments, I'd like to listen to the public  
8 on that.

9 First one is Dr. Alexander Cannara.

10 DR. CANNARA: Thanks, Commission, for your  
11 attention. I'm glad we just went through the document  
12 for the IEPR because I think that it is faulty and  
13 should not be voted on today. It should be tabled, and  
14 it should be, in fact, informed by some better  
15 statements.

16 In fact --

17 COMMISSIONER HOCHSCHILD: Sorry, could you  
18 introduce yourself?

19 DR. CANNARA: Oh. Well, you just called me.  
20 Alexander Cannara, engineer and environmentalist from  
21 Menlo Park.

22 COMMISSIONER HOCHSCHILD: Great, thank you.

23 DR. CANNARA: So my statement is that we  
24 should not be voting on this IEPR document today  
25 because it is defective in a number of ways. A friend

1 of mine who is also an engineer referred to is as  
2 reading like a 1935 document.

3 The reason for that is evidenced by the  
4 incorrect statements made about both gas and nuclear  
5 in California.

6 Diablo Canyon is not subject to tsunami, for  
7 example, since it's a hundred and some-odd feet above  
8 sea level.

9 The gas leakage at Aliso Canyon is something  
10 that evidences that the CPUC and our regulators are  
11 incapable of in fact regulating gas properly.

12 San Bruno should be a reminder to us that we  
13 have a lot of work to do in terms of getting the CPUC  
14 and other regulatory agencies in California to  
15 actually respect the value of taxpayers' lives.

16 My other comments simply have to do with the  
17 fact that you don't take -- we have not apparently  
18 taken account of what was written to California under  
19 a commission to report in 2011 called California's  
20 Energy Future, the View to 2050. And one of the many  
21 scientists and engineers on this report authorship was  
22 in fact -- is in fact a Nobel physicist.

23 So why the statements in the current IEPR are  
24 there when far more informative statements were made  
25 in 2011 is a mystery to me, so as a taxpayer myself I

1 feel, apart from environmental and engineering  
2 impacts, what's going on here? All right, so that's my  
3 question.

4           The other thing is that the statements made  
5 in the IEPR will not, even if followed, will not get  
6 us to meet the Governor's targets. It is just not  
7 going to do it, and we have evidence of that even from  
8 Aliso Canyon where we have not been able to control  
9 what amounts to an eight million ton emission of  
10 carbon dioxide so far, equivalent. That's not  
11 something that we should be proud of at all.

12           So I'd be happy to answer any questions  
13 afterward if someone does, but I think that we should  
14 not vote on this document as it stands, it is  
15 defective.

16           Thank you.

17           CHAIR WEISENMILLER: Okay. Thanks for being  
18 here. Let's go on to Rochelle Becker.

19           MS. BECKER: Rochelle Becker, Executive  
20 Director of the Alliance for Nuclear Responsibility,  
21 and I urge full adoption of your IEPR this year.

22           The points raised by Mr. Cannara are very  
23 different from the points raised at the Diablo Canyon  
24 Independent Safety Committee last week. You had a  
25 representative attend.

1           Tsunamis are still an issue. In fact, the  
2   safety committee will be hearing them in June.

3           PG&E in referring to their problems with  
4   their past systems, rather than saying they made a  
5   mistake, said they missed an opportunity to do it  
6   right.

7           Waste is an issue that is before the Nuclear  
8   Regulatory Commission as is transportation right now,  
9   and we are concerned that while southern California is  
10   heavily weighing in on waste issues, supporting  
11   recommendations from Congress, pushing to move the  
12   waste off the coast, dealing with continued emergency  
13   planning. In San Luis Obispo we're missing all of  
14   those opportunities because we are still pretending  
15   like we may have a nuclear power plant in 2025.

16           I don't believe that will be the case. I  
17   think we will see the financial handwriting on the  
18   wall long before then. We have other state agencies  
19   looking at this. I think you've recognized all of  
20   those in your IEPR and I thank you very much and I  
21   urge adoption.

22           CHAIR WEISENMILLER: Thanks for being here.  
23           Valerie Winn.

24           MS. WINN: Good afternoon, Commissioners,  
25   Valerie Winn with PG&E. And I, too, wanted to

1 recommend adoption of the 2015 IEPR today.

2 In going through the revised IEPR, there were  
3 many updates to the draft that we felt added much more  
4 balance to the document, so we certainly support that.

5 At this point, we have two primary concerns  
6 with the document. One has to do with the  
7 characterization of what Senate Bill 350 does, and how  
8 the document currently reads suggests that the forty  
9 percent GHG emission reductions from 1990 levels by  
10 2030 would be coming entirely from the electricity  
11 sector.

12 And so we've proposed some changes in our  
13 comments that we submitted yesterday, and we'd like to  
14 further refine those now so that it appropriately  
15 captures what the electricity sector is to contribute  
16 to achieve those reductions.

17 We think that our concerns can be addressed  
18 by changing the language on what's required by the  
19 integrated resource plans that is in the errata, if we  
20 look at what's proposed for the introduction at Page  
21 10, there's language that says, "SB350 requires the  
22 adoption of integrated resource plans."

23 We think there should be some language  
24 inserted there that says, "...that reflects any  
25 targets for the electric sector that may be adopted by

1 the Air Resources Board to help achieve the greenhouse  
2 gas emission reductions of forty percent of 1990  
3 levels." That appropriately reflects that the electric  
4 sector is not entirely responsible for that. With that  
5 change, that would be a great change.

6 The second item that --

7 CHAIR WEISENMILLER: Just for clarification.  
8 I had asked the staff to work out with you some  
9 language on that. I just wanted to see if indeed there  
10 was an agreement on the language.

11 MS. WINN: I would look to the staff. I  
12 believe that we are in agreement on that.

13 CHAIR WEISENMILLER: Yeah. My understanding  
14 was you had exchanged language back and forth and we  
15 now have agreement; is that correct?

16 MS. VACARRO: We have agreement, yes.

17 CHAIR WEISENMILLER: Okay. So go on to the  
18 next issue.

19 MS. WINN: Okay. So my second issue has to do  
20 with the statement in the nuclear chapter, and we do  
21 actually really appreciate the errata that recognizes  
22 the GHG benefits of Diablo Canyon and how it's really  
23 a unique asset to California.

24 The second, you also note the benefits to the  
25 local economy from the employment at the plant, so we

1 appreciate those additions.

2           The one element that does concern us is the  
3 recommendation that cost recovery for some of the  
4 spent fuel activities be disallowed. We felt that that  
5 was inappropriate in this document because that issue  
6 is being considered in an evidentiary proceeding at  
7 the CPUC, and to really make that recommendation  
8 absent an evidentiary record was really inappropriate.  
9 So if we can strike that, then -- um-hmm?

10           CHAIR WEISENMILLER: I would say that comment  
11 reflects the opinion of the president of the PUC that  
12 to the extent that this Commission and that Commission  
13 had directed PG&E to start moving forward on basically  
14 moving spent fuel out of the pools into the casks as  
15 much as possible, that if there are any additional  
16 costs associated with PG&E not doing that.

17           And basically we're saying we at this point  
18 want to start tracking PG&E's compliance with that  
19 decision, and if it turns out ultimately when you get  
20 to decommissioning, that there are some incremental  
21 costs from your failure to pursue it, then I think  
22 you're pretty much on notice that that additional cost  
23 will be litigated, or seen as your responsibility.

24           MS. WINN: And I think that if there were  
25 some conditional language that should the CPUC find



1 that we did something inappropriate, then they should  
2 recommend a cost recovery disallowance.

3 I think our reading of it was just that  
4 there's already some finding that we have not done  
5 something appropriately, which we would refute.

6 CHAIR WEISENMILLER: Okay. Well, again, let's  
7 look at that in a second, but bottom line is President  
8 Picker's pretty clear that you've got a Commission  
9 direction; follow it.

10 MS. WINN: Okay. Thank you, I'll take that  
11 back to our team. I appreciate that.

12 CHAIR WEISENMILLER: Okay.

13 MS. WINN: And then finally in closing, I  
14 know I'm over my three minutes, but I did really want  
15 to thank the staff for all of their work on this.  
16 Every IEPR there are so many workshops, and they  
17 really do a phenomenal job in going through all of the  
18 comments filed by countless parties, organizing the  
19 workshops, and really putting together a solid  
20 document. So thank you, and we look forward to working  
21 with you on the 2016 IEPR.

22 CHAIR WEISENMILLER: Okay, thank you. Thanks.  
23 Let's go on to Rick Owen.

24 MR. OWEN: I want to thank the Commission for  
25 the opportunity to speak. My name is Rick Owen, and

1 I'm a citizen from Pacifica, California, just south of  
2 San Francisco, and my purpose for speaking today is to  
3 urge the Commission not to adopt the 2015 Integrated  
4 Energy Policy Report.

5 And specifically, the report handles the  
6 nuclear issue very much as Dr. Cannara had indicated.  
7 That nuclear energy is handled in a way that is very,  
8 very detrimental to this state and by its example, the  
9 country.

10 And let me give you a little bit of  
11 background.

12 I am just a citizen who, after the Fukushima  
13 event several years ago, spent a great deal of my own  
14 time to research the subject of nuclear power and the  
15 history, and also the future of nuclear power. And  
16 that has led me, as a lifelong environmentalist -- and  
17 I speak directly to the Commissioner whose  
18 responsibility is in that area -- that nuclear energy  
19 should be considered along, with these other  
20 photographs on this back wall, in the renewable energy  
21 sector for this state and for the country.

22 If that were adopted, if that were to  
23 suddenly occur and you looked at it in that light,  
24 everything would be different. This report would be  
25 completely different.

1           And I also would draw attention to the recent  
2 events in Paris where governments and officials from  
3 all around the world met to consider policy  
4 initiatives to reduce the greenhouse gas emissions,  
5 and they were standing in a country that, due to the  
6 advanced nuclear power generation of that country, is  
7 the cleanest, greenest, and the lowest carbon emission  
8 modern society on earth.

9           So I just think that California ought to be  
10 in that position, too, to adopt those kind of policies  
11 and consider nuclear energy not renewable, but it is  
12 energy forever.

13           And I'd also like to say in the last few  
14 minutes, I speak directly to Commissioner Scott, that  
15 I urge you to educate yourself, if you have not  
16 already, to see what was happening in the late 1960s  
17 in the Oakridge, Tennessee, with a small group of  
18 scientists and engineers who developed nuclear reactor  
19 technology that will come online today; it's happening  
20 in China now, and we'll probably be buying them in a  
21 few years. But that is going to change everything, and  
22 a report like this simply won't exist in that  
23 environment when these advanced nuclear reactors are  
24 coming online.

25           Thank you for your time.

1 CHAIR WEISENMILLER: Thanks for being here.  
2 Tim Carmichael.

3 MR. CARMICHAEL: Good afternoon. Tim  
4 Carmichael with Southern California Gas Company.

5 As some of us discussed recently, a lot of  
6 effort goes into this report and we appreciate all of  
7 the efforts of staff and the Commissioners in creating  
8 this document.

9 We requested a few wording changes and  
10 factual corrections, and we greatly appreciate Raquel  
11 Kravitz and the rest of the team that worked on this  
12 in accepting those changes, incorporating them.

13 We encourage your adoption of the report.  
14 Thank you very much.

15 CHAIR WEISENMILLER: Thank you. Any other  
16 public comment either in the room or on the line?

17 Okay. Let's turn to Commissioner discussion.

18 Commissioner McAllister, do you want to start  
19 off?

20 COMMISSIONER MCALLISTER: Yes. Thanks a lot,  
21 Chairman.

22 So as Lead Commissioner on this IEPR, I  
23 approached this item with a measure of pride and  
24 relief in probably equal measure roughly. I want to go  
25 through some thank you's here in a little bit, but I

1 want to just highlight a couple of thing.

2 I'm lead on the primary policy area of energy  
3 efficiency, and from that point of view and some  
4 others, the timing of this IEPR was such that it took  
5 on special relevance, I think, in the context of the  
6 discussions around SB350, and it sort of fortuitously  
7 helped us, I think, through some of the pathways  
8 forward for implementation of that law and I think it  
9 gave it a little bit more gravitas, actually, as we  
10 move through the year.

11 Initially, I agreed really to be the lead on  
12 this IEPR because I wanted to leverage the workshops  
13 for a dual purpose. One, the IEPR itself. Many issues  
14 of the day needed to be worked out and highlighted and  
15 developed in the document.

16 But on energy efficiency, the AB758 and  
17 existing building energy efficiency activity really  
18 benefited from having the IEPR platform to develop  
19 workshops and dig into some of the real key themes of  
20 how we're going to attack our existing buildings and  
21 improve their performance.

22 And I want to thank Heather and her team for  
23 navigating that, allowing those dual purposes to  
24 really both thrive.

25 Also, the other 350 themes, I mean, the

1 renewables which typically in an IEPR there's a  
2 renewables chapter, and there is in this one too, only  
3 it's call decarbonization.

4           And in the 350 context again, the idea that  
5 we're integrating lots of different resources in order  
6 to decarbonizes became clear that that was the  
7 organizing principal and that renewables were a  
8 fundamental part of that, but also need to be  
9 complemented with other flexible resources and  
10 enabling technologies. So I like the fact that his  
11 IEPR embraced that integration idea.

12           And then finally, the forecast. Lots of  
13 lists, lots of asks to the forecast.

14           In 350 and in some other legislation that  
15 passed last year, I think the challenge became clear  
16 and it helped us crystallize thinking about the  
17 methodology of the forecast can be approached going  
18 forward.

19           Obviously we didn't work it out in this IEPR  
20 but I think we got clarity in the discussions on where  
21 the forecast is headed in the future, which is really  
22 a big, big step forward. So I'm obviously looking  
23 forward to participating in those discussions going  
24 forward.

25           So this is a very meaty IEPR and I hope will

1 provide a sound basis for the following discussions in  
2 a variety of forums, not just at the Energy Commission  
3 but over at our sister agencies and out in the public.  
4 So therefore I'm really gratified to have it to the  
5 finish line today, if it gets adopted, and move  
6 forward from what's been a really substantive and  
7 productive IEPR cycle.

8           So I guess I have a list of folks I want to  
9 thank. I don't know if I should do that now or wait  
10 until the rest of my colleagues have been able to  
11 comment.

12           CHAIR WEISENMILLER: Why don't we discuss  
13 first, and then, assuming we adopt, and you can  
14 certainly at that point go through the nods to staff.

15           COMMISSIONER MCALLISTER: Yeah.

16           CHAIR WEISENMILLER: Let me follow up. I  
17 mean, I guess first it should be pretty clear that I  
18 am the State's nuclear safety liaison with the NRC,  
19 and I've been reminded by the Governor of my  
20 responsibilities to make sure these things are safe,  
21 along with observed the NRC.

22           I would point out that I do have a PhD in  
23 nuclear chemistry from Berkeley, at a time when the  
24 Chemistry Department was certainly the top rated in  
25 the country, and still is.

1           And some of the other graduates of the  
2 nuclear chemistry program were Glen Seaborg, whom you  
3 might remember was also a Nobel Prize winner, but  
4 certainly responsible for heading the NAC.

5           I also have a masters in energy resources,  
6 one of the first ones from that program, and certainly  
7 my transition from pure nuclear chemistry to public  
8 policy was based on courses with John Holdren. John  
9 Holdren is now the President's science and technology  
10 advisor.

11           So, basically I think we've got a pretty  
12 understanding of these issues. I certainly appreciate  
13 there are differences. Certainly the differences are  
14 in some respects less stark than they were in the  
15 70's, although I certainly always encourage people to  
16 read the book *Critical Masses*, which was written by a  
17 graduate of the Nuclear Engineering Department at Cal,  
18 and went through that time and tried to make some  
19 sense out of the history.

20           I think going forward, obviously there's been  
21 a lot of attention recently. It's relatively late in  
22 this process. I was actually hoping not to deal with  
23 nuclear issues again next time, much to Raquel's  
24 chagrin.

25           But anyway, I think given some of the recent



1 filings, I thought what we'd do is explore it in more  
2 detail next time around. Certainly an opportunity for  
3 people to try to make their case on it.

4 But at the same time, I think last time we  
5 really had that sort of debate was in 2005 when  
6 invited Stuart Brand and Amory Lovin to debate the  
7 issue. Stuart deferred to Peter Schwartz as being more  
8 knowledgeable on that issue than he, and  
9 unfortunately, we couldn't get the two of them in a  
10 room at the same time, but certainly those are very  
11 interesting back-and-forth throughout the day. So we  
12 might have that sort of discussion since there seems  
13 to be a lot of public interest on it.

14 But as I said, what's in the currently  
15 document is really good. I want to make sure Valerie's  
16 clear that we're not prejudging things, but at least  
17 putting PG&E on notice that it needs to be really  
18 complying with Commission orders, or if there are  
19 costs that are consequences of not complying,  
20 (inaudible) money, or I'm sure it will be litigated at  
21 the PUC at some point. Who knows how that case will  
22 determine stuff. But certainly the desire of both the  
23 President of the PUC and myself was to convey the  
24 message that the State is serious on that issue.

25 But again, that's only part of it, obviously.

1 We had a very rich record.

2 I also wanted to flag an issue.

3 Last time we adopted the IEPR, I think all of  
4 you remember we had this flurry of activity with  
5 Edison on a demand forecast, particularly on there was  
6 some confusion on loads data between the ISO and  
7 Edison and there was some confusion or disagreement  
8 between Edison and our staff on weather normalization,  
9 and we made some adjustments, but everyone swore over  
10 the course of the last year we were really going to  
11 get those nailed down.

12 So of course as we're coming toward the last  
13 week of this thing it turns out there are issues on  
14 the data and the weather normalization, but also  
15 issues on the production pattern of photovoltaics.

16 This IEPR did a very good job on trying to  
17 deal with forecasting preferred resources,  
18 particularly rooftop PV. But it's pretty early on,  
19 lots of things going on there that we observed didn't  
20 capture.

21 There is a question on exactly how it's  
22 affecting peak, which again we're going to dig into  
23 that issue much more the next time and try to work  
24 through these things. That's probably going to take us  
25 the next five years to actually get on top of it, but

1 each time get better and better on it.

2 But certainly the basic message to Edison and  
3 others is this data issue and this normalization issue  
4 just has to be fixed. I don't want to be sitting here  
5 a year from now saying, oh, by the way, there's still  
6 an issue there. I know it's obscure, but it's  
7 significant. I mean, there's no reason why we can't  
8 just lock people in one room and tell them not to come  
9 out until they figure it out, which I think next time  
10 that will probably happen.

11 But anyway...

12 COMMISSIONER MCALLISTER: And Chair, I will  
13 just chime in again. Yeah, it wasn't all that pretty  
14 last time and I think really the IEPR has the  
15 trajectory and there's a really long and robust period  
16 of filling the record with information, and it does  
17 require that people pay attention relatively early on  
18 during the summer and into the fall, and give it their  
19 best effort then rather than right at the end when  
20 they realize there's a problem they didn't pick up on  
21 the way.

22 And I think on the forecast, as you obviously  
23 know, moving toward an hourly and toward the more load  
24 shape appreciation and approach that allows that with  
25 the right kinds of data, I think is going to shed a

1 lot of light on all the areas and the subareas of the  
2 demand forecast.

3 And certainly we need to look at the demand  
4 response and the AAEE energy efficiency piece, but on  
5 the PV parts of it projecting forward when the peak  
6 overlap is going to be with solar, and as the peak  
7 moves toward the evening, if it does, etcetera,  
8 etcetera, I think that will elicit a lot more  
9 appreciation of where that issue goes.

10 CHAIR WEISENMILLER: Great.

11 COMMISSIONER SCOTT: So I would like to  
12 comment a little bit on our Integrated Energy Policy  
13 Report. I would like to note that I do take time to  
14 read about and understand the various issues with  
15 which this Commission deals every day.

16 And one of the things about the Integrated  
17 Energy Policy Report that I'm really pleased about is  
18 it gives us the ability to convene experts from all  
19 across the state, from all across our nation, and  
20 really oftentimes from across the world. We'll have  
21 folks call in and participate on our WebExes, and that  
22 provides with a lot of, in my opinion, great cutting  
23 edge information, details, data, and insights into  
24 what's going on in many of the energy spaces across  
25 which the Integrated Energy Policy Report deals.

1           I would also just like to highlight that I  
2   always like the opportunity to highlight what the  
3   alternative and renewable fuel and vehicle technology  
4   program is doing and update on all of the great work,  
5   so I think that portion of the report, I have to just  
6   say I think it's great, as I see my transportation  
7   team over there.

8           And then I would like to thank Commissioner  
9   McAllister so very much for his leadership on this  
10  2015 IEPR. As always, he did a fantastic job. And I  
11  know he's going to go through the thank you's, but I  
12  just wanted also to throw out a thank you so much to  
13  our terrific IEPR team, to Heather, to Stephanie, to  
14  Raquel, and to Laurie. You guys do a fantastic job and  
15  it's great fun to get to work with you on the portions  
16  of the IEPR that I get to work on.

17           COMMISSIONER DOUGLAS: I just briefly wanted  
18  to join my colleagues. I think the IEPR was actually  
19  very strong this year, and I want to thank  
20  Commissioner McAllister for working hard and taking a  
21  lot of leadership on a broad suite of topics that this  
22  IEPR dealt with.

23           As well as the Chair, who I know takes a very  
24  active role in the IEPR consistently over the years  
25  has done that.

1           So I'm pleased with this IEPR. I think it  
2 really does a good job of dealing with a broad range  
3 of topics. I think it reflects well on the agency. And  
4 I think we do this every year, as the team knows, you  
5 know, our same IEPR team that we are thanking for  
6 their work is also busily gearing up for the 2016  
7 update. So it's really a very rigorous process that we  
8 go through, so I also will add my thanks to the team.

9           COMMISSIONER HOCHSCHILD: Yeah, my thanks in  
10 particular to Commissioner McAllister for his hard  
11 work on this.

12           And just real briefly to the nuclear issue  
13 that was raised in the comments. I've visited Diablo  
14 Canyon, done a tour, looked at it closely. It is worth  
15 noting California has built five nuclear plants and  
16 there's only one remaining operating, and there are a  
17 number of issues beyond emissions which have to be  
18 considered, including in the area that we're in,  
19 terrorism, I would say, not to mention tsunamis.

20           So I think as the relicensing decision gets  
21 made it's going to be a broader look. It is true  
22 there's not emissions but there are other very  
23 important issues to work through, and we all need to  
24 be mindful of that.

25           But other than that, no further comments, I

1 agree with everything that's been said and thanks  
2 again, Andrew, for your work on getting this over the  
3 finish line.

4 CHAIR WEISENMILLER: Commissioner McAllister,  
5 you want to make a motion?

6 COMMISSIONER MCALLISTER: Well, great, yeah.  
7 Thanks, everybody. I need to go through thank you's  
8 here. You want to do that after the vote or now?

9 CHAIR WEISENMILLER: We could do it either  
10 way. Why don't we just do it after the vote.

11 COMMISSIONER MCALLISTER: Okay. All right.

12 CHAIR WEISENMILLER: Kourtney, go ahead, you  
13 can correct me.

14 MS. VACARRO: Commissioner McAllister, before  
15 you make the motion, I'd ask for your indulgence in  
16 letting Caryn Holmes of Chief Counsel's Office  
17 structure what the motion might look like, because we  
18 have before us today a proposed IEPR. We have written  
19 proposed changes that were submitted and put into the  
20 record and distributed. And as I understood it, there  
21 was a suggestion from Ms. Winn with PG&E as well with  
22 some proposed language, I don't believe that's  
23 captured in the written documents, it's oral, and so  
24 Caryn Holmes of Chief Counsel's Office, I think, can  
25 help us with the motion.

1 CHAIR WEISENMILLER: That's great.

2 COMMISSIONER MCALLISTER: Okay. Caryn, do you  
3 need time to do that or --

4 CHAIR WEISENMILLER: No, she's ready to roll.

5 MS. HOLMES: I'm ready.

6 COMMISSIONER MCALLISTER: Okay.

7 MS. HOLMES: You would be moving adoption of  
8 the final 2015 IEPR published January 27th, with the  
9 errata identified in the document called Summary of  
10 Proposed Changes to Final 2015 IEPR that was made  
11 available at the back of the room today, and with the  
12 substitution of the following language regarding SB350  
13 in the introduction in Chapter 2 that was agreed to by  
14 PG&E and staff, and this would be the proposed changed  
15 language.

16 "The Clean Energy and pollution Reduction Act  
17 of 2015 requires the adoption of integrated resource  
18 plans that reflect any targets for the electric sector  
19 that may be adopted by the Air Resources Board to help  
20 achieve greenhouse gas emissions reductions of forty  
21 percent from 1990 levels by 2030. SB350 also reflects  
22 the requirement for the procurement of fifty percent  
23 eligible renewable energy resources by December 31,  
24 2030."

25 COMMISSIONER MCALLISTER: Great.



1 CHAIR WEISENMILLER: Are you ready?

2 COMMISSIONER MCALLISTER: Yes. So I will move  
3 Item 7, the 2015 Integrated Energy Policy Report, with  
4 the errata as specified and verbally read by Caryn  
5 Holmes.

6 COMMISSIONER DOUGLAS: Second.

7 CHAIR WEISENMILLER: Okay, so roll call.  
8 Commissioner McAllister?

9 COMMISSIONER MCALLISTER: Aye.

10 CHAIR WEISENMILLER: Commissioner Scott?

11 COMMISSIONER SCOTT: Aye.

12 CHAIR WEISENMILLER: Douglas?

13 COMMISSIONER DOUGLAS: Aye.

14 CHAIR WEISENMILLER: Hochschild?

15 COMMISSIONER HOCHSCHILD: Aye.

16 COMMISSIONER MCALLISTER: And myself, aye. So  
17 this document is adopted five to zero.

18 Again, thanks, staff, for their hard work.

19 Commissioner McAllister?

20 COMMISSIONER MCALLISTER: Yes. So I want to  
21 just reiterate thanks to Heather and the team:

22 Stephanie Bailey, Colin Dougherty, Raquel Kravitz, and  
23 Laura Laurent. They have just done an incredible job  
24 keeping trains running on time alongside doing an  
25 amazing amount of substantive work. And as

1 Commissioner Douglas said, already getting going on  
2 the scoping of the 2016 IEPR Update.

3 And I want to thank Commissioner Douglas for  
4 taking that on, and look forward to participating in  
5 chunks of that.

6 On the adviser front, all of our offices  
7 participate in the areas over which we keep watch, and  
8 some of them really rolled up their sleeves and did a  
9 lot of work.

10 My two advisers, Pat Saxton and Hazel  
11 Miranda, deserve just a lot of credit.

12 And I brought onto my team Charles Smith from  
13 staff to help with this IEPR just to help deal with  
14 the workload, and he did an incredible job and I want  
15 to just give him a big callout. And his input, I  
16 think, and his work is a lot of the reason why the  
17 writing quality and the structure of the document was  
18 very good early on, and this year was exceptional in  
19 that way, so I'm very thankful for him picking up that  
20 role.

21 And then Kevin Barker, Grant Mack, and Jana  
22 Romero on the Chair's staff also really picked up a  
23 lot of work.

24 Rhetta deMesa, Courtney Smith from  
25 Commissioner Scott's office, as well as the staff from

1 Commissioner Hochschild's office and Commissioner  
2 Douglas's office. Everybody plays a role in that from  
3 the various offices. It's a lot of work and review, so  
4 thank all of you.

5           And the primary authors, Anais Barinian, Jim  
6 Bartridge, Martha Brook -- these are from a variety of  
7 divisions, subject matter experts on their particular  
8 topic who wrote big chunks of it and edited over quite  
9 awhile. Guido Franco, Angie Gould, Judy Grau, Mike  
10 Jaske, Chris Kavalec, Suzanne Korosec, Rachel  
11 MacDonald, Chris Marxen, Jim McKinney, Ean O'Neil,  
12 Gordon Schremp. All of them from their particular  
13 spots just put a lot of expertise into this document.  
14 We really appreciate that. We start with a very high  
15 level of competency and it shows.

16           Other contributors from EE Division for the  
17 most part. Well, no, actually from a few other  
18 divisions. Justin Cochran, David Ismailyan, Ivin  
19 Rhyne, in particular really harnessed the teams to put  
20 together workshops and really delivered on the day.

21           And the EE team, I want to reiterate as well,  
22 they really stepped up to (inaudible) AB758 Action  
23 Plan. Christine Collopy and David Ashuckian lead that  
24 division. Dave and Christine really enabled staff, so  
25 I appreciate their support staff taking that

1 additional role on to really put the action plan  
2 across the finish line alongside this IEPR.

3 Abhilasha Wadhwa, Peter Strait, on efficiency  
4 pieces, on buildings, on a variety of topics.

5 Deborah Godfrey on Prop 39 put in a lot of  
6 work. Kristen Driskell, as well, on appliance  
7 efficiency. So they contributed a lot of expertise.

8 There are many more staff throughout the  
9 Commission. It takes a village, as we know, that made  
10 important contributions to the development of this  
11 IEPR time constraints. And I don't want to leave  
12 anybody out, but I don't want to go on forever, so I'm  
13 not going to list them all, but really my thanks to  
14 each of the people listed on the acknowledgements page  
15 of the document itself.

16 A couple of consultants are worthy of a  
17 callout. Heather Mehta on the nuclear issue, stepped  
18 in when we had a gap there. And Katie Elder on natural  
19 gas.

20 I want to also say the Chair called out his  
21 credentials on this. I also was a student of John  
22 Holdren (inaudible) right now working on a number of  
23 issues with Department of Energy. We have deep roots  
24 in this arena, so I think that is also very well  
25 reflected in the document, diverse topics and a lot of

1 expertise at the Commissioner level on down.

2 And finally, I want to thank my colleagues on  
3 the Commission. All four of you really pitched in for  
4 reviewing the areas under your respective watches.

5 And special thanks really go to Commissioner  
6 Douglas for taking the baton here.

7 And also to the Chair for his leadership. I  
8 mean, it's a long-term continuity that this document  
9 has throughout the two-year cycles and the updates,  
10 and a lot of that quality is due to the Chair's  
11 leadership. So I want to thank you all as well.

12 So that's it for me. Thank you for the vote;  
13 I'm really glad to have this adopted. It's a great  
14 basis for moving forward.

15 CHAIR WEISENMILLER: Again, thanks for your  
16 help on this.

17 Let's take a break until 1:30.

18 (Lunch Recess from 12:57 p.m. to 1:34 p.m.)

19

1                                    AFTERNOON SESSION

2                    CHAIR WEISENMILLER:    We're back on the  
3    record. Let's start with Item 8 while we're having a  
4    conversation.

5                    Staff, why don't you come up for Item 8 and  
6    start the presentation.

7                    MR. WICHERT:    Good afternoon, Chair and  
8    Commissioners. My name is R.J. Wichert, and I'm a  
9    mechanical engineer in the Building and Standards  
10   Office. I'm here to ask for your approval of this  
11   items resolution certifying EnergySoft's EnergyPro  
12   Version 7 software as an alternative calculation  
13   method for showing compliance with the performance-  
14   based nonresidential provisions of the 2016 Building  
15   Energy Efficiency Standards.

16                   EnergyPro 7 has met the approval requirements  
17   as outlined in the 2016 nonresidential ACM Reference  
18   Manual that was approved on November 12, 2015, which  
19   includes the 2016 updates to TDV values, opaque  
20   surface and window values, indoor lighting  
21   requirements, and HVAC and domestic hot water heating  
22   equipment efficiency requirements.

23                   By approving EnergyPro Version 7, the  
24   building industry will have a second choice of  
25   software to demonstrate compliance with the 2016

1 nonresidential standards before the effective date of  
2 January 1, 2017.

3 I'm available to answer any questions you may  
4 have. Thank you.

5 CHAIR WEISENMILLER: Thank you. Is there  
6 anyone in the room or on the line who wants to comment  
7 on this item? Then let's transition to the  
8 Commissioners.

9 Commissioner McAllister, you want to take the  
10 lead?

11 COMMISSIONER MCALLISTER: Yeah. So this a  
12 pretty easy one. As you all know, we've been making a  
13 lot of progress getting the 2016 Building Energy  
14 Efficiency Standards all formalized. The Building  
15 Standards Commission approved them last month, and we  
16 are blessed with having a number of tools out there to  
17 help with compliance before time, and there's plenty  
18 of time for folks to get used to the new regime with  
19 the new code and all the new tools that are available.  
20 So it's really great to be at this point.

21 So I'll move Item 8 if there aren't any other  
22 comments.

23 COMMISSIONER DOUGLAS: Second.

24 CHAIR WEISENMILLER: Okay. Commissioner  
25 McAllister?

1 COMMISSIONER MCALLISTER: Aye.

2 CHAIR WEISENMILLER: Scott?

3 COMMISSIONER SCOTT: Aye.

4 CHAIR WEISENMILLER: Douglas?

5 COMMISSIONER DOUGLAS: Aye.

6 CHAIR WEISENMILLER: Hochschild?

7 COMMISSIONER HOCHSCHILD: Aye.

8 COMMISSIONER MCALLISTER: And myself, aye. So  
9 this passes five to zero. Thank you.

10 Let's go on to Item 9.

11 MS. CHAN: So good afternoon, Chair and  
12 Commissioners. I'm Suzie Chan of the Standards  
13 Implementation Office and Efficiency Division.

14 Consol Home Energy Efficiency Rating  
15 Services, or CHEERS, was previously approved as a HERS  
16 provider for the 2008 Building Energy Efficiency  
17 Standards, and is now reapplying for approval for the  
18 2013 standards.

19 In order to be approved as a HERS provider,  
20 applicants must demonstrate their ability to create  
21 and maintain a registry and a database, to train and  
22 certify HERS raters, to create a quality assurance  
23 program, and conduct quality assurance checks on HERS  
24 raters' work.

25 Staff is requesting Commission approval of



1 CHEERS as a HERS provider to oversee HERS raters  
2 conducting field verification and diagnostic testing  
3 for residential newly constructed buildings for the  
4 2013 Building Energy Efficiency Standards, and the  
5 CHEERS HERS Data Registry as a residential data  
6 registry.

7           Staff has reviewed CHEERS' HERS provider  
8 application, including the attorney materials, and  
9 determined that they meet the requirements of the 2013  
10 Standards and the HERS regulations.

11           Staff also tested the functional and  
12 technical elements of the CHEERS HERS Data Registry,  
13 and determined it meets the requirements of the 2013  
14 Standards of a residential data registry.

15           The efficiency lead Commissioners reviewed  
16 this item. Based on this information, staff requests  
17 Commissioners to confirm the Executive Director's  
18 finding and accept his recommendations to certify  
19 CHEERS as a HERS provider for field verification and  
20 diagnostic testing for residential newly constructed  
21 buildings as required by the 2013 standards, and  
22 certify the CHEERS HERS Data Registry as a residential  
23 data registry as required by the 2013 standards.

24           Thank you, and I'm available for any  
25 questions, and staff from CHEERS is also available.

1 CHAIR WEISENMILLER: Thank you. I think we  
2 have two spokespersons from CHEERS. I'm going to  
3 invite them each to come up. First, why don't you come  
4 up, make the presentation, and (inaudible). This is  
5 obviously your application so come on up and talk.

6 MR. LENZMEIER: Good afternoon,  
7 Commissioners. My name is Jason Lenzmeier, and I am  
8 the Executive Director for CHEERS.

9 I would first like to thank you for today's  
10 consideration for approval as a HERS provider for  
11 residential new construction under the 2013 standards.

12 As a HERS provider, CHEERS understands its  
13 important role and will work closely with the  
14 California Energy Commission to ensure that the goals  
15 of the 2013 standards are met.

16 When the CHEERS application for this approval  
17 was submitted, it included all of the 118 forms that  
18 are required to operate as a provider for residential  
19 new construction. However, approximately 30 of the  
20 Priority 1 forms are approved today for us to use. The  
21 remaining forms need to be viewed and approved by CEC  
22 staff.

23 Some of the remaining forms will quickly be  
24 needed by the HERS raters as they operate, and we,  
25 therefore, sincerely appreciate staff's ability to

1 prioritize this review on an as-needed basis.

2           However, after we are approved today, CHEERS  
3 has a few internal business processes to finish before  
4 we can launch our registry and begin operations. That  
5 should take only a few short weeks.

6           During that time, we will gladly work with  
7 CEC staff to review and approve any additional forms.  
8 CHEERS will continue to respond promptly to any of  
9 CHEERS requests.

10           Secondly, I would like to inform the  
11 Commissioners that CHEERS has recently submitted its  
12 application to become a provider for HVAC changeouts  
13 and alterations, and will very soon be submitting the  
14 paperwork for NSHP approval. Once those two approvals  
15 are obtained, CHEERS will then be operating as a full  
16 service provider for the 2013 standards.

17           In addition, CHEERS has already begun work to  
18 update its registry to accommodate the 2016 code.

19           Lastly, I want to extend my thanks to the CEC  
20 staff for the hard work and patience we have received  
21 in getting to this point, and I look forward to  
22 working with them in the near future to approve the  
23 remaining forms, assist us in obtaining our next  
24 approvals, and to begin operations as a full service  
25 provider.

1 Thank you very much.

2 CHAIR WEISENMILLER: Thank you. Mike?

3 MR. HODGSON: Chair Weisenmiller,  
4 Commissioners, staff, and audience. I'm Mike Hodgson  
5 from CHEERS, Principal of CHEERS. We would just like  
6 to reiterate what Jay said, but also thank staff,  
7 Rashid, Suzie, Tav, and Leah, for their review,  
8 feedback, and support in the approval of the 2013  
9 standards.

10 It's been a long road for various reasons,  
11 and we welcome this approval so we can service our  
12 residential new construction customers building under  
13 the 2013 standards.

14 We understand it's a conditional approval,  
15 and as we move forward we'll work diligently to  
16 respond to any of staff's corrections, edits, or  
17 clarifications.

18 We, as Jay mentioned, have submitted our 2013  
19 changeover and alteration specifications, and we hope  
20 that things will go quickly and smoothly in that  
21 review so we'll be back here for approval soon.

22 Thanks again to staff and Jay or I are happy  
23 to answer any of your questions.

24 CHAIR WEISENMILLER: Thank you.

25 First, are there any other comments on this,

1 either in person or on the line?

2 Okay. So Commissioner McAllister, do you want  
3 to lead us on this discussion?

4 COMMISSIONER MCALLISTER: Yeah. So the 2013  
5 standards are not super long for this world given that  
6 2016 is going to kick in in January of the coming  
7 year, but it's good to have another provider in the  
8 mix that can support HERS.

9 And there are several steps, right. This is  
10 new construction, there will be the alterations piece  
11 and then updating for 2016. So all of those things,  
12 again, are areas where it's good to have multiple  
13 options out there in the marketplace.

14 And congratulate CHEERS on a lot of work.  
15 It's a big lift to develop a registry and all the  
16 forms and stuff.

17 And want to just, I guess, say that I think  
18 the interaction between staff and CHEERS if good and  
19 responsive at this point and I anticipate that that  
20 will allow them to plow through the forms and get them  
21 ready for prime time with staff and CHEERS being  
22 really ready for quick turnarounds.

23 We did, you may remember, adopt a similar  
24 approach for another provider a while back, and  
25 working through the forms is very detailed. Many of

1 the forms aren't actually used on that many  
2 projections, and so the idea is to really knock out  
3 the common ones and then tidy up after that once  
4 things are mainly operational.

5 So it's a multi-step process and I think the  
6 judgment of staff, which I agree with, is that CHEERS  
7 is across the necessary threshold of operational  
8 status that this approval is worthwhile and will get  
9 us to the level we need to be at.

10 CHAIR WEISENMILLER: Any other comments or  
11 questions? Do you want to make a motion?

12 COMMISSIONER MCALLISTER: Sure. So I will  
13 move Item 9.

14 COMMISSIONER HOCHSCHILD: Second.

15 CHAIR WEISENMILLER: Okay. So I'm going to do  
16 the roll again.

17 Commissioner McAllister?

18 COMMISSIONER MCALLISTER: Aye.

19 CHAIR WEISENMILLER: Commissioner Scott?

20 COMMISSIONER SCOTT: Aye.

21 CHAIR WEISENMILLER: Commissioner Douglas?

22 COMMISSIONER DOUGLAS: Aye.

23 CHAIR WEISENMILLER: Commissioner Hochschild?

24 COMMISSIONER HOCHSCHILD: Aye.

25 COMMISSIONER MCALLISTER: And myself, aye. So

1 five to zero. Thank you.

2 Let's go on to Aspen. Reta?

3 MS. ORTIZ: Good afternoon, Commissioners. My  
4 name is Reta Ortiz and I work in the Research and  
5 Development Division. I'm here today to request  
6 approval of a contract with Aspen Environmental Group  
7 to provide technical assistance to the Research and  
8 Development Division EPIC Program.

9 This proposed contract was the result of a  
10 competitive solicitation and will provided as-needed  
11 support services to the EPIC Program staff.

12 Primarily, this contract would provide staff  
13 with assistance to evaluate applications and proposals  
14 received for EPIC Program funding opportunities.

15 Additionally, it would provide assistance for  
16 cost cutting activities, including technical review  
17 assistance, feasibility studies, technical outreach  
18 materials, and webcasting.

19 I'd be happy to answer any questions.

20 CHAIR WEISENMILLER: Thank you. This went  
21 through the lead Commissioner on R&D. I think it's a  
22 good project and certainly would encourage people to  
23 vote for it.

24 Any questions or comments on this?

25 COMMISSIONER DOUGLAS: No. Move approval of

1 the item.

2 COMMISSIONER SCOTT: Second.

3 CHAIR WEISENMILLER: Okay, so we'll do a roll  
4 call again.

5 Commissioner McAllister?

6 COMMISSIONER MCALLISTER: Aye.

7 CHAIR WEISENMILLER: Commissioner Scott?

8 COMMISSIONER SCOTT: Aye.

9 CHAIR WEISENMILLER: Commissioner Douglas?

10 COMMISSIONER DOUGLAS: Aye.

11 CHAIR WEISENMILLER: Commissioner Hochschild?

12 COMMISSIONER HOCHSCHILD: Aye.

13 COMMISSIONER MCALLISTER: And myself, aye. So  
14 five to zero. Thank you.

15 Okay. So let's go back to Item 6, Palen.

16 Ken, if you'll lead us.

17 Again, confirmation. Commissioner McAllister,  
18 you have this in front of you?

19 MR. CELLI: Yes, Kenneth Celli, Hearing  
20 Officer Kenneth Celli on behalf of the Commission. I  
21 just a few minutes ago got confirmation that the email  
22 went out to Commissioner McAllister. We also have it  
23 up on the WebEx right now, as you can see.

24 COMMISSIONER MCALLISTER: Let me just check  
25 real quick here.



1 CHAIR WEISENMILLER: Okay, wait a second.

2 MR. CELLI: And I passed the order out to all  
3 of you. I also would state for the record that I have  
4 a stack out in front on the table in the foyer and  
5 pass it out to the petitioner, staff counsel, and the  
6 present commenters who are here, which is County of  
7 Riverside.

8 COMMISSIONER MCALLISTER: I have two emails.  
9 Is it the same document in both of them, Ken?

10 MR. CELLI: It should be called Palen Order.

11 COMMISSIONER MCALLISTER: Okay. Got it.

12 MR. CELLI: So there are two motions now  
13 before the committee on the Palen matter having  
14 already ruled on the denying the extension, and that  
15 is, first, to approve the transfer of the ownership.  
16 This is at the request of the petitioner. And  
17 secondly, to approve and adopt the order that is  
18 before you now.

19 COMMISSIONER MCALLISTER: Okay. Got it.

20 COMMISSIONER DOUGLAS: So the order that is  
21 before us now would -- I was going to ask them exactly  
22 that -- would grant the change of ownership.

23 And let me just ask, was there a conversation  
24 about that and -- go ahead.

25 MR. CELLI: Yes, there was. Out in the

1 hallway staff counsel and counsel for petitioner and I  
2 spoke, and the request was predicated upon the need  
3 for the successor in interest to be able to obtain  
4 things like confidential documents that are already in  
5 the record, and so it's largely a formality, but it  
6 would facilitate their ability to obtain confidential  
7 documents.

8 COMMISSIONER DOUGLAS: All right, thank you.

9 Beyond that, the order, in my view, including  
10 that provision, the order, in my view, is a good  
11 reflection of our direction, so I'm in support of it,  
12 but I wanted -- let's just see if there are other  
13 questions or comments on it.

14 COMMISSIONER HOCHSCHILD: Did you need a  
15 motion?

16 COMMISSIONER MCALLISTER: I'm just finishing  
17 reading it here, and it looks good to me.

18 COMMISSIONER HOCHSCHILD: Do you need a  
19 motion to adopt this?

20 CHAIR WEISENMILLER: Yeah.

21 COMMISSIONER DOUGLAS: Sorry, Commissioner  
22 McAllister, we didn't hear you.

23 COMMISSIONER MCALLISTER: I just pulled it up  
24 so I just wanted to make sure I had a chance to look  
25 at it in detail.

1 COMMISSIONER SCOTT: Sure.

2 CHAIR WEISENMILLER: Okay. Just let us know  
3 when you've had a chance to do that and if you have  
4 any questions.

5 COMMISSIONER MCALLISTER: Okay, great.

6 Yeah, it looks great.

7 COMMISSIONER DOUGLAS: Okay, thank you. So  
8 with that, then I move that we adopt this order.

9 COMMISSIONER HOCHSCHILD: Second.

10 CHAIR WEISENMILLER: I'm going to go through  
11 roll call again.

12 Commissioner McAllister?

13 COMMISSIONER MCALLISTER: Aye.

14 CHAIR WEISENMILLER: Commissioner Scott?

15 COMMISSIONER SCOTT: Aye.

16 CHAIR WEISENMILLER: Commissioner Douglas?

17 COMMISSIONER DOUGLAS: Aye.

18 CHAIR WEISENMILLER: Commissioner Hochschild?

19 COMMISSIONER HOCHSCHILD: Aye.

20 COMMISSIONER MCALLISTER: And myself, aye. So  
21 this passes five to zero. Thank you.

22 MR. CELLI: Thank you. And for the record, I  
23 think the record should just reflect that the approval  
24 of the transfer of ownership is contained in the  
25 order.

1 CHAIR WEISENMILLER: Yes.

2 MR. CELLI: Thank you.

3 CHAIR WEISENMILLER: Thank you. Let's go on  
4 to Item 11.

5 MR. WILLIAMS: Good afternoon, Chairs and  
6 Commissioners. My name is Brad Williams with the  
7 Energy Efficiency Research Office.

8 This project was selected through competitive  
9 bid process from PON13301. I'm seeking approval of  
10 this agreement to develop low-cost, battery-powered  
11 learning thermostat that does not require an Internet  
12 connection with the Electric Power Research Institute.

13 This project aims to address low penetration  
14 of intelligent thermostat technology in hard-to-reach  
15 markets such as existing buildings, senior  
16 communities, and low income ratepayers.

17 In addition to these markets, this project  
18 addresses common smart thermostat issues such as homes  
19 without continuous power wire or those without  
20 Internet or Internet connectivity issues.

21 This project will focus on developing a  
22 simplified user interface guided by end user feedback,  
23 reducing manufacturing costs by using off-the-shelf  
24 components and open source software, allowing simple  
25 retrofits in existing buildings by utilizing battery

1 power, and finally, reducing thermostat downtime by  
2 removing the need for an Internet connection.

3 Thermostat testing will be conducted in  
4 communities located across three climate zones in  
5 northern and southern California to determine energy  
6 savings and user satisfaction.

7 This agreement will result in ratepayer  
8 benefits, including lower utility and maintenance  
9 costs, and improved system reliability and occupant  
10 comfort.

11 This project has several project partners,  
12 including but not limited to Emerson, Ecobee, and  
13 PG&E.

14 We request your approval on this project and  
15 are available to address any questions you may have.

16 Thank you.

17 COMMISSIONER MCALLISTER: This is  
18 Commissioner McAllister, I have a question. Is UC  
19 Davis a subject on this project?

20 CHAIR WEISENMILLER: Yes, they are, so we  
21 need you to make the announcement. Sorry.

22 COMMISSIONER MCALLISTER: Yeah, great. So  
23 just a disclosure. My wife is a professor at King Hall  
24 of the Law School at UC Davis, not related to this  
25 project. So I just wanted to disclose that.

1           COMMISSIONER DOUGLAS: I think I will just  
2 step in and say that I have had a practice of making a  
3 disclosure on UC Davis items. I am actually not  
4 teaching at the law school this year. They decided to  
5 give the adjuncts a break for a year, and so I'm  
6 enjoying my copious free time, so I do not have a  
7 disclosure to make on this item. Since I have made one  
8 consistently for the past two years, I thought I would  
9 just mention that.

10           CHAIR WEISENMILLER: Okay. So are there any  
11 public comments either in the room or on the phone on  
12 this item? So do I have a motion?

13           COMMISSIONER SCOTT: Move approval of Item  
14 11.

15           COMMISSIONER HOCHSCHILD: Second.

16           CHAIR WEISENMILLER: Okay, roll call.  
17 Commissioner McAllister?

18           COMMISSIONER MCALLISTER: Aye.

19           CHAIR WEISENMILLER: Commissioner Scott?

20           COMMISSIONER SCOTT: Aye.

21           CHAIR WEISENMILLER: Commissioner Douglas?

22           COMMISSIONER DOUGLAS: Aye.

23           CHAIR WEISENMILLER: Commissioner Hochschild?

24           COMMISSIONER HOCHSCHILD: Aye.

25           COMMISSIONER MCALLISTER: And myself, aye. So

1 this passes five to zero. Thank you.

2 Let's go on to Item 12.

3 MR. GONZALEZ: Good afternoon, Chair  
4 Weisenmiller, Commissioners. My name is Rey Gonzalez.  
5 I'm the transportation research staff lead in the  
6 Energy Generation Research Office. Staff is requesting  
7 approval of this agreement with UC Berkeley.

8 As plug-in electric vehicles continue to  
9 penetrate California's vehicle market, unmanaged  
10 charging to those vehicles will increase peak demand.  
11 Technologies and strategies are needed to encourage  
12 plug-in electric vehicle drivers to charge during off-  
13 peak, particularly when grid demand is low and  
14 renewable resources are abundant.

15 There is a high priority to conduct research  
16 that investigates and pilots strategies that better  
17 utilize smart charging such as time-of-use rates and  
18 demand side management beyond the current state of  
19 technology.

20 A competitive solicitation was released  
21 December 18, 2014, to fund applied research and  
22 development projections that advance technologies and  
23 strategies for smart and efficient charging and  
24 vehicle-to-grid communication interfaces.

25 The solicitation included two project groups.

1 Project One targeted the smart and efficient charging,  
2 and Group Two was the grid communication interface to  
3 support vehicle-to-grid services.

4 A Notice of Proposed Awards was released on  
5 March 16th and amended on October 1st of 2015 as  
6 additional EPIC funds were available to extend the  
7 number of awards.

8 Three agreements from the solicitation were  
9 approved at the June 10th business meeting, and an  
10 additional project was approved this year in the  
11 January 13th business meeting.

12 Today staff is requesting approval of an  
13 additional agreement under Group One of the  
14 solicitation. The proposed grant agreement with UC  
15 Berkeley will develop, test, and demonstrate an open  
16 architecture, secure software platform for plug-in  
17 electric vehicles, smart charging for optimized grid  
18 operations, and a local controlled setting.

19 This project will focus on controlling the  
20 charging of plug-in electric vehicles at residential  
21 and small commercial settings using a novel and  
22 flexible open source open architecture charge  
23 communication and control platform.

24 As mentioned, a key target area for this  
25 research is the residential market. This will help



1 address the concern for clustering effects that can  
2 occur when high quantities of plug-in electric vehicle  
3 ownership in a local area, creating a potential issue  
4 by stressing local electricity distribution systems.

5 One of the main objectives of this project is  
6 to develop a prototype of the system that maximizes  
7 accommodation of intermittent renewable generation and  
8 minimizes impact to the distribution grid.

9 The work scope includes tasks to develop  
10 methods to integrate and test several applications  
11 such as a user interface on a mobile device that  
12 provides real-time feedback and ability to specific  
13 priorities in balancing travel needs with cost, and  
14 control applications, including optimizing vehicle  
15 charging for efficient energy use.

16 Benefits to California include improved  
17 electricity reliability, lower electricity costs by  
18 reducing strain to power transformers and feeder  
19 circuits.

20 Staff is requesting approval of this  
21 agreement and I can answer questions at this time.

22 CHAIR WEISENMILLER: Thank you. Are there any  
23 public comments? Okay.

24 Again, this has also gone to me as the  
25 Commissioner on R&D and it's a good project.

1 Obviously, we're trying to transform the  
2 transportation system, and maybe smart charging will  
3 help.

4 COMMISSIONER HOCHSCHILD: I'd move the item.

5 COMMISSIONER SCOTT: Can I just add, I wanted  
6 to just say I'm also looking forward to the results of  
7 this for that same reason.

8 CHAIR WEISENMILLER: Do you have a second?

9 COMMISSIONER SCOTT: Second.

10 CHAIR WEISENMILLER: Okay, roll call again.  
11 Commissioner McAllister?

12 COMMISSIONER MCALLISTER: Aye.

13 CHAIR WEISENMILLER: Commissioner Scott?

14 COMMISSIONER SCOTT: Aye.

15 CHAIR WEISENMILLER: Commissioner Douglas?

16 COMMISSIONER DOUGLAS: Aye.

17 CHAIR WEISENMILLER: Commissioner Hochschild?

18 COMMISSIONER HOCHSCHILD: Aye.

19 COMMISSIONER MCALLISTER: And myself, aye. So  
20 this passes five to zero.

21 Thanks, Rey.

22 MR. GONZALEZ: Thank you.

23 CHAIR WEISENMILLER: Let's go on to  
24 Huntington Beach Union High School District.

25 MR. PERRY: Good afternoon. I'm Marc Perry

1 from the Energy Commission's Fuels and Technologies  
2 Office, and I'm asking for grant approval agreement of  
3 ARV-15-053 for a \$500,000 grant to Huntington Beach  
4 Union High School District to upgrade its compressed  
5 natural gas, CNG, fueling infrastructure.

6 It will do this by removing the current out-  
7 of-date fueling facilities and constructing new state-  
8 of-the-art infrastructure in the same location.

9 This project was proposed under the Natural  
10 Gas Fueling Infrastructure Solicitation PONS14-608  
11 that was released on March 19, 2015. The competitive  
12 solicitation was tailored to target the highest need  
13 entities with an emphasis on deploying projections in  
14 areas facing significant environmental challenges.

15 Through this funding opportunity, school  
16 districts and other public entities were able to  
17 request financial support to construct new or upgrade  
18 existing natural gas vehicle fueling infrastructure.

19 The Huntington Beach Union High School  
20 District is a high school only district with twelve  
21 schools and is located in Orange County. It currently  
22 operates twenty-six school buses that are utilized for  
23 sports activities, field trips, and of course, student  
24 transportation. Eleven of these buses run on natural  
25 gas but the remaining fifteen run on diesel fuel and

1 are close to the end of their useful lives and will  
2 need to be replaced within the next year.

3 By funding the upgrade of the District's CNG  
4 fuel infrastructure, this grant will allow the  
5 District to replace more of the diesel fleet with  
6 natural gas buses. The upgrade will allow twenty-four  
7 CNG vehicles to be fueled overnight instead of eleven,  
8 which will potentially replace about 57,200 gasoline  
9 gallon equivalents of fuel per year, thereby reducing  
10 NOx by 80 percent, particulate matter by 99 percent,  
11 and hydrocarbon emissions by 100 percent.

12 Furthermore, the District plans to expand its  
13 CNG fleet in the near future, and part of this project  
14 includes preparing for another fueling infrastructure  
15 expansion.

16 Assisting Huntington Beach Union High School  
17 District to upgrade its fueling station will allow its  
18 current fleet to have more reliable fueling, allow the  
19 District to purchase more CNG buses to replace the  
20 older diesel buses, help to reduce emissions and  
21 improve air quality in the area, and help the District  
22 save costs on transportation for years to come.

23 The Huntington Beach Union High School  
24 District sends its regards and thanks. They are  
25 excited to expand their use of the alternative fuels.

1           Thank you for your consideration and I'll be  
2 happy to have any questions you might answer -- answer  
3 any questions you might have.

4           CHAIR WEISENMILLER: Thank you. Any comments  
5 or questions in the room on this one? Okay.

6           So Commissioners?

7           COMMISSIONER SCOTT: I think this is a great  
8 project. As long as you all don't have questions, I  
9 will move approval of Item 13.

10          COMMISSIONER HOCHSCHILD: Second.

11          CHAIR WEISENMILLER: Roll call again.

12          Commissioner McAllister?

13          COMMISSIONER MCALLISTER: Aye.

14          CHAIR WEISENMILLER: Commissioner Scott?

15          COMMISSIONER SCOTT: Aye.

16          CHAIR WEISENMILLER: Commissioner Douglas?

17          COMMISSIONER DOUGLAS: Aye.

18          CHAIR WEISENMILLER: Commissioner Hochschild?

19          COMMISSIONER HOCHSCHILD: Aye.

20          COMMISSIONER MCALLISTER: And myself, aye. So  
21 this passes five to zero. Thank you.

22          So let's move on to Hydrogen Refueling  
23 Infrastructure.

24          MS. WILLIAMS: Good afternoon, Chairman,  
25 Commissioners. My name is Sarah Williams and I'm

1 representing the Zero Emissions Vehicle and  
2 Infrastructure Office, or ZEVIIO.

3           The most recent hydrogen refueling  
4 infrastructure solicitation, PON13-607, had two goals.  
5 One, to develop California's infrastructure necessary  
6 to dispense hydrogen transportation fuel; and two, to  
7 provide operation and maintenance, or O&M, funding to  
8 support the hydrogen refueling stations prior to the  
9 large scale rollout of fuel cell electric vehicles.

10           To date the Energy Commission has funded 49  
11 stations along with one mobile refueler toward  
12 California's goal to establish the early hydrogen  
13 refueling network of 100 stations.

14           To date 14 stations are operational, 10 of  
15 which are open for retail sale. By the end of 2016  
16 staff expect all 49 stations to be operational.

17           To ensure stations become and remain  
18 operational during the initial rollout of fuel cell  
19 electric vehicles, O&M funding support is being  
20 provided for stations that become operational no later  
21 than October 31st, 2016.

22           Owners and operators of existing, planned,  
23 and proposed hydrogen refueling stations applied for  
24 O&M grants. I am here today to request approval for 10  
25 O&M grants, for a total of up to \$2.4 million

1 contingent on the operational date of the hydrogen  
2 refueling station. These grants cover the costs to  
3 operate and maintain the station in addition to  
4 gathering and reporting the operational data about the  
5 station.

6 In accordance with PON13-607, these ten  
7 stations are eligible for up to \$80,000 per year for  
8 up to three years; up to \$240,000 total.

9 The ten O&M grants up for approval today  
10 include one for Air Products and Chemicals in  
11 Lawndale; five for FirstElement Fuels in San Diego,  
12 Campbell, Mill Valley, South Pasadena, and Lake  
13 Forest; one for Air Liquide in Palo Alto; one for  
14 Linde in Foster City; one for H2 Frontier in -- sorry,  
15 the mobile refueler for H2 Frontier; and one for  
16 Ontario CNG Station in Ontario.

17 In accordance with PON13-607, actual O&M  
18 funding support for these stations is contingent on  
19 the actual operational data of the station. Funding,  
20 however, will not exceed \$240,000 for each station.

21 Thank you for your consideration of these  
22 items today. I am available to answer any questions  
23 you may have.

24 CHAIR WEISENMILLER: Great. Any comments from  
25 anyone in the room or on the phone?

1           So Commissioners?

2           COMMISSIONER SCOTT: Sure. I won't give you  
3 guys too many more details because I've talked to you  
4 about these the last few business meetings as they've  
5 come up, but as our network transitions from  
6 construction to operation, you'll continue to see more  
7 of these come by.

8           So if you don't have any questions, I will  
9 happily move approval of Item 14.

10          COMMISSIONER HOCHSCHILD: Second.

11          CHAIR WEISENMILLER: Roll call again.

12          Commissioner McAllister?

13          COMMISSIONER MCALLISTER: Aye.

14          CHAIR WEISENMILLER: Commissioner Scott?

15          COMMISSIONER SCOTT: Aye.

16          CHAIR WEISENMILLER: Commissioner Douglas?

17          COMMISSIONER DOUGLAS: Aye.

18          CHAIR WEISENMILLER: Commissioner Hochschild?

19          COMMISSIONER HOCHSCHILD: Aye.

20          COMMISSIONER MCALLISTER: And myself, aye. So  
21 this passes five to zero. Thank you.

22          Okay. So let's go on to lead Commissioner or  
23 presiding member reports.

24          Commissioner McAllister?

25          COMMISSIONER HOCHSCHILD: Actually, Mr.



1 Chairman, could I indulge you to go first?

2 CHAIR WEISENMILLER: Sure, yeah.

3 COMMISSIONER HOCHSCHILD: Thank you. I just  
4 wanted to go on record, first of all, agreeing very  
5 strongly with the Governor's remarks about the Supreme  
6 Court ruling yesterday on the Clean Power Plan, and  
7 very disappointed in that development.

8 Many of same arguments have been made about  
9 California's clean energy efforts that are being made  
10 about the EPA's actions, and I just think the verdict  
11 is in that actually the net effect on our economy and  
12 on our electric system is a positive one, and I really  
13 think that there's a lot to learn from California's  
14 experience.

15 And one example of that is the job creation.  
16 Obviously, we've cut unemployment in half in  
17 California in the last five years concurrent with the  
18 largest growth of clean energy. And just yesterday we  
19 got some great news within the solar industry that  
20 another 20,000 jobs were added, a 38 percent increase  
21 in one year.

22 And I just think there's a real lesson here  
23 around economic benefits of clean energy and I think  
24 it's worth doing. I do hope that ultimately the court  
25 reverses the stay and we can move ahead on that.

1           I wanted also just to, with your indulgence,  
2 Mr. Chairman and colleagues, to close this meeting in  
3 memory of a woman who was a great inspiration to me  
4 personally who passed away just last week, Espanola  
5 Jackson, who was actually at our Senate Confirmation  
6 Hearing, 83-year-old African American environmental  
7 activist in the Bay who devoted her life to fighting  
8 for a cleaner energy future and was really regarded as  
9 the conscience of San Francisco. And at her funeral,  
10 where I spoke on Friday, the Mayor and Senator Leno  
11 and a number of the other city officials in my  
12 hometown of San Francisco all spoke to that, and I  
13 just want to say how grateful I am to have known her  
14 and been inspired by her, and how contagious  
15 inspiration is. I really feel her encouragement and  
16 support of me personally has been just a huge source  
17 of support, so I just wanted to note her passing.

18           Thank you.

19           CHAIR WEISENMILLER: Thanks.

20           Commissioner McAllister?

21           COMMISSIONER MCALLISTER: Yeah, I'll just be  
22 brief. That was a great comment, Commissioner  
23 Hochschild, so thank you for that.

24           So there hasn't been a lot of time since the  
25 last business meeting so not a lot of time to report

1 and I just want to be brief.

2           So I just happened to be in D.C. for the  
3 NASEO policy meeting, and just a keynote that I just  
4 actually came from was actually Secretary Moniz, and  
5 he was very clear that really the Supreme Court's stay  
6 doesn't change the imperative, the doesn't change the  
7 physics, it doesn't change -- you know, the laws of  
8 physics are actually immutable laws. And the  
9 Administration's direction here is really unchanged in  
10 terms of recognize that we have to deal with. We've  
11 made commitments in Paris and the rest of the world  
12 has, too.

13           So it's unfortunate that the stay happened.  
14 And many of the states here, frankly, are good with it  
15 because they, each of them was one of the twenty-seven  
16 states that were on board with the litigation, the  
17 challenge. So obviously differing opinions at the  
18 state level.

19           But California's direction is very clear and  
20 we're blessed to have a Legislature, Governor, and a  
21 population headed in the same direction, and I think  
22 the Administration's goals here.

23           And in fact, we're going to overshoot our  
24 goals anyway, probably, so it's not of practical  
25 importance within California but it does set a tone

1     that's unfortunate.

2             And just to wrap up that topic, on Friday I  
3     was at the 3M meeting, so that's Naseo, (inaudible),  
4     the clean energy agencies. Those meetings are all  
5     about the clean power plants, so that one on Friday is  
6     going to be very interesting to see what the fallout  
7     of the stay is.

8             Last week, just to wrap up, last week EOE  
9     initiated some new activities on the data front and on  
10    energy efficiency generally, and we as a state got  
11    some recognition, which was really, I think we earned  
12    it last year through the legislative process and  
13    coming up with some interesting solutions to data  
14    access and obviously really focusing on that issue in  
15    the 758 context and DRECP context and in the IEPR  
16    itself and the forecasting. I think we're just making  
17    a lot of progress on modernizing in terms of making  
18    informed decisions and getting the information we need  
19    to back all that up and do the analysis that's needed.  
20    So a lot of good developments on various fronts.

21            So not all the news is unfortunate, the  
22    ruling from last month and everything, so I think a  
23    lot of things are going our way likely, so I think we  
24    can be happy about that.

25            So thanks.

1           COMMISSIONER SCOTT: Great. I would just like  
2 to say one more time congratulations to you,  
3 Commissioner McAllister, and the team for your  
4 completion of the IEPR. Having completed one last  
5 year, I remember how nice it feels.

6           I will just give you all one update that from  
7 yesterday, actually. The Plug-in Vehicle Collaborative  
8 met, the steering committee of the Plug-In Vehicle  
9 Collaborative met yesterday, and the steering  
10 committee has directed the Plug-In Vehicle  
11 Collaborative staff to explore ways that we can be  
12 more active, more proactive in the plug-in electric  
13 vehicle space.

14           And when we say more active, we're thinking  
15 about things like potentially more ride-and-drives,  
16 how can we do additional high profile events, would it  
17 be possible to do a campaign like Click It or Ticket  
18 or Got Milk, those types of things.

19           And so one of the directions that was given  
20 to the staff was to explore what that would look like  
21 and does the organization need to make some changes to  
22 its organizational structure to help support that more  
23 proactive meaning, and what would it take to really  
24 put something like that together.

25           So I think that's a pretty exciting direction

1 in terms of thinking about how to accelerate the sales  
2 and adoptions of the zero emission vehicles that we  
3 really need in our transportation space to help us  
4 meet our clean air goals and climate goals, so that  
5 was a pretty fun development from the Plug-In Vehicle  
6 Collaborative yesterday.

7           COMMISSIONER DOUGLAS: Just a brief report  
8 that I had an opportunity to speak at a meeting of  
9 Inland Empire Business Group, and it was really a nice  
10 meeting. It seems like a really active and well-  
11 organized group and it was great. I got a chance to  
12 talk about the Energy Commission and our work and how  
13 it overlaps with some Inland Empire priorities and  
14 needs as least from the perspective of some of the  
15 very active business groups in the area. So that was a  
16 really nice opportunity.

17           And then I also had a chance to have a really  
18 productive meeting with San Bernardino County talking  
19 about a whole range of renewable energy and  
20 conservation and planning and climate activities.

21           So that's my only report.

22           CHAIR WEISENMILLER: Well, I'll be brief  
23 also.

24           I would note yesterday I have these monthly  
25 interconnection calls that cut through the chafe with

1 the military on interconnections. And believe it or  
2 not, water districts are now showing up. So their  
3 water district showed up yesterday to talk about their  
4 plight negotiating with us and on interconnections and  
5 some of their DG projections we're hoping to  
6 unclutter. So folks should stay in touch with Kevin on  
7 that and maybe we can find some synergy there.

8 Two (inaudible) things, sort of one of those  
9 tons of stuff. But I believe you've all seen the  
10 letter that President Picker, myself, and Steve  
11 Berberich sent to the Governor.

12 Basically, we were tasked to look at  
13 reliability implications, and we've started that  
14 assessment. Obviously we're looking first at this  
15 summer and then at next winter. Winter may be more  
16 worrisome than summer but summer's coming faster. So  
17 anyway, we're moving forward on that activity.

18 And we indicated that we do have concerns,  
19 particularly in the L.A. DWP context. Anyway, we're  
20 coming up with an action plan that will get this  
21 sitting on a dais with us in southern California with  
22 your comments on it.

23 But the action plan, again, will do the  
24 things, obvious things to do now with the notion that  
25 we'll take public comment, hopefully build more ideas

1 into it. But to the extent we need to start doing  
2 energy efficiency now, we want to start now and not  
3 wait until sometime in late April to do anything.

4 And at this point in terms of the plugging  
5 activities, basically they've been doing a well that's  
6 -- basically, they want to interconnect 8,000 feet.  
7 Obviously it's coming in at an angle to interconnect  
8 at that point.

9 It's now getting to the point of what they  
10 call the soft touch, where when they were drilling  
11 they were going really fast. Now they're going more  
12 inch by inch, and in that inch-by-inch situation  
13 they're getting close to the soft touch, and then they  
14 will try to mill in and then start injection.

15 So sometime over the course of the next week  
16 or so we should know if this well is successful.

17 Anyway, so with that, let's go to Chief  
18 Counsel's report.

19 MS. VACARRO: So nothing to report, but I do  
20 have an announcement.

21 I think I mentioned with each meeting or  
22 couple of meetings we have a new addition to our  
23 office, and so today I would just like to introduce  
24 Michelle Chester. Many of you know her already from  
25 her time in Commissioner Scott's office and in the



1 Office of Governmental Affairs.

2 We feel so fortunate to have her in our  
3 Siting Advocacy Unit. She joined about a month or so  
4 ago.

5 CHAIR WEISENMILLER: Okay. Welcome. Well,  
6 obviously we've seen you around but welcome to your  
7 new assignment.

8 Executive Director's report.

9 EXECUTIVE DIRECTOR OGLESBY: I have nothing  
10 today.

11 CHAIR WEISENMILLER: Public Adviser report.

12 MS. MATTHEWS: Good afternoon. I have a brief  
13 report. It's more of an announcement that we're  
14 excited to kickoff our first implementation of AB865  
15 event this month, it's going to be February 26th from  
16 9:00 to 12:00 a.m. It'll be the Empower California  
17 Workshop and it's in partnership with Greenlining.

18 We will have an opportunity to have opening  
19 remarks from Commissioner Scott as well as provide  
20 diverse business enterprises throughout the state an  
21 opportunity to learn about the application process,  
22 the funding process; have a Q&A and breakout session  
23 from each of the Division's funding programs; and  
24 participate in a panel discussion with successful  
25 applicants on the best practices as well as common

1 barriers. So it's an opportunity for Commission staff  
2 to understand what we can do to ensure all  
3 Californians are able to participate in our funding  
4 opportunities.

5 And then lastly, we're excited to discuss the  
6 Diversity Taskforce application process and have an  
7 opportunity for input from anyone who is interested on  
8 how we'll move forward with that process.

9 CHAIR WEISENMILLER: Great, thank you.

10 Public comment. We have one card from Tiffany  
11 North.

12 MR. PITTARD: Yes, Ms. North needed to leave.  
13 She just wanted to ask that when possible, or if  
14 possible, when power plant project hearings,  
15 workshops, etcetera take place in the Riverside County  
16 area, that we could think about holding the meetings  
17 there. She was just going to make that request.

18 CHAIR WEISENMILLER: Okay. And I was going to  
19 say that actually sometimes if people have a travel  
20 need like that, if you give me a signal maybe we can  
21 squeeze them in out of turn.

22 MR. PITTARD: Thank you, we'll do that.

23 CHAIR WEISENMILLER: Okay, thanks.

24 So if no further public comment, this meeting  
25 is adjourned.

1 COMMISSIONER MCALLISTER: Thanks, everyone.

2 (Adjourned at 2:20 p.m.)

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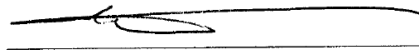
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