

DOCKETED

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In the Matter of:)
) 17-BUSMTG-01
 Business Meeting)
)

1

APPEARANCES

Commissioners

Robert Weisenmiller, Chair
Andrew McAllister
Karen Douglas
Janea Scott
David Hochschild

Staff Present:

Rob Oglesby, Executive Director
Kourtney Vaccaro, Chief Counsel
Alana Mathews, Public Adviser's Office
Cody Goldthrite, Secretariat
Lisa De Carlo, Staff Counsel

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Pursuant to Government Code section 11126(e), 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, which might include:

- a. Claims filed at, and rejected by, the Victim Compensation and Government Claims Board against a number of defendants including the Energy Commission relating to the gas leak at Aliso Canyon.

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1 P R O C E E D I N G S

2 MAY 10, 2017 10:02 a.m.

3 CHAIRMAN WEISENMILLER: Let's start the Business

1 Meeting with the Pledge of Allegiance.

2 (Whereupon, the Pledge of Allegiance

3 was recited in unison.)

4 CHAIRMAN WEISENMILLER: Good morning. Let's
5 start with some housekeeping. First, Items 5, 6a and 2 are
6 being held. And disclosures?

7 COMMISSIONER MCALLISTER: Yeah, just a couple of
8 disclosures. On Item 1e and 16b, UC Davis is a
9 subcontractor on 1e and it's the prime on 16b. So I just
10 need to disclose my wife is a professor at King Hall at the
11 law school who has nothing to do with either of these
12 contracts, so there's no conflict. But just felt the need
13 to disclose.

14 COMMISSIONER DOUGLAS: And I'll just join
15 Commissioner McAllister in that every other year or so I
16 teach a renewable energy law class at King Hall and this is
17 an on-year for me doing that. And so I am teaching a
18 renewable energy law class and wanted to make that
19 disclosure.

20 CHAIRMAN WEISENMILLER: All right.

21 Okay. Now, for the Public Adviser, we're having
22 some technical issues if you want to --

23 MS. VACCARO: And there are some additional
24 disclosures and possible recusals that relate to the
25 Consent Calendar.

1 CHAIRMAN WEISENMILLER: Well, we'll get to the
2 recusals when we get to those. Are there any other
3 disclosures?

4 MS. VACCARO: Yes, we have those since you
5 disclose and recuse at the same time and it relates to the
6 Consent --

7 CHAIRMAN WEISENMILLER: Right, I know. We'll get
8 to that, I'm trying to deal with the -- we'll get to that
9 in the next item, but let's go to the announcement.

10 MS. MATHEWS: So apparently, we are having a
11 little bit of difficulty with the operator being able to
12 connect anyone who is interested in making public comment.
13 So those who are able to join by WebEx I have included the
14 Public Adviser's email address and the area that gives you
15 the dial-in information. It's publicadviser@energy.ca.gov
16 and you can email your comments if you're not able to
17 connect, and we will read them on your behalf until the
18 issue is resolved.

19 CHAIRMAN WEISENMILLER: Okay. Great, thank you.
20 So with the Consent Calendar we're going to start
21 with b, which has the disclosure and recusal. And then
22 we'll go on to the rest of the Consent Calendar.

23 COMMISSIONER SCOTT: Okay. I serve as the Chair
24 of the Plug-in Vehicle Collaborative, which will be
25 superseded by Veloz. So due to my roll in the Plug-in

1 Collaborative and my participation in establishing Veloz, I
2 will recuse myself from consideration of Item 1b.

3 COMMISSIONER HOCHSCHILD: I will be joining the
4 Board of Veloz and will also be recusing from this item.

5 CHAIRMAN WEISENMILLER: All right, and so let's
6 talk to the Consent Calendar except for 1b?

7 MS. VACCARO: (Inaudible.)

8 CHAIRMAN WEISENMILLER: Or except what we're
9 doing -- okay, excuse me -- let's deal with 1b on the
10 Consent Calendar. Got it.

11 COMMISSIONER DOUGLAS: I move Item 1b.

12 COMMISSIONER MCALLISTER: I'll second.

13 COMMISSIONER DOUGLAS: All those in favor?
14 (Ayes.)

15 CHAIRMAN WEISENMILLER: 1b passes 3-0, two
16 recusals. Commissioners, come back.

17 (Commissioners Douglas and Hochschild return)

18 CHAIRMAN WEISENMILLER: So now let's deal with
19 the rest of the Consent Calendar.

20 COMMISSIONER MCALLISTER: I'll move consent.

21 CHAIRMAN WEISENMILLER: Except for 1b.

22 COMMISSIONER DOUGLAS: Second.

23 COMMISSIONER MCALLISTER: Except for 1b, sorry.

24 COMMISSIONER DOUGLAS: Second.

25 CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.)

2 CHAIRMAN WEISENMILLER: So the Consent Calendar
3 except for 1b passed 5-0.

4 Let's go on to Item 3.

5 MR. VEERKAMP: Good morning, my name is Eric
6 Veerkamp and I'm the Compliance Project Manager for the
7 Palmdale Energy Project. And I know we have the owner's
8 representative here as well, Scott Galati.

9 The Petition to Extend for consideration before
10 the Commission is to extend the construction start date for
11 the Palmdale Energy Project from June 1st of 2017 to August
12 1st of 2017. Now while the request was only for 2 months,
13 staff has recommended an extension until December 31st,
14 2017 to ensure that there is sufficient time for the Energy
15 Commission to render a Final Decision on the original
16 Petition to Amend, and to minimize the possibility of
17 future extension requests.

18 The original July 20th, 2015 petition proposes
19 several revisions to the licensed Palmdale Hybrid Power
20 Project, including increasing the nominal capacity to 700
21 megawatts, and eliminating the solar component. The
22 Palmdale Energy Project would be located on the same site
23 as the Palmdale Hybrid Project, approximately 60 miles
24 north of downtown Los Angeles, in the northernmost portion
25 of the City of Palmdale. The site address is 950 East

1 Avenue M. The evidentiary record was recently closed on
2 the original petition and a decision is pending.

3 Staff reviewed the current petition to extend the
4 construction date and concludes that good cause exists to
5 extend the start-of-construction deadline for the Palmdale
6 Energy Project to December 31st, 2017. In staff's view,
7 the three factors previously articulated by the Energy
8 Commission as important to determining whether good cause
9 exists have been met.

10 These factors are: Has the project owner been
11 diligent in seeking to begin construction and in seeking
12 the extension? Whether factors beyond the project owner's
13 control have prevented success. A comparison of the amount
14 of time and resources that would have to be spent in
15 processing any amendments to the license if the extension
16 is granted with the amount of time and resources that would
17 be spent in processing a new Application for Certification
18 if the extension were denied.

19 A Notice of Receipt was mailed to the project
20 post-certification list, docketed, and posted to the web on
21 May 2nd, 2017. Staff's Analysis was docketed on May 1st,
22 2017, and it was mailed to the project post-certification
23 list on May 3, 2017.

24 No comments have been received.

25 In this case, the Project Owner has acted

1 diligently, construction has been delayed due to factors
2 beyond its control, and processing the extension is a more
3 economic use of time than processing a new application.

4 Since acquiring the project in 2015, Palmdale
5 Energy, LLC has worked diligently to develop the project as
6 proposed in the 2015 Petition to Amend, has met with staff
7 a number of times, and has kept staff informed of the
8 project's status. When economic factors and environmental
9 conditions warranted it, Palmdale Energy filed promptly for
10 an amendment, in which a decision is pending, but has had
11 the effect of delaying construction.

12 Staff is recommending an extension until December
13 31st, 2017, in order to allow for sufficient time for the
14 Committee to complete the proceeding and for the Energy
15 Commission to render a Final Decision on the Palmdale
16 Energy Project. Extending the license deadline to allow
17 for a final decision on the PTA will take substantially
18 less time, effort, and resources than that required to
19 process a new AFC.

20 Accordingly, in light of reaching a decision in
21 the positive that good cause has been demonstrated by the
22 project owner, staff recommends the Energy Commission
23 approve the request to extend the deadline to commence
24 construction from June 1, 2017 to December 31st, 2017.

25 That concludes my presentation. I'd be happy to

1 answer any questions you have.

2 CHAIRMAN WEISENMILLER: Thanks.

3 Applicant?

4 MR. GALATI: Scott Galati on behalf of Palmdale
5 Energy, LLC. Commissioners, we originally asked for the
6 extension to go to August 1st, because we thought that the
7 PMPD is pending and coming out soon. We hope to be on the
8 Commission agenda in June for a Final Decision, which would
9 mean the PMPD comes out very quickly. If not, we thought
10 no later than July. We really didn't think we needed until
11 the end of the year and so that's why we asked for August.

12 If the Commission does go ahead and grant it to
13 the end of the year, we hope it still works on the same
14 schedule that we're anticipating. So we think you very
15 much.

16 CHAIRMAN WEISENMILLER: Okay.

17 Now, any public comment from anyone in the room?
18 How about on the line? I'm looking at the Public Adviser.
19 We'd set up for -- again a reminder, if you're not in the
20 room and you have public comment -- send an email to the
21 Public Adviser at the address on the Notice, on the
22 website. And that she will then read that into the record.

23 (No audible response.)

24 Let's transition over to the Commissioners.

25 COMMISSIONER DOUGLAS: Just a brief comment and

1 this is a pretty straightforward issue. We just need a
2 little bit more time to get through the amendment and get
3 to the PMPD and decision stage. So I am on board with the
4 longer extension suggested by staff and I'm on board with
5 not letting this thing linger, just because we can with a
6 longer extension. But I think it's a good idea to be
7 careful and be cognizant of the desire to not have to come
8 back and do another month or two extension if something
9 doesn't go as planned.

10 So I'll move approval of this item.

11 COMMISSIONER SCOTT: Second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.)

14 CHAIRMAN WEISENMILLER: So this item passes 5-0.

15 MR. GALATI: Thank you.

16 CHAIRMAN WEISENMILLER: Thank you.

17 Let's go on to Item 4, energy efficiency
18 regulations for computers, computer monitors, signage
19 displays and battery chargers.

20 MS. PASHA: Good morning, Chair and
21 Commissioners. My name is Soheila Pasha, I am an
22 Electrical Engineer with the Energy Commission's Appliance
23 Efficiency Program. Also joining me is Lisa De Carlo from
24 the Chief Council's Office. I am here today to present to
25 you Item 4, which is the possible approval of minor

1 modifications to, and re-adopting the efficiency standards
2 for computers, computer monitors, signage displays, and
3 battery chargers.

4 The California Energy Commission adopted
5 efficiency standards for computers and computer monitors in
6 the business meeting on December 14, 2016. In that
7 meeting, the Information Technology Industry Council, ITI,
8 which is a trade association representing manufacturers of
9 computers and computer monitors, commented that the
10 proposed test procedure for automatic brightness control,
11 ABC, for computers with integrated displays such as laptop
12 computers or all-in-one desktop computers was not accurate
13 or repeatable. And therefore would not be a good measure
14 of the energy consumption of these products. Staff agreed
15 to reevaluate that portion of the test procedure.

16 ABC is a function that automatically adjusts the
17 brightness of the display based on the ambient light in the
18 room. If implemented correctly, the ABC feature saves
19 energy without a noticeable change in screen brightness.
20 In contrast, there are implementations of ABC systems that
21 are not efficient and do not save energy. The standards
22 that the Energy Commission adopted in December included a
23 test procedure for integrated displays that was intended to
24 measure the energy use associated with ABC.

25 After reviewing the available data on ABC testing

1 and real world conditions, staff concluded that more
2 comprehensive research and data collection is needed in
3 order to develop a test procedure that is repeatable,
4 reliable, and accurately reflects ABC's energy-saving
5 benefits. This type of work would extend well past January
6 1st, 2018, the effective date of the computer standards.

7 Therefore, staff is proposing to amend the test
8 procedure for computers with integrated displays that
9 support ABC function to align with ENERGY STAR's 6.1 test
10 procedure for computers with integrated displays. The
11 amended test procedure would allow manufacturers to disable
12 ABC for testing. This approach allows certainty for
13 testing before the effective date of the standards as well
14 as clarity as to whether products will meet the standards.

15 Staff is also making two minor clarifications to
16 the originally adopted language. First, we propose
17 clarifying the correct test configuration for high
18 expandability computers, mobile workstations, and mobile
19 gaming systems. Clarifying language matches the state's
20 new definitions with the corresponding test procedure
21 requirements for similar products in ENERGY STAR.

22 Second, we propose to correct a typographical
23 error for reporting cold cathode fluorescent lamp or CCFL
24 computer monitors in Table X.

25 The proposed changes do not affect the estimated

1 energy savings presented in the computer rulemaking,
2 because the savings were estimated based on using ENERGY
3 STAR's test procedure.

4 On December 14, 2016, the Energy Commission
5 adopted a Negative Declaration for these regulations. The
6 changes proposed today do not constitute substantial
7 changes to the project or project circumstances that would
8 require any change to the Negative Declaration due to the
9 involvement of new significant environmental effects or a
10 substantial increase in the severity of previously
11 identified significant impacts.

12 Additionally, there is no new information of
13 substantial importance that would change the conclusions
14 set forth in the Negative Declaration. Therefore, the
15 Energy Commission can rely on the Negative Declaration
16 previously adopted to support today's action.

17 On April 24, 2017, staff published a Notice of
18 Availability of the proposed changes to the regulations,
19 which started a 15-day comment period that ended on May
20 9th.

21 We received a comment from ITI in support of the
22 proposed changes to the ABC test procedure. ITI also
23 provided additional comments that pertain to the computer
24 standards that were adopted in the December 14, 2016
25 business meeting. Because the comments are unrelated to

1 the proposed changes before you today, we are not
2 addressing those comments now, but will follow up with ITI
3 to better understand their concerns following finalization
4 of this rulemaking.

5 In conclusion, I recommend that the Commission
6 approve Item Number 4. I am happy to answer any questions
7 that you may have.

8 CHAIRMAN WEISENMILLER: Thank you.

9 First, is there anyone in the room who has
10 comments on this item?

11 (No audible response.)

12 Okay. I believe we have one -- the good news is
13 the phone line now is working and I believe we have one
14 comment from ITI on the phone. Please come forward.

15 MS. MCBRIDE: Hello?

16 CHAIRMAN WEISENMILLER: Hello. Yes, we can hear
17 you.

18 MS. MCBRIDE: Great, thank you. Good morning
19 Chair and Commissioners. My name is Alexandria McBride.
20 I'm a Director of Environment and Sustainability for
21 Information Technology Industry Council or ITI. And ITI is
22 a premier advocacy and policy organization for the world
23 leading innovation companies.

24 After approximately four years of constructive
25 dialogue with the CEC and other stakeholders ITI and

1 TechNet supported the adoption of the computers, computer
2 monitors and signage displays regulation on December 14,
3 2016. As part of industry support of the regulation, CEC
4 staff committed to address an issue regarding test
5 procedures for the automatic brightness control for
6 computers with integrated displays.

7 The proposed additional 15-day language makes
8 important clarifications around the test procedure, and we
9 support this proposed language. And we really appreciate
10 the CEC staff's prompt resolution to the issue.

11 We are committed to continue engagement with the
12 CEC and as part of this engagement, ITI and TechNet, we've
13 identified three areas where additional clarifications are
14 needed within the existing regulations. These
15 recommendations are detailed in our written comments
16 submitted to the docket on May 9th, 2017. And we look
17 forward to discussing these comments further with CEC
18 staff.

19 Thank you for the opportunity to present comments
20 today.

21 CHAIRMAN WEISENMILLER: Thank you.

22 Anyone else on the line?

23 (No audible response.)

24 CHAIRMAN WEISENMILLER: Okay. Let's then
25 transition to the Commissioners, Commissioner McAllister?

1 COMMISSIONER MCALLISTER: Yeah, so thank you
2 Alexandria, for calling in and for your letter, which I
3 read when it came in. And I want to just reiterate our
4 commitment to working with you going forward. You know, we
5 have a regulation now and I think we all support it at the
6 moment. And implementation is always where the rubber hits
7 the road and so I think we have the same commitment that we
8 have had all along the process and I know that you all do
9 too as well as the other stakeholders. So I really
10 appreciate that positive engagement and really, I
11 absolutely believe it's the example that a lot of others
12 would do well to follow actually in the development of
13 regulations.

14 So just briefly for the benefit of my colleagues
15 here, you'll remember that this was a relatively complex
16 rulemaking. And it did take a lot of effort and a lot of
17 dialogue over the time, and I also want to thank Soheila
18 and Kristen and Lisa and the team, for really working
19 through all these details. It's not straightforward and
20 really, the diligence is appreciated.

21 So this was this main issue that we committed to
22 address at the adoption and glad to see this follow
23 through, so in that respect it's a pretty straightforward
24 item.

25 Okay. Any other comments? No. Okay. I'll move

1 Item 4.

2 COMMISSIONER DOUGLAS: Second.

3 CHAIRMAN WEISENMILLER: All those in favor on

4 Item 4?

5 (Ayes.)

6 CHAIRMAN WEISENMILLER: Item 4 passes 5-0. Thank
7 you.

8 Let's -- again, Item 5 is held, so let's go on to
9 6b.

10 MS. DE JONG: Hello. My name is Elisabeth de
11 Jong and I'm from the Geothermal Grant and Loan Program
12 within the Renewable Energy Division. Today I'm presenting
13 one grant proposal for funding.

14 The Golden Haven Hot Springs Spa and Resort
15 Project is a grant for \$134,642 from the California Energy
16 Commission's Geothermal Grant and Loan Program funding
17 request to drill an injection well for spent geothermal
18 fluids currently being used at the Golden Haven Hot Springs
19 Spa and Resort in Calistoga, California. This injection
20 well will allow geothermal fluids that have not been in
21 contact with humans to be injected back into the geothermal
22 reservoir to maintain reservoir pressure. And reduce
23 wastewater to the city's sanitary sewer system.

24 The City of Calistoga has prepared a Notice of
25 Exemption for the project. Barry Stern, representing

1 Golden Haven Hot Springs Spa and Resort should be attending
2 via WebEx and available to answer any questions in regards
3 to the project.

4 I ask for your approval of this item and would be
5 happy to answer any questions you may have.

6 CHAIRMAN WEISENMILLER: Thank you. First, is
7 there anyone in the room who has any public comment?

8 (No audible response.)

9 CHAIRMAN WEISENMILLER: Then let's go to the
10 line. Mr. Stern, do you want to give any comments?

11 MR. STERN: No, other than to say we really
12 appreciate all the help that the staff has been for us here
13 and the City of Calistoga. It's really a win-win
14 situation. We're really excited about doing the drilling
15 of the well.

16 CHAIRMAN WEISENMILLER: Great. So let's
17 transition to the Commissioners.

18 COMMISSIONER HOCHSCHILD: Not much to add except
19 this is on the heels of a very, very fruitful workshop we
20 had with the geothermal community maybe two weeks ago about
21 the GRDA Program and we're getting about three times more
22 applicants than funding that we have available. So
23 obviously our revenues for this depend on the lease revenue
24 we get from the federal government when we have geothermal
25 production. So the more geothermal production is the more

1 grants like this we get to make and this is an important
2 step in advancing geothermal. So I'd ask for your support.
3 I move the item.

4 COMMISSIONER SCOTT: Second.

5 CHAIRMAN WEISENMILLER: All those in favor?

6 (Ayes.)

7 CHAIRMAN WEISENMILLER: This passes 5-0. Thank
8 you.

9 Let's go on to Item 7, Monterey Peninsula Airport
10 District.

11 MR. SANDHU: Thank you and good morning Chair and
12 Commissioners. My name is Balraj Sandhu. I'm in the
13 Efficiency Division, Local Assistance and Finance Office.
14 This item is a proposal to adopt CEQA findings and a
15 request for approval of an Energy Conservation Assistance
16 Act or ECAA loan, in the amount of \$3 million at 1 percent
17 interest for the Monterey Peninsula Airport District.

18 The airport district has requested this loan to
19 fund the installation of 860 kilowatt dc ground mounted
20 multiple-axis photovoltaic system at the Monterey Regional
21 Airport located in Monterey, California.

22 Energy Commission staff has reviewed Monterey
23 Peninsula Airport District's Initial Study, Mitigated
24 Negative Declaration, and related environmental documents
25 in order to consider the potential environmental impacts of

1 this project.

2 In its Mitigated Negative Declaration the
3 Monterey Peninsula Airport District, as lead agency, made
4 the determination of no impact as to cultural resources and
5 committed to having an onsite tribal monitor to ensure that
6 any discovered resources would be protected. The lead
7 agency also made a determination of no impact to the air
8 quality.

9 Energy Commission staff concurs with the lead
10 agency's use of tribal monitor to ensure that any
11 discovered resources would be protected. Nonetheless,
12 Energy Commission staff has determined that the project
13 site has an elevated likelihood to contain buried
14 archaeological resources and has determined that further
15 mitigation measures are warranted to reduce potential
16 impacts on resources to a less-than-significant level.

17 These measures include implementation of a
18 training program designed to help project workers identify
19 archaeological resources; full-time monitoring of the
20 project by a qualified archaeologist; and submission of a
21 report after project completion, which summarizes the
22 training and monitoring activities. Energy Commission
23 staff also concurs with the lead agency's finding that
24 project construction will result in short-term emissions
25 due to trucks bringing materials to the site. Still Energy

1 Commission staff determined that additional mitigations in
2 form of this dust control plan and mitigation as to the
3 diesel equipment used in the project is warranted to reduce
4 the potential impact on air quality to less than a
5 significant level.

6 These measures to cultural resources and air
7 quality are included as conditions in the proposed
8 Agreement. The backup material for this item includes
9 staff's environmental analysis. Please note that the
10 proposed resolution contains the recommended CEQA findings
11 as to cultural resource, but the air quality mitigation is
12 not specifically stated.

13 If the Commission does adopt this item staff
14 recommends the resolution to be amended to include the
15 following language.

16 "Be it further resolved that the Energy
17 Commission has identified additional potentially
18 significant impact to the air quality, and has also
19 identified feasible mitigation measures within its power
20 that would substantially lessen the potential effect to the
21 quality.

22 "These additional mitigation measures are
23 implementation of dust control plan and that all this
24 equipment used for the project meet the State of California
25 diesel requirements. And must be registered as applicable

1 through the statewide portable equipment registration
2 program or diesel off-road online registering program."

3 Energy Commission staff also would like to thank
4 Monterey Peninsula Airport District and its staff for being
5 so cooperative and so responsive to questions during the
6 Energy Commission evaluation of the environmental
7 documents.

8 This project is estimated to generate 1,450,000
9 kWh of electricity annually and reduce the airport's yearly
10 utility expense by \$183,643. This project is also
11 estimated to reduce greenhouse gas emissions by
12 approximately 500 tons annually.

13 Based on the loan amount, the simple payback for
14 this project is 16.3 years. Staff has determined that this
15 loan request complies with the ECAA program requirements.
16 I respectfully request your approval of this item. Thank
17 you.

18 CHAIRMAN WEISENMILLER: Thank you.

19 So let's start with comments from parties in the
20 room. Please, go ahead and introduce yourself.

21 MS. MORELLO: Thank you. My name is Chris
22 Morello. I'm the Senior Planning Manager at Monterey
23 Regional Airport owned and operated by Monterey Peninsula
24 Airport District.

25 We are extremely grateful for the opportunity to

1 partner with the Energy Commission on implementing one step
2 in our Airport Sustainability Plan. The solar array allows
3 us to not only improve our carbon and sustainability
4 footprint, but also one step closer to financial stability.

5 The airport is also appreciative of the dedicated
6 CEC staff as we work together during our application
7 process. Again, thank you for considering this
8 application.

9 CHAIRMAN WEISENMILLER: Thank you. Anyone else
10 in the room? Anyone on the phone?

11 (No audible response.)

12 CHAIRMAN WEISENMILLER: Then we'll transition to
13 the Commissioners. Commissioner McAllister?

14 COMMISSIONER MCALLISTER: Well, it looks like a
15 good project. Thanks for the presentation. I'm glad to
16 see actually the mitigation measures being examined and
17 applied in the ECCA context. We don't see that very often,
18 but these do have impacts as well so it's nice. I'm glad
19 the airport district was able to have that conversation and
20 agree to some mitigation measures that seem appropriate.

21 So with that I'll move this item.

22 COMMISSIONER DOUGLAS: I agree. It looks like
23 there was a thorough analysis done and some good dialogue
24 and I'm pleased to see that. So did you make a motion?

25 COMMISSIONER MCALLISTER: Yes. I moved the item.

1 COMMISSIONER DOUGLAS: Second.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes.)

4 CHAIRMAN WEISENMILLER: This item passes 5-0.

5 Let's go on to Number 8, Lake Arrowhead Community Service
6 District.

7 MR. PENA: Good morning. My name is Nelson Pena
8 of the Local Assistance and Finance Office in the
9 Efficiency Division. Today I'm requesting the adoption of
10 CEQA findings and approval of the Energy Conservation
11 Assistance Act, also known as ECCA, subaccount loan to Lake
12 Arrowhead Community Services District for the Hesperia
13 Farms Site Solar Facility Project.

14 The application is for a \$3 million ECCA funded
15 loan at 1 percent interest to implement the installation of
16 one single axis solar photovoltaic electric generation
17 system at the District's own land.

18 Energy Commission staff has reviewed lead agency,
19 Lake Arrowhead Community Service District's Initial Study
20 and Mitigated Negative Declaration and has determined that
21 the work to be performed under the proposed loan project
22 represents no new significant or substantially more severe
23 environmental impacts beyond those already considered and
24 mitigated. This loan will fund a six-acre 939.6 kilowatt
25 dc photovoltaic system at the District's Hesperia Farms

1 Site Solar Facility Project in support of the District
2 schools.

3 The photovoltaic system is expected to produce
4 approximately 2.2 million kilowatts an hour of electricity
5 annually for the District. The District will save over
6 \$242,000 annually and reduce greenhouse gas emissions by
7 759 tons each year.

8 The photovoltaic system will be on District-owned
9 land and the solar investment tax credit is not applicable.

10 The Energy Commission staff has determined that
11 this loan is technically justified and based on the loan
12 amount the payback period for this loan will be
13 approximately 12.4 years, which is within the 17-year
14 payback period requirement of the 1 percent loan program.
15 And is also within the 20-year effective useful life of the
16 solar system photovoltaic performance.

17 With this information I request your approval of
18 this item for the Lake Arrowhead Community Service
19 District's Hesperia Farm Site Solar Facility Project.

20 I'm happy to answer questions you may have.

21 Thank you.

22 CHAIRMAN WEISENMILLER: Thank you.

23 First, is there any comments from anyone in the
24 room? Anyone on the line?

25 (No audible response.)

1 CHAIRMAN WEISENMILLER: So let's transition to
2 the Commissioners.

3 COMMISSIONER MCALLISTER: So thanks, Nelson. I
4 want to thank you actually for serving as our able
5 representative to the CHPS Program as well for schools, so
6 thank you very much for all your support on that. And
7 Nelson does a fantastic job representing us to produce
8 high-performing schools in the state and beyond. So thanks
9 for that.

10 I don't have any particular comments on this
11 project, but it looks like a good one. I don't know if
12 anybody else does? No. Okay, so I'll move Item 8.

13 COMMISSIONER DOUGLAS: I'll second.

14 CHAIRMAN WEISENMILLER: All those in favor?

15 (Ayes.)

16 CHAIRMAN WEISENMILLER: Item 8 passes 5-0. Thank
17 you.

18 Let's go on to Item 9, Amador Water Agency.

19 MR. CHAUDHRY: Good morning Mr. Chairman and good
20 morning Commissioners. I'm Shahid Chaudhry with the Local
21 Assistance & Financing Office of the Energy Efficiency
22 Division.

23 I am here to request adoption of CEQA findings
24 and your approval for a \$1,472,000 ECAA loan at 1 percent
25 to the Amador Water Agency for installing 440 kW in-conduit

1 pelton turbine at a water transfer pipeline between two
2 reservoirs. The total cost of the project was estimated as
3 little over \$2.2 million; and after \$750,000 EPIC Grant,
4 the net cost of the project would be \$1,472,000.

5 Energy Commission staff has reviewed lead agency
6 Amador Water Agency's Initial Study and Mitigated Negative
7 Declaration and has determined that the work to be
8 performed under the proposed loan project presents no new
9 significant or substantially more severe environmental
10 impacts beyond those already considered and mitigated.

11 On completion, the project will reduce about 1.35
12 million kWh of grid electricity use annually saving the
13 Agency about \$129,000 in utility costs. In addition, the
14 project will reduce 466 tons of carbon dioxide equivalent
15 greenhouse gas emissions every year. Based on the loan
16 amount, the simple payback is 11.4 years.

17 The loan request fulfills requirements of the
18 ECAA loan program. I therefore recommend and request your
19 approval of this item.

20 I am available to answer any questions, you may
21 have.

22 CHAIRMAN WEISENMILLER: Thank you.

23 Any comments from anyone in the room? How about
24 on the line?

25 (No audible response.)

1 CHAIRMAN WEISENMILLER: Okay. So again let's
2 transition to the Commissioners.

3 COMMISSIONER MCALLISTER: Yeah, this is a great
4 project to see. Our pelton technology has been around for
5 hundreds and hundreds of years literally. And this is just
6 a no-brainer, and these things last for a really long time
7 and I want to go visit when it's in.

8 MR. CHAUDHRY: Absolutely. In fact, the pelton
9 wheel technology was developed here in California about 150
10 years ago.

11 COMMISSIONER MCALLISTER: Yeah, they're all over
12 the world in the most remote places. And where you have
13 high head water running it's just like absolutely the
14 greatest technology ever. So and I'm a mechanical engineer
15 if you can't tell, but I'll move this item.

16 COMMISSIONER SCOTT: And can I just add, I was
17 really intrigued by this project as well. We don't see a
18 lot of small hydro on the energy side of ECCA and got an
19 excellent briefing from the staff. And also invited myself
20 to go see it once it's in as well.

21 COMMISSIONER MCALLISTER: All right, well we'll
22 caravan.

23 COMMISSIONER SCOTT: So I'm happy to second.

24 CHAIRMAN WEISENMILLER: All those in favor?

25 (Ayes.)

1 CHAIRMAN WEISENMILLER: This also passes 5-0.

2 Thank you.

3 MR. CHAUDHRY: Thank you, Commissioners.

4 CHAIRMAN WEISENMILLER: Let's go on to Item 10,
5 Sustainable Freight Transportation Demonstration Projects

6 MR. RILLERA: Good morning Chair and
7 Commissioners. My name is Larry Rillera. I'm with the
8 Fuels and Transportation Division.

9 With a growing awareness of economic and
10 environmental challenges facing California's ports,
11 Commissioner Scott initiated an effort to engage with
12 various ports throughout California as they develop and
13 implement sustainable practices. The Port Energy
14 Collaborative provides a forum for the Energy Commission
15 and the ports to come together to discuss important energy
16 issues, mutual challenges, and opportunities for
17 transitioning to alternative and renewable energy
18 technologies.

19 Utilizing this effort and other stakeholder
20 outreach meetings, staff developed a funding opportunity
21 for the deployment of sustainable freight projects in
22 California. Today, I am seeking approval of three
23 agreements resulting from this solicitation, funded by the
24 Alternative and Renewable Fuel and Vehicle Technology
25 Program.

1 The purpose of the solicitation was to fund
2 advanced technology vehicle and equipment demonstrations at
3 California's seaports. These demonstration projects will
4 help develop vehicle technologies, which reduce greenhouse
5 gas emissions, improve air quality, reduce petroleum fuel
6 consumption, enhance market acceptance leading to their
7 procurement all while benefitting the disadvantaged
8 communities.

9 Item 10a, with the City of Long Beach Harbor
10 Department or Port of Long Beach, will demonstrate nine
11 electric rubber tired gantry cranes, twelve battery
12 electric drayage trucks, and four natural gas hybrid
13 electric trucks.

14 Item 10b, with the South Coast Air Quality
15 Management District, will lead a project to demonstrate at
16 least twenty yard tractors utilizing low NOx natural gas
17 engines, one battery electric drayage truck, and one
18 battery electric top handler with wireless charging. This
19 demonstration will be conducted at the San Pedro Bay ports
20 in Southern California.

21 Item 10c, with the City of Los Angeles Harbor
22 Department or Port of Los Angeles, will demonstrate two
23 battery electric top handlers and three battery electric
24 yard tractors.

25 These projects represent great examples of the

1 Energy Commission's efforts to support implementation of
2 the California Sustainable Freight Action Plan,
3 California's transportation electrification activities, as
4 well as the missions of the Port Energy Collaborative, and
5 Zero-emission Vehicle Action Plan.

6 With that, I would like to thank you for your
7 consideration of these items and note that project
8 proponents are in the room to respond to questions and
9 present. Thank you.

10 CHAIRMAN WEISENMILLER: Great. Thank you.

11 So let's start in the room. I guess we have -- I
12 was going to ask each of you -- Port of Long Beach, why
13 don't you come up and say a few words.

14 MR. ARMS: I'll keep it brief. Good morning,
15 Commissioners. It's my pleasure to be here. I'm Matt
16 Mars. I'm the Assistant Director of Environmental Planning
17 for the Port of Long Beach and I just want to thank you for
18 considering this opportunity.

19 This project will significantly advance our
20 transition to zero emissions by testing innovative clean
21 air technologies in a real world environmental down in the
22 ports. And it's so critical to commercializing with these
23 technologies, so again thank you for your consideration and
24 thank your staff for all your support.

25 CHAIRMAN WEISENMILLER: Thank you.

1 How about South coast?

2 MR. CHOE: Good morning. My name is Brian Choe.
3 I'm a Program Supervisor in the Technology Advancement
4 Office of the South Coast Air Quality Management District.
5 And first, I'd like to thank you for this opportunity to
6 provide a comment in support of these projects, especially
7 for the 10b item.

8 The South Coast Air Basin as a region, is facing
9 a significant challenge to meet stringent air quality
10 standards for both ozone and fine particulate matters.
11 Based on our 2016 AQMP it will require additional
12 reductions of NOx emissions by 43 percent by 2023, and 55
13 percent by 2031, to meet these standards. These
14 reductions, I might add, are above and beyond what can be
15 actually achieved even with the full implementation of the
16 already-adopted regulations and programs.

17 All the sources in goods movement sectors, both
18 on and off-roads, make up the large portion of NOx
19 (indiscernible) emissions in our basin with adverse impact
20 in air quality and public health. Particularly in the
21 Spanish communities adjacent to the Ports of Los Angeles
22 and Long Beach, that are disproportionately impacted by
23 goods movement activities.

24 In order to mitigate these emissions and further
25 reduce petroleum usage with significant greenhouse gas

1 reduction benefits our agency strongly supports and closely
2 worked together with both ports to accelerate development
3 and deployment of zero and near zero emission technologies
4 in cargo transport and handling operations.

5 We believe a successful demonstration of these
6 technologies that are here recommended today, will
7 accelerate commercialization of not only these
8 technologies, but other zero and non-zero emission
9 technologies in support of the State's Sustainable Freight
10 Action Plan. As well as helping to reduce both NOx and PM
11 emissions in our Basin.

12 In closing, I'd like to thank the Commissioners
13 in advance for funding this worthy project and look forward
14 to working with the CEC in the implementation of the
15 project. Thank you.

16 CHAIRMAN WEISENMILLER: Thank you. Thanks for
17 being here.

18 Port of Los Angeles?

19 MR. ATKINS: Good morning, Commissioners. I'm
20 Carter Atkins, Environmental Specialist from the Port of
21 Los Angeles. I have a few written remarks here.

22 First of all, I'm very excited for your
23 consideration of the Port of Los Angeles Everport Advanced
24 Cargo Handling Demonstration Project. As you may be aware
25 the Port of Los Angeles and Long Beach implemented the

1 Clean Air Action Plan in 2006 to reduce emissions at ports
2 and the surrounding communities by 45 percent within five
3 years. This aggressive goal was reached within the first
4 three years of implementation.

5 In 2010 the ports strengthened the CAAP to
6 include long-term goals known as the San Pedro Bay
7 Standards to significantly reduce emissions of diesel
8 particulate matter, nitrogen oxide, sulfur oxides as well
9 as health risk impacts associated with the port-related
10 sources in 2014 and 2023. But as cargo throughput
11 continues to grow, emissions will grow. And we need new
12 strategies to protect these gains and continue to reduce
13 emissions each year.

14 The main reason we are currently updating the
15 cap, which is the Clean Air Actions Plan, the scope or the
16 framework of the CAAP update will continue to look at the
17 five major mobile source categories of air pollution in and
18 around the ports. In addition, the CAAP will be expanded
19 to address the next evolution of port-related mobile source
20 strategies, zero emission strategies, greenhouse gas
21 reductions, energy strategies and supply chain
22 optimization.

23 The ports have been moving forward towards zero
24 emissions through funding demonstrations of low emission
25 equipment and vehicles through the ports' very own

1 technology advancement program where ports fund projects
2 focused on reducing emissions, and assisting to make
3 technologies commercially available. We have an advisory
4 committee that consists of members of the CEC, CARB, EPA
5 and SCAQMD. Several noteworthy projects included the Foss
6 Hybrid tugboat, natural gas switcher locomotive and the
7 Maersk Energy Efficiency Ocean Going Vessel Project.

8 The Port of Los Angeles Zero Emission Whitepaper
9 addresses the state of zero emission technology and
10 recommends accelerated penetration of zero emission cargo
11 handling equipment to be demonstrated at the Port. Our
12 goal is to have 200 pieces of equipment demonstrated at the
13 Port by 2020. This effort is being satisfied through grant
14 funding opportunities.

15 Again, the Port of Los Angeles remains committed
16 to supporting and sharing the information about advanced
17 vehicle demonstrations through the CEC's Port Collaborative
18 Working Group. We want to thank you all again for the
19 existing grant to fund the Advanced Yard Tractor Project
20 and ITS Project at the Port.

21 For the grant awarded the Port of L.A. has been
22 aggressively pursuing grant funding to demonstrate near
23 zero and zero emission projects to meet our aggressive CAAP
24 and zero emission goals. This project, as Larry mentioned,
25 will demonstrate two Taylor Machine Works zero emission

1 battery electric top handler and three BYD yard tractors,
2 which are also zero emission battery electric. What's
3 unique about this project, not only is the top handler
4 first of its kind, but we will be connecting the yard
5 tractors with the smart charger automated charging system.
6 Where effectively the vehicle is charged, the connection
7 and disconnection is automatic.

8 And this project will build on the existing yard
9 tractor demonstration already with the Everport Terminal
10 known as the Everport Zero Emissions Pathway Concept.
11 Which is effectively where goods are moved from the ship to
12 cargo-handling equipment to on-road or rail using
13 conventional human-powered near zero and zero emission
14 equipment. Targeting top handlers and yard tractors
15 maximizes the opportunity for increased penetration of zero
16 emission cargo handling equipment. Future projects linked
17 to this zero emission pathway concept could include
18 expanding the number of top handlers and/or demonstrating
19 the electric hybrid gantry cranes.

20 Thank you again, Commissioners, for your
21 consideration.

22 CHAIRMAN WEISENMILLER: Thank you. Thanks for
23 being here.

24 Anyone else in the room? Any comments from
25 anyone on the phone?

1 (No audible response.)

2 Okay. Let's transition to Commissioner Scott.

3 COMMISSIONER SCOTT: Well, I think this is a
4 fantastic project. I want to say thanks so much to Matt
5 and Carter and Brian for being here today. And I really
6 appreciate the partnership that we have with the ports here
7 in California.

8 In 2015, as Larry mentioned in his remarks, we
9 started a collaborative with the ports kind of based on the
10 Department of Navy model that Chair Weisenmiller leads. To
11 really look at things that are energy related that are
12 things the state is trying to demonstrate, but also the
13 ports are -- a lot of it's transportation related, but some
14 of it is micro grids and resilience. And so you guys have
15 been great partners, so we're delighted to have a chance to
16 do some real-world demonstrations.

17 My understanding is the top handlers that you
18 heard both that'll be at Long Beach and L.A. have some of
19 the toughest duty cycles at ports. And so if you can
20 figure out how to make those zero emissions hopefully the
21 rest will be easy after that. So it's great to have some
22 demonstrations there.

23 And the other thing that I'm really excited about
24 with these partners is with these projects, is these are
25 some concrete actions that the Energy Commission is taking

1 to help support the Governor's Executive Order on
2 Sustainable Freight, and really start demonstrating some of
3 the technologies that we'd like to see in that space.

4 So I see that David would like to add some
5 comments.

6 COMMISSIONER HOCHSCHILD: Yeah. No, I just --
7 it's a \$25 million item and I just wanted to take note of
8 its significance. Because at the Energy Commission we've
9 sort of had these areas of focus on the relationship with
10 the military basis, with the ports, I've done some work
11 with the prisons. And ports are really unique though in
12 just the volume of traffic and the volume of emissions that
13 are at stake.

14 And often also the close proximity to
15 disadvantaged communities and I think the impact can be
16 extraordinarily positive as we seek to promote clean
17 technologies here. And I really wanted just to acknowledge
18 Commissioner Scott's work, because I think in a way this
19 actually ties together your work in Ports and
20 Transportation with your leadership on the disadvantaged
21 community piece quite beautifully.

22 And it's some exciting times right now.
23 Obviously Tesla made some big waves with their announcement
24 of going to these battery electric semi-trucks. You know,
25 whether or not that materializes we'll see. But we're in a

1 very exciting moment, so I wanted to thank you personally
2 for leading on this and happy to support this.

3 COMMISSIONER SCOTT: Thank you. If there are no
4 other comments, I will move approval of Item 10.

5 COMMISSIONER HOCHSCHILD: Second.

6 CHAIRMAN WEISENMILLER: All those in favor?

7 (Ayes.)

8 CHAIRMAN WEISENMILLER: This passes 5-0. Thanks.

9 Let's go on to Item 11, Cerritos Community
10 College District.

11 MR. NICHOLS: Good morning, Chair and
12 Commissioners. My name is David Nichols from the Zero
13 Emission Vehicle Infrastructure Office. I'm here today
14 seeking your approval of a \$1 million agreement with
15 Cerritos Community College District, who is host to the
16 Advanced Transportation and Technology Energy Center, an
17 initiative of the California Community Colleges
18 Chancellor's Office to develop multiple pilot programs to
19 increase high school students' interest in clean
20 transportation careers. Under this agreement, ATTE will
21 provide opportunities to increase growth in the clean
22 transportation field.

23 The Centers of Excellence, a Division of the
24 California Community College Chancellor's Office, funded
25 under a previous ARFVTP agreement recommended that

1 increasing career awareness for clean transportation
2 careers would benefit from early exposure by students prior
3 to them entering college. ATTE successfully developed and
4 implemented a plan that provided ARFVTP funding for seven
5 regions throughout California and fifteen community college
6 clean transportation programs.

7 Through existing energy academies and career
8 technical education pathways, ATTE is uniquely qualified to
9 help the program increase workforce interest for clean
10 transportation through hands-on training with advanced
11 vehicle technologies. These efforts will focus on
12 underserved communities and assist students with a pathway
13 choice that gives them an opportunity to matriculate into
14 college training programs, increasing their opportunities
15 for greater personal economic success and serve this new
16 field's growth needs.

17 I thank you for your consideration today. And
18 we're available to answer any questions you may have.

19 CHAIRMAN WEISENMILLER: Thank you.

20 Any comments from anyone in the room? Anyone on
21 the line?

22 (No audible response.)

23 CHAIRMAN WEISENMILLER: Then let's go to the
24 Commissioners.

25 COMMISSIONER SCOTT: Sure. I will just note on

1 this particular component of the Alternative and Renewable
2 Fuel and Vehicle Technology Program I love that we have a
3 workforce training component where we are able to work on
4 having a well-trained workforce. I love that they are
5 looking at kids who are in high school and pre-college to
6 bring them into the clean transportation field.

7 And yeah, that's all I have to say on this one,
8 but I really like the component of the program. So I will
9 move approval of Item 11.

10 COMMISSIONER MCALLISTER: I'll second.

11 CHAIRMAN WEISENMILLER: All those in favor?

12 (Ayes.)

13 CHAIRMAN WEISENMILLER: This passes 5-0. Thank
14 you.

15 MR. NICHOLS: Thank you.

16 CHAIRMAN WEISENMILLER: Let's go on to Item 12,
17 Community Scale and Commercial Scale Advanced Biofuels
18 Production Facilities.

19 MR. HOM: Good Morning Commissioners. My name is
20 Andrew Hom, Air Resources Engineer from the Fuels and
21 Transportation Division in the Emerging Fuels and
22 Technologies Office.

23 I'm here today to present to the Energy
24 Commission three grant agreements for possible approval.
25 These three projects were proposed for funding through

1 Grant Funding Opportunity-15-606, the community-scale and
2 commercial-scale advanced biofuels production facilities
3 solicitation.

4 The first project I'm seeking approval for today
5 is Tracy Renewable Energy. Tracy Renewable Energy is
6 requesting nearly \$5.2 million to design, build and operate
7 an ethanol facility that will produce over 15.5 million
8 diesel gallon equivalents of ethanol annually.

9 Located in the City of Tracy, California the
10 facility will utilize locally grown sugar beets as
11 feedstock and will support 20,000 acres of local farming.
12 The ethanol facility is also part of a larger integrated
13 campus, which will include a desalination plant and
14 renewable electricity facility that collectively, will
15 efficiently produce low-carbon fuel for transportation,
16 renewable electricity, and clean water in the greater Tracy
17 area. Tracy Renewable Energy will provide over \$10.3
18 million in match funding for the proposed ethanol facility.

19 The second project I'm seeking approval for is
20 the City of Manteca. The City of Manteca is requesting
21 just over \$3 million to design, construct, and operate a
22 biomethane facility, which will produce at least 140,000
23 diesel gallon equivalents of low-carbon renewable natural
24 gas per year utilizing co-digested food waste and sewage
25 sludge.

1 The project will be located in the City of
2 Manteca, California, at the Manteca Wastewater Quality
3 Control Facility. And includes construction of organic
4 waste receiving facilities, RNG treatment and production
5 facilities, and CNG fueling stations. The City plans to
6 fuel its City-owned fleet with the fuel produced and will
7 be a scalable model for small and medium communities with
8 goals of waste recovery, decreasing dependence on fossil
9 fuels, and reducing GHG emissions. The City of Manteca
10 will provide over \$3.4 million in match funding for this
11 project.

12 The final project that I am seeking approval for
13 is CR&R Incorporated. CR&R is requesting just over \$3
14 million to construct and operate their third anaerobic
15 digester at the material recovery and transfer station in
16 Perris, California. The expansion of their facility will
17 allow CR&R to accept an additional 229 tons of waste per
18 day to produce more than 960,000 diesel gallon equivalents
19 of additional biomethane per year. The biomethane produced
20 from this project will have a carbon intensity of negative
21 22.93 grams of CO₂e/MJ. CR&R will use the biomethane to
22 fuel its CNG fleet, and all excess fuel will be injected
23 into the SoCalGas natural gas pipeline for other
24 transportation users.

25 This project would be a first for a California

1 biomethane producer to commercially inject into the
2 pipeline. CR&R Incorporated will provide over \$8.6 million
3 dollars in match funding for this project.

4 Staff is asking today for two actions for each of
5 the three proposed projects. The first is to adopt CEQA
6 findings that the three proposed projects will have no new
7 significant or more severe environmental impacts than those
8 already considered and mitigated to a less-than-significant
9 level.

10 The second action is to approve the three
11 Agreements in Item 12.

12 Thank you for your consideration of these items.
13 Frank Schubert and Paul Koehler are on the phone for Tracy
14 Renewable Energy and Rich Silverman, Greg Showerman, Mark
15 Houghton, and Bret Swain are here in attendance for the
16 City of Manteca. Thank you.

17 CHAIRMAN WEISENMILLER: Great. Thank you.

18 So let's start with comments from those in the
19 room. Please, would the three representatives of Manteca
20 why don't you each come up sequentially, introduce yourself
21 for the record, and please go ahead.

22 MR. HOUGHTON: Thank you Mr. Chair. My name is
23 Mark Houghton. I'm the Director of Public Works for the
24 City of Manteca. With me today, actually I've got
25 Councilman Rich Silverman; our Design Engineer or Project

1 Manager Bret Swain, the Design Engineer on the project,
2 Greg Harris and our other consultant, Larry Buckle. We
3 really appreciate the opportunity to work with the
4 Commission and to work with staff and we think this is a
5 great project for the community and for the state.

6 The City has a number of goals that this works
7 with. We have goals to improve our air quality, to improve
8 energy efficiency, and reduce greenhouse gas emissions.
9 And three years ago when we started this process, we came
10 up with a plan that we thought would facilitate all those
11 goals. And that plan called for us to be improving,
12 expanding our digester capacity, diverting much of our
13 organic waste stream into that and using those digesters to
14 produce biomethane, which would then fuel our waste
15 collection fleet.

16 It seemed like a fairly good plan, it was
17 supported. The City Council supported us in our efforts.
18 We've been out seeking funding to make it cost effective
19 for the community, so we really appreciate the support from
20 the state.

21 The City has invested over \$20 million already in
22 this process increasing the capacity digesters. And we
23 look forward to partnering with the CEC to make this a
24 successful model for other communities in the state.

25 With that I'll turn it over to Mr. Silverman.

1 COUNCILMAN SILVERMAN: Good morning, Rich
2 Silverman, City Councilman, City of Manteca. On behalf of
3 the Mayor and the Council and the people that we represent,
4 the City of Manteca would like to thank the Commission for
5 this opportunity.

6 We believe that our Waste To Fuel Program is a
7 great win-win opportunity, both for the State of California
8 and the City of Manteca. We will work together to promote
9 a truly effective green energy initiative in our region and
10 the state. The support of the CEC on this program will
11 greatly improve the likelihood of a very successful program
12 with a very likely successful outcome. Thank you.

13 I'll turn it over to Bret for details on our
14 program.

15 CHAIRMAN WEISENMILLER: Great. Thank you.

16 MR. SWAIN: Thank you, Mr. Silverman.

17 First, I just want to mention for the City, we
18 actively seek to promote opportunities to cost effectively
19 improve the wellbeing of our community. This is going to
20 be very helpful in our community to managing our cost on
21 our programs in the long run, and providing better air
22 quality.

23 This innovative Waste To Fuel Program will cost
24 effectively aid the City in substantially reducing the
25 greenhouse emissions from our municipal operations.

1 Additionally, it will help the City produce a clean,
2 sustainable, low-carbon fuel grade SAE J1616 quality
3 biomethane from the waste biogas and waste food and FOG
4 that are in the City to reduce our diesel consumption.

5 The City has already included all the projects
6 necessary to do this in our capital improvements program to
7 develop what we call our Waste To Fuel Program. This whole
8 thing is a larger program of capital improvements projects
9 in multiple venues to deal with separation of food waste
10 from our garbage, conveyance and receiving of the food
11 waste to then inject it into our digestion systems for co-
12 digestion.

13 Additionally, we will be dealing with FOG
14 receiving to receive FOG in our systems and organizing
15 initiatives to have FOG vendors. The collectors bring it
16 into the City.

17 On top of that we're developing the obvious
18 production, which is what we're here to talk about today.
19 And then we will be developing dispensing facilities to
20 dispense the fuel to the solid waste fleet and other
21 vehicles in our fleets.

22 The first step in this, which is what we're to
23 talk about today in our Waste To Fuel Program, is the
24 Digester Improvements Project, which will be improving our
25 digester system for production of the gas, injection of the

1 feedstocks, and then the production will then be scrubbed
2 and polished to remove sulfur and some other lower quality
3 stuff. It'll produce a low-quality material.

4 From this, we will be working to develop the CNG
5 fueling station, which will include the final polishing of
6 the gas to create the J1616 fuel quality gas.

7 This is an anaerobic co-digestion process. As I
8 said, we will be collecting feedstocks that include fats,
9 oils and grease. We also have current feedstocks for the
10 biosolids. The current treatment process is the wastewater
11 plant relies on anaerobic digestion.

12 We are developing new digesters that will work in
13 concert with that to help fuel this program.

14 The diversion of the feedstocks for the current
15 disposal program will help reduce the greenhouse emissions
16 that occur from land disposal of these feedstocks. It will
17 also help reduce greenhouse emissions from things such as
18 the FOG. The FOG delivery from the Modesto Stockton area
19 currently has to go up to Sacramento or over to East Bay
20 Mud. That is a 60-mile one-way trip for all those trucks
21 delivering the FOG. This will reduce the proximity and
22 conserve significantly on the mileage for the FOG delivery.

23 Additionally, we currently flare our biogas,
24 because we don't have a current use for it. So this will
25 reduce the loss of that biogas we generate from the

1 anaerobic digestion of our sludge. Our digestion sludge is
2 required to meet our Class B biosolids generation, so it's
3 a process we already have to do. We're going to be
4 collecting that flared gas and utilizing that in this
5 process.

6 In the end this is going to produce, as I said, a
7 renewable CNG fuel-quality gas that we will be using to
8 fuel our heavy fleet in the City, which consists of our
9 solid waste fleet plus the heavier vehicles such as our
10 Vactor trucks.

11 We will be able to generate 380 DGE a day,
12 initially starting out, just off of the known identified
13 feedstocks fully within the control of the City. Those are
14 municipal feedstocks. Additionally, we receive some
15 interest from outside vendors such as the School District,
16 possibly the County and some of the other agencies within
17 our primary.

18 Manteca is in an ideal location for servicing
19 these. It lies on Highway 120, immediately between 5 and
20 99, so we're convenient for Stockton, Modesto, all the
21 cities in that area, Tracy.

22 This program will help meet some of the issues
23 that we have to deal with. This is a disadvantaged
24 community; 25,000 of the 75,000 people living in that area
25 will score higher than 75 percent on the CalEnviroScreen

1 2.0.

2 Additionally, our program will, through CARB LCFS
3 pathway modeling has been identified to substantially
4 reduce our carbon intensity, with a greenhouse offset of
5 approximately 9,000 metric tons of carbon dioxide
6 equivalence a year, just for our own feedstocks that are
7 fully in our control right now.

8 We have already undertaken all the steps
9 necessary including completing our CEQA documentation and
10 going through processes under the California Public
11 Contracts Code to initiate this program to start some of
12 the construction under it. Additionally, we are
13 undertaking a significant public outreach program in the
14 last two years to make the public aware and to get their
15 support in this program.

16 In summary, this program is shovel-ready. The
17 City has a viable, cost-effective renewable CNG production
18 of fueling facilities online and fully operational within
19 two to three years. We have other grants to deal with
20 other elements of the program that will require us to
21 complete it in that time, so we will be delivering gas in
22 that time. This project will work.

23 We feel that this is a worthwhile project for our
24 community and the state and we hope the Commission can see
25 the incredible opportunity and award the biofuels grant as

1 recommended by your staff. Thank you.

2 CHAIRMAN WEISENMILLER: Thank you.

3 Anyone else in the room with comments on this
4 item? Then let's transition to, I believe, folks on the
5 phone, which I believe we'll start with the Tracy
6 representatives.

7 MR. KOEHLER: Well, this is Paul Koehler, with
8 Pacific Ethanol. I believe Frank Schubert is also on the
9 phone. And just this project is a renewable fuel project
10 from sugar beets, so it's reinvigorating the sugar beet
11 production capacities in the Central Valley. And also
12 directing those to processing into renewable fuel and low-
13 carbon ethanol that will be used in the transportation
14 sector. So we're very excited about this project. We've
15 been working on it a long time with Tracy Renewable Energy,
16 which is the project company and Frank Schubert, the
17 sponsor of that company.

18 And certainly appreciate your support and
19 interest and open to any questions that you might have.

20 CHAIRMAN WEISENMILLER: Okay. Anyone else on the
21 line?

22 (No audible response.)

23 CHAIRMAN WEISENMILLER: Okay, so Commissioner
24 Scott?

25 COMMISSIONER SCOTT: I think as you've probably

1 heard, these three projects are good projects to help the
2 state meet our low-carbon fuel goals, which as you all know
3 ties back to achieving our federal Clean Air Standards and
4 to meeting our greenhouse gas goals in the state.

5 I want to say thank you so much to the City of
6 Manteca for being here. It's great to hear directly from
7 you about the project and about your Waste To Fuel Program.
8 And thanks also to Paul and Frank for being on the phone.

9 If there are no questions, I will move approval
10 of Item 12.

11 COMMISSIONER DOUGLAS: Second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.)

14 CHAIRMAN WEISENMILLER: This item passes 5-0.
15 Thank you. Thanks for being here.

16 Let's go on to Item 13, Zero Emission Vehicle
17 Regional Readiness and Planning.

18 MS. PUREWAL: Good Morning Commissioners. My
19 name is Sharon Purewal and I am a staff member in the Fuels
20 and Transportation Division's Zero-Emission Vehicle and
21 Infrastructure Office.

22 Today staff is seeking approval of three
23 agreements submitted under Grant Funding Opportunity 16-
24 601, which supports new and existing planning efforts for
25 zero-emission vehicles. Funding is provided through the

1 Alternative and Renewable Fuels and Vehicle Technology
2 Program.

3 Item 13a, proposed agreement with the Tuolumne
4 County Transportation Council for \$200,000, aims to improve
5 opportunities for zero emission vehicle readiness in the
6 Central Sierra Region and to resolve barriers to the
7 widespread deployment of public and private zero emission
8 vehicle infrastructure.

9 Activities for this project include developing a
10 Zero Emission Vehicle Readiness Plan for the Central Sierra
11 Nevada Region, which includes Alpine, Amador, Calaveras,
12 and Tuolumne Counties; maintaining a regional plug-in
13 electric vehicle coordinating council; creating zero
14 emission vehicle guidelines for permitting, installation,
15 and inspection; conducting site analyses for ZEV
16 infrastructure deployment and analyzing the feasibility of
17 zero emission vehicle adoption in municipal fleets.

18 Item 13b, the goal of a proposed agreement with
19 the San Bernardino Council of Governments for \$181,000, is
20 to conduct an analysis of zero emission vehicle demand and
21 current infrastructure in the County and provide a region-
22 specific roadmap for future zero emission vehicle
23 infrastructure.

24 Activities for this project are to create an
25 informal working group, to incorporate interested cities

1 during the plan development process, assess countywide zero
2 emission vehicle demand and infrastructure in each city to
3 set the stage for identifying infrastructure needs,
4 evaluate electric vehicle charging infrastructure
5 opportunities at Metrolink and transit stations to
6 encourage the zero emission vehicle transit link. And
7 evaluate electric vehicle charging infrastructure
8 opportunities at municipalities, government agencies, major
9 employer worksites, retailer destination locations and
10 multi-unit dwelling locations.

11 Item 13c, proposed agreement with the Sacramento
12 Metropolitan Air Quality Management District for nearly
13 \$300,000, will create a regional plan to support zero
14 emission vehicle deployments. This regional plan will
15 identify infrastructure, policies, incentives, and
16 processes that will encourage the adoption of zero emission
17 vehicles, develop a blueprint that shows the optimal
18 locations for hydrogen stations and DC fast charging,
19 create zero emission vehicle infrastructure guidelines and
20 provide education, outreach, and training.

21 With that I would like to thank you for your time
22 and consideration of these items. I am available for any
23 questions you may have.

24 CHAIRMAN WEISENMILLER: Great. Thank you.

25 First, anyone in the room with any comments on

1 this item? Anyone on the phone?

2 (No audible response.)

3 CHAIRMAN WEISENMILLER: Okay. Then let's
4 transition to Commissioner Scott.

5 COMMISSIONER SCOTT: I don't have any additions
6 to the presentation, so I will move approval of Item 13.

7 COMMISSIONER MCALLISTER: Second.

8 CHAIRMAN WEISENMILLER: Okay. All those in
9 favor?

10 (Ayes.)

11 CHAIRMAN WEISENMILLER: This passes 5-0.

12 Let's go on to Item 14, DOE Lawrence Berkeley
13 National Lab.

14 MS. PERRIN: Good morning, Commissioners. I'm
15 Karen Perrin with the Energy Efficiency Research Office.
16 I'm recommending approval of this grant with Lawrence
17 Berkeley National Laboratory. This grant provides cost
18 share to a \$2 million Department of Energy grant.

19 The Energy Commission's grant was the result of a
20 competitively bid solicitation to leverage federal
21 investments that provide significant benefits to the
22 California IOU ratepayers.

23 The goal of this agreement is to reduce wasted
24 energy resulting from problems with building controls.
25 Even low-energy buildings have ignored or incorrectly

1 implemented controls with adverse impacts on performance,
2 costs and delays. This 37-month agreement's goal is to
3 develop a cost-effective software tool to boost energies,
4 building's efficiencies and performance. These tools could
5 enable commercial buildings to achieve their design
6 potential with less wasted energy.

7 This tool can reduce the disconnect between
8 building designers and operators and makes a strong
9 business case for designers, control contractors and
10 control manufacturers to adopt the new technology. The
11 targeted market is medium and large commercial buildings,
12 which typically have programmable control systems.

13 This agreement will use technology and software
14 to simplify the implementation of advanced control
15 strategies and will use methods that are already well
16 established in other industries, and adapt them to building
17 design, construction and operation.

18 The resulting tools will support retrofit and new
19 construction. Testing and demonstration will be at LBNL
20 and several Bay Area commercial buildings. The tool is
21 estimated to reduce energy use in buildings by an estimated
22 12 percent.

23 I request approval of this agreement and I am
24 happy to answer questions.

25 CHAIRMAN WEISENMILLER: Great. Thank you.

1 First, any comments from anyone in the room?

2 Anyone on the line?

3 (No audible response.)

4 CHAIRMAN WEISENMILLER: Anyway, then we'll
5 transition to Commissioners.

6 Obviously, one of the things is always to convert
7 the science into things that users can actually relate to.
8 And we have strong goals in the area of commercial
9 buildings and energy efficiency and so this should be a
10 helpful design tool.

11 We've also historically done a lot to help people
12 with cost sharing for federal grants. Now having said
13 that, I think everyone's aware that there was at least some
14 issue of whether the Department of Energy and RPE existing
15 contracts are being stalled, or whatever. And so just as
16 we did a survey earlier this year across the various
17 campuses on how much clean tech money comes into
18 California, and how much of that is climate related, we've
19 just started a survey this week on which contracts, if any,
20 are being held up with California institutions. And again,
21 trying to figure out our game plans on that.

22 COMMISSIONER MCALLISTER: Yes. I'm very excited
23 about this project and surprised Felicia doesn't want to
24 make a comment here, but breaking from form but that's
25 okay.

1 But I think this interfaces a lot with obviously
2 the energy efficiency field and also with grid phasing as
3 well. I mean good management of buildings is also good for
4 a potential demand response and all the other things that
5 we're interested in, so it enables a lot of nice things to
6 happen both inside and outside the building. So this user
7 interface work is super important on the behavior front and
8 gets real results, so it's good that we're supporting this.

9 So any other comments? No, so I'll move Item 14.

10 COMMISSIONER DOUGLAS: Second.

11 CHAIRMAN WEISENMILLER: All those in favor?

12 (Ayes.)

13 CHAIRMAN WEISENMILLER: This passes 5-0. Thank
14 you.

15 Let's go on to Item 15, Advanced Vehicle Grid
16 Integration Research and Demonstration.

17 MR. PRATT: Good morning, Chair and
18 Commissioners. I am Kiel Pratt from the Energy Systems
19 Research Office. Item 15 encompasses five out of the nine
20 agreements proposed for awards under the EPIC solicitation
21 titled, "Advanced Vehicle-Grid Integration Research and
22 Demonstration." The other agreements appeared or will
23 appear at different business meetings.

24 The solicitation called for applications to fund
25 projects for Applied Research and Development as well as

1 for Technology Demonstration and Deployment. Its technical
2 project requirements stemmed from initiatives under the
3 Second EPIC Triennial Investment Plan.

4 The solicitation's goals include funding projects
5 to integrate plug-in electric vehicles, PEVs, into the
6 grid, to enable higher renewable energy penetration and to
7 improve the commercial viability of PEVs.

8 Item 15a, an agreement with the Stanford
9 University Board of Trustees, is to develop the Smart
10 Charging Infrastructure Planning Tool or SCRIPT. SCRIPT
11 will address the trade-off between maximizing charging
12 infrastructure utilization, and building more
13 infrastructure to spur flexibility and growth. An expanded
14 infrastructure network where stations are less busy, allows
15 vehicles to stay plugged in longer than the minimum time
16 required to finish charging, and so allows flexibility for
17 smart charging at a certain cost. SCRIPT will analyze this
18 tradeoff and perform a cost-benefit analysis from the
19 points of view of different stakeholders.

20 Item 15b with Prospect Silicon Valley is a
21 transit bus vehicle-grid integration or VGI project. It
22 will develop advanced energy management and grid service
23 capabilities for the Santa Clara Valley Transportation
24 Authority's electric buses. The capabilities will be
25 integrated into fleet operations to demonstrate

1 improvements in the business case for electric buses.

2 Item 15c with Lawrence Berkeley National
3 Laboratory is titled, "Advanced VGI Control to Maximize
4 Battery Life and Use of Second-Life Batteries to Increase
5 Grid Service and Renewable Power Penetration." This
6 project will continue the vehicle-to-grid or V2G
7 demonstration currently active at Los Angeles Air Force
8 Base. And will replace certain vehicle batteries and use
9 the old batteries in a stationary second-life application.

10 Those batteries will complement the V2G resource
11 and provide valuable data and services as the base
12 continues to participate in the California ISO frequency
13 regulation market.

14 Item 15d with Motiv Power Systems involves
15 electric delivery trucks at AmeriPride Services locations
16 in disadvantaged communities in four cities. It will
17 develop onboard smart charging and bi-directional charging
18 equipment to reduce the need for external charging station
19 upgrades, thereby expanding VGI options for medium and
20 heavy-duty vehicle fleets. Data will be collected on
21 demand charge mitigation and VGI activities to validate the
22 technology and the economic benefits.

23 Item 15e, with The Zero Net Energy Alliance
24 involves the Antelope Valley Transit Authority as a
25 partner. And will address economic and operational issues

1 that only emerge with larger-scale electric transit bus
2 deployments. It will disseminate best practices in
3 electric transit bus planning, procurement, operations,
4 maintenance, and grid integration to accelerate adoption
5 throughout California.

6 Staff recommends approval of these agreements,
7 and I and the other agreement managers are available for
8 any questions. Thank you.

9 CHAIRMAN WEISENMILLER: Thank you.

10 First, any comments from anyone in the room?
11 Anyone on the line?

12 (No audible response.)

13 CHAIRMAN WEISENMILLER: Okay. Let's transition
14 to the Commissioners.

15 This is an exciting next step. I think if you go
16 back six years or so, the only vehicle-to-grid demo with
17 some professor's car in New Jersey. And we decided to work
18 with the L.A. Air Force Base to get something more
19 meaningful and ended up with like 150 vehicles.

20 This is still really playing at science. I mean
21 this is something if you try to do it at home you're going
22 to void your battery warrantee, so I discourage you from
23 doing that. But anyway, it took at least three years to
24 deal with interconnection issues with Edison on this, which
25 has resulted in obviously some delays in needing to extend

1 the LBL work in this area. It's actually kind of shout out
2 to Nancy Lyon for helping me trying to get Edison.

3 Just the reality on the interconnection agreement
4 that was for the ISO, and for Edison, it's sort of like
5 step one are you a load or a resource? Well, storage can
6 be either, so it's a quick way to stumble your way through
7 the interconnection agreement as you try to figure out how
8 to realize it. So it was certainly at the bleeding edge of
9 this stuff trying to work through and hopefully making a
10 lot easier now.

11 But again this is really important to continue
12 this. It's interesting to also extend into some of the
13 larger vehicles. Obviously at some point we're going to
14 ask the question of what happens to the warrantees on the
15 batteries on the larger vehicles? I assume they have maybe
16 the same issue as we had with the leafs. (phonetic)

17 MR. PRATT: Well, there is a need to characterize
18 the battery degradation, not just for different vehicle
19 types, but for different grid services, which would have
20 different duty profiles.

21 CHAIRMAN WEISENMILLER: Right.

22 And so we have a vehicle-to-grid road map with
23 PUC and CalISO that's been around for a while. One of the
24 things we're going to do in this IEPR is look at dusting it
25 off, figure out how to adjust it as we move forward,

1 particularly based upon our existing experience.

2 So anyway, these are important steps, which are
3 trying to demonstrate and play out and demonstrate the
4 capabilities of this option.

5 COMMISSIONER SCOTT: I got a terrific briefing
6 from Kiel on these projects. They're really exciting and
7 to underscore something that you said, Chair, having Motiv
8 work on the medium-duty space and having Proterra and BYD
9 working in the medium-duty to heavy-duty space is really
10 exciting, because we're moving kind of from light-duty to
11 the medium-duty and heavy-duty sectors. And I think these
12 are some of the first projects in that area, so it's very
13 exciting.

14 COMMISSIONER MCALLISTER: Yeah. I'm excited to
15 kind of get to the point where we really do understand this
16 well enough, so that we can have rates that incentivize
17 behavior. And so customers can actually make an informed
18 decision about how much they're willing to provide these
19 services to the Grid. And I think that once we sort of
20 automate and have that down then it's going to be a big,
21 big deal. So that's who we need to scale.

22 COMMISSIONER MCALLISTER: Others? No, okay I'll
23 move this item.

24 COMMISSIONER SCOTT: Second.

25 CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.)

2 CHAIRMAN WEISENMILLER: So this passed 5-0.

3 Let's go on to 16, Advanced Cutting Edge
4 Technologies and Strategies to Reduce Energy Use and Costs
5 in the Industrial, Agricultural and Water Sectors,

6 MR. GHANDI: Good morning, Commissioners. My
7 name is Cyrus Ghandi from the Energy Efficiency Research
8 Office. Today, I'm seeking approval for two applied
9 research and development projects, that resulted from a
10 competitive solicitation focusing on energy efficiency and
11 demand response technologies for the industrial,
12 agriculture and water sector

13 The first project is with EPRI titled, "Develop
14 and Pilot Test Flexible Demand Response Control Strategies
15 for Water Pumping Stations and Industrial Refrigeration
16 Plants." Industrial and water sector processes are prime
17 candidates for demand response, because they have inherent
18 water storage and thermal mass capacities. However, much
19 of the technology and automation is yet to be developed and
20 tested.

21 This project will develop and pilot test a
22 flexible energy management system for municipal water
23 pumping plants and industrial refrigeration plants that
24 incorporates real-time data to achieve fast demand
25 reductions and flexible demand adjustment in response to

1 demand response and market signals.

2 The goal is for the energy management system to
3 achieve at least 20 percent peak demand reduction. The
4 refrigeration pilot site is located in a disadvantaged
5 community at the Port of Long Beach and the water pump
6 station serves East Los Angeles. This 42-month project
7 also has \$465,000 in match funding.

8 The second project is, "Advancing Demand Response
9 in the Water Sector," with the Regents of the University of
10 California on behalf of the Davis campus's Center for
11 Water-Energy Efficiency. Currently, water distribution
12 systems are managed by meeting customer water demands,
13 which fluctuate throughout the day and over the course of a
14 week. There is a gap in the knowledge of how to
15 effectively manage the energy demands of hundreds of pumps
16 within a distribution system, while still ensuring customer
17 water demands are sufficiently met.

18 This project aims to develop a demand management
19 system and an operational strategy to enable a water
20 utility to reduce costs by participating in load shifting
21 and demand response. UC Davis will combine water system
22 hydraulic modeling, and data acquisition, to analyze the
23 energy loads of the Moulton Niguel Water District in Orange
24 County.

25 This project will focus on optimizing energy

1 demand management under different electricity rate
2 structures for both the potable and recycled water systems
3 at the water district. The estimated average demand
4 response savings in terms of reducing or shifting peak
5 energy loads for this project is 25 percent. This 42-month
6 project will benefit from slightly over \$100,000 in match
7 funding.

8 Thank you for your consideration and I'm
9 available to answer any questions you may have.

10 CHAIRMAN WEISENMILLER: Thank you.

11 Any comments from anyone in the room? Please,
12 come up and introduce yourself. If you'll give the court
13 reporter a card, that would be great.

14 MR. COLEMAN: Thank you Chair Weisenmiller and
15 Commissioners. My name is Andrew Coleman with the Electric
16 Power Research Institute. EPRI appreciates this
17 opportunity to embrace this research project on flexible
18 energy management.

19 And as Cyrus said we're working on two sites.
20 One of them is an urban water facility on water pumping at
21 Cal Water's Montebello station and the second is an
22 industrial refrigeration site at Lineage Logistics at the
23 Port of Long Beach.

24 One of the things I wanted to mention about this
25 particular project is that we're going to be working to

1 demonstrate the demand response for inherent storage and
2 both facilities, which are used for pumping and the other
3 one will be used for refrigeration, there's some expected
4 outcomes that we hope to derive. Some of them might be
5 reduction in the wear and tear of some of the equipment at
6 both sites. We hope that it will reduce risks of those
7 pieces of equipment, and also we hope that some of the
8 outcomes reduces safety issues.

9 And hopefully the benefits from some of this DR
10 work and EE work will lower costs to both the water
11 customers and to ratepayers in the State of California. As
12 Cyrus said, both sites are in disadvantaged communities.

13 So we see opportunities for shedding, shifting,
14 and adjustment in power demand. And key enablers for fast
15 and flexible DR. So thank you very much to the
16 Commissioners for your consideration for this project. We
17 appreciate it.

18 CHAIRMAN WEISENMILLER: Thank you. Thanks for
19 being here.

20 Anyone else in the room, anyone on the phone?

21 (No audible response.)

22 CHAIRMAN WEISENMILLER: Okay. Then let's
23 transition to the Commissioners. Again, this is an EPIC
24 project that's particularly important as we deal with the
25 water/energy nexus. And it's sort of -- when you talk

1 about demand response, the reaction certainly from say the
2 Germans or anyone else, is that California has this
3 incredible water system, which we would like to think could
4 be used in some fashion to help on demand response. So far
5 if anything it's sort of dropped in terms of amounts since
6 DWR dropped its contracts, but anyway hopefully we can make
7 some progress in this area.

8 COMMISSIONER MCALLISTER: Yeah, so I'm really
9 truly convinced that demand response is going to be a big
10 part of the solution here. Our buildings are platforms for
11 a lot of these technologies. But these projects as well,
12 this is going to be critical for flexibility in the system.
13 And our buildings and other load shiftable technologies,
14 flexible technologies are really -- those are the shock
15 absorbers for all of this renewables that we're going have
16 sloshing around in the system and that's going to be the
17 least cost solution.

18 I kind of feel like it might be time for us to
19 put together a really targeted resource to kind of raise
20 the profile of this non-generation flexibility issue. And
21 we call it demand response, but it really is a lot of
22 things. So I feel like there is a lot of leadership going
23 on here. We're really providing a lot of it and we've
24 funded a lot of stuff over time already. But some
25 resources along these lines to kind of help the marketplace

1 get its head around this and push it forward might be --
2 CHAIRMAN WEISENMILLER: I would invite you to the
3 workshop we have on (indecipherable) integration where
4 Elliot Mainzer from Bonneville Power Administration is, I
5 would say, one of the most creative folks in this whole
6 water system. And Elliot is actually trying to get -- well
7 also as his revenue drops through wholesale market prices
8 he's trying to figure out how to enhance their value. So
9 he's doing a lot of interesting stuff. I really wish on
10 our water systems in California there was somewhat more
11 creativity, but perhaps Elliot will inspire someone to
12 follow his example.

13 COMMISSIONER MCALLISTER: Yeah, there's a ton
14 innovation in this space, so lots of people thinking about
15 this. And I think we need to have a powwow, a more
16 consistent powwow about this, because it sort of raises up
17 every year or two. And somebody realizes that things on DR
18 have sort of slowed down. And then but we kind of want to
19 keep pushing the peddle, because if we don't, if we don't
20 really realize some of these systems and get real power,
21 get real capacity, then it's not going to show up. And
22 that's kind of what's happened historically, right?

23 CHAIRMAN WEISENMILLER: Right.

24 COMMISSIONER MCALLISTER: It hasn't quite showed
25 up, so we really need to get beyond that. Plus we're going

1 to be making other investments that are going to be less
2 flexible and lock us in to certain approaches.

3 CHAIRMAN WEISENMILLER: Well, but again so maybe
4 it's time for you to do the low management proceeding on
5 the water systems.

6 COMMISSIONER MCALLISTER: We have authority,
7 right? We have authority to --

8 CHAIRMAN WEISENMILLER: I've seen the research.
9 We can do it.

10 COMMISSIONER MCALLISTER: So anyway, I just
11 wanted to bring that up in the business meeting to raise
12 that possibility and maybe get folks opinions about whether
13 that was a good approach.

14 COMMISSIONER HOCHSCHILD: Yeah, I just would
15 weigh in, I think it's much needed. I mean most water
16 utilities or almost all of them are on a water first
17 dispatch.

18 Certainly when I was at SOPUC, the priority is
19 always on when we need water, you don't want to spill water
20 if you don't absolutely have to and power generation was
21 very, very low on the list. There's just no financial
22 incentive to do that. I mean it would be interesting to
23 see where you could create pilot models where that would
24 not be the case and you could really make it help support
25 the (indecipherable). It could avoid considerable costs if

1 we do have a big hydro resource. In particular right now
2 it's reasonably well stocked again.

3 So no, Commissioner McAllister, I would
4 absolutely support any effort you want to take on in that
5 regard.

6 COMMISSIONER MCALLISTER: Great.

7 And another thing that I wanted to say is that
8 industry and ag are pieces of SB 350 and we really haven't
9 engaged with those directly. We know we need to and we're
10 getting to it, but this kind of an approach could provide
11 real value to them as well.

12 And the same applies to industry. Nobody wants
13 to interrupt their process, especially if it's a delicate
14 process, if it has issues with being curtailed. So demand
15 response has to be in the right in each context and it is
16 kind of a custom thing and some of these applications.
17 Certainly the water is one of the better applications for
18 this. But I think there's a need for some powwowing about
19 this, so I'll take that on.

20 CHAIRMAN WEISENMILLER: That's good. Actually,
21 it turns out we are spilling water this year. I was told
22 by PG&E that they've sort of adjusted their
23 (indecipherable) renewables and this could spill water, so
24 they're spilling water. So anyway, yeah.

25 COMMISSIONER MCALLISTER: Okay. I'll move Item

1 16.

2 COMMISSIONER HOCHSCHILD: Second.

3 CHAIRMAN WEISENMILLER: All those in favor?

4 (Ayes.)

5 CHAIRMAN WEISENMILLER: Item 16 passes 5-0.

6 Let's go on to item 17.

7 MR. STOMS: Good morning, Chair and
8 Commissioners. My name is David Stoms from the Energy
9 Research and Development Division. Today I will be
10 requesting your approval for the final agreement from EPIC
11 solicitation GFO-16-306.

12 Recent surveys at solar photovoltaic energy
13 facilities have reported bird fatalities. The leading
14 hypothesis suggests that large fields of PV panels reflect
15 light in a manner similar to large bodies of water, which
16 could attract some species of birds and put them at risk of
17 collision with the panels. In the absence of any
18 systematic studies to test this so-called lake effect
19 hypothesis, it is considered a leading research priority by
20 the solar industry, wildlife agencies, and environmental
21 groups.

22 In this project, USGS will lead a team of
23 collaborators to experimentally examine bird responses to
24 different polarizations. And then at several solar PV
25 facilities they will characterize the polarized light

1 fields, track any reorientation of birds in flight toward
2 the panels, and survey for bird fatalities. The
3 application was supported by the Avian Solar Work Group,
4 and several of the solar companies in the work group
5 pledged match funding or access to their sites across a
6 wide geographic area.

7 Staff recommends approval of this agreement, and
8 I am available to answer your questions.

9 CHAIRMAN WEISENMILLER: Thank you.

10 Any comments from anyone in the room or on the
11 line?

12 (No audible response.)

13 CHAIRMAN WEISENMILLER: Okay. I was going to
14 thank David for pushing this along. This is obviously the
15 third. And the reality is any way you produce energy has
16 some environmental effects -- even solar. And certainly
17 we've all heard a lot about avian impacts of wind, but the
18 question is we're taking the lead on really getting more
19 and more solar systems out in the field and we're seeing
20 potentially effects there. So it's very good at this point
21 to be identifying where it, so we can be smarter on future
22 cases.

23 COMMISSIONER DOUGLAS: Yeah, absolutely. It's
24 really great to see us continue to help advance the science
25 and apply the science towards better understanding this

1 issue and how to avoid it, or mitigate it, or reduce it.

2 So I'll be pleased to move approval of this item.

3 COMMISSIONER SCOTT: Second.

4 CHAIRMAN WEISENMILLER: All those in favor?

5 (Ayes.)

6 CHAIRMAN WEISENMILLER: This also passes 5-0.

7 Thank you.

8 MR. STOMS: Thank you.

9 CHAIRMAN WEISENMILLER: Let's go on to Item 18.

10 MR. SOKOL: All right, good morning, Chair and
11 Commissioners. I'm Michael Sokol and I'm here today to
12 provide an update on SB 350 activities, of which there are
13 many of course. But today I'll key in on an update to the
14 upcoming schedule of activities, and then specifically talk
15 in a little more detail about a couple of the proceedings
16 that have a lot of activities over the next couple of
17 months.

18 So it's been pretty active since the last
19 business meeting update and so starting with the integrated
20 resource planning track, we of course, are in the process
21 of developing guidelines for publicly owned utilities to
22 submit their IRPs. And there's been several workshops
23 along the way. Since the last business meeting update on
24 SB 350, we had two workshops on the transportation
25 electrification component of IRPs. One that was looking

1 really specifically on light-duty vehicles and one that's
2 looked at medium and heavy-duty sectors as well. And so a
3 lot of that input is still coming in. The comments are
4 actually due next week at this point.

5 But in parallel, staff has been working to
6 develop the guidelines, respond to the comments that were
7 heard at the workshops, and incorporate all those revisions
8 as we move forward.

9 And I should also mention that this past Monday,
10 there was sort of a follow-up discussion with some of the
11 POUs to just again readdress some of the key points from
12 the guidelines discussion paper and the webinar that was
13 held last month. And now there is incorporating all that
14 feedback into the draft guidelines that will be going out
15 fairly soon here. And as we move forward, there is a
16 workshop on May 25th, to discuss those draft guidelines
17 with publicly owned utilities and other stakeholder groups.
18 And make sure that we have enough time to incorporate all
19 that feedback and input as we look towards adopting those
20 guidelines this summer.

21 So there's also a webinar planned for May 31st,
22 which really is looking at some of the tools and inputs and
23 assumptions that would go into the guidelines. And
24 specifically keying in on a transportation electrification
25 calculator tool that's been developed to kind of dive into

1 some of the assumptions and that and make sure everyone has
2 a clear understanding of how it works.

3 And looking forward, we're targeting the July
4 business meeting at this point and so we'll continue to
5 factor in the input received from POUs as we approach
6 adoption at some point this summer.

7 So that kind of covers the IRP track. Of course,
8 there's going to be a lot happening and it's hard to
9 capture everything on a single slide here. But the other
10 big piece here is with the Low-Income Barrier Study
11 implementation and there's been a lot of movement happening
12 here, which is really good to see.

13 As everyone knows, the Energy Commission adopted
14 our study last December. And ARB has recently put out
15 their draft guidance document in April. And so now that
16 those pieces are both out on the street, there's been a lot
17 of discussion amongst both of our agencies as well as other
18 agencies. And really, coming back to the Energy Commission
19 study, the first recommendation was to put together a task
20 force that helps to move forward the recommendations
21 towards implementation, align eligibility across programs,
22 and really work to coordinate those efforts across the
23 programs.

24 And so yesterday was actually the first kick-off
25 meeting for this task force. It was good to see that there

1 was a lot of energy and a lot of active participation, a
2 lot of good thoughts coming in through that process. And
3 so there'll be a lot more to report in future meetings
4 along that track. But at least it was a very good start.

5 And actually on Monday, there was a roundtable
6 discussion hosted by the Air Resources Board, specifically
7 for their draft guidance document. And so that was also
8 well attended. The Energy Commission also participated in
9 that workshop and so we're continuing to collaborate and
10 work together as we move forward with this effort.

11 And to keep things going next week, on Tuesday,
12 there is a workshop for Low-Income Barriers implementation.
13 And this will be a joint agency workshop with the Public
14 Utilities Commission. ARB will be there as well and the
15 Governor's Office will be there for some opening remarks to
16 frame the discussion.

17 And, of course it's a full day agenda, so we're
18 looking at keying in on the report recommendations and
19 actions taken since the study was published, as well as
20 what are going to be the next steps. And what are some
21 thoughts from some experts in the field that can help
22 inform what implementation of these recommendations might
23 look like. So that will be the first workshop.

24 And then of course there'll be some additional
25 taskforce discussions as we move forward, leading up to a

1 second workshop on August 1st later this year, to dive into
2 another sub set of the report recommendations. And of
3 course bringing key agencies and stakeholders to that
4 discussion as well. Next slide, please.

5 So just a couple of other items, there's really
6 nothing new here from the last update to the schedule. But
7 looking forward for the doubling energy efficiency savings
8 track there is a June 19th workshop planned on the
9 methodologies that will be used to ultimately establish the
10 targets. And there's a lot of staff work going into that
11 right now as we lead up to that time. And then targeting
12 of course later this year, a second workshop in September
13 and then a business meeting adoption, consideration of
14 adoption planned for October.

15 And then the energy data collection rulemaking.
16 Staff is really working to implement some of those changes
17 requested from SB 350 in this initial Phase 1 rulemaking.
18 And the plan is really there's finalizing the language and
19 the documents right now for a June submittal to Office of
20 Administrative Law. And then consideration of adoption
21 would be also at the October business meeting.

22 And then looking at scoping out Phase 2 later in
23 the year and figuring out how to implement all of those
24 changes from SB 350.

25 So that really summarizes the events that are

1 happening right now. Of course, there's a lot of other
2 items under SB 350 that weren't covered here, but I'll be
3 happy to take any questions or address any comments you
4 might have.

5 CHAIRMAN WEISENMILLER: Thank you.

6 Commissioners, comments, questions?

7 COMMISSIONER SCOTT: Yeah, I would like to say
8 thanks so much to Mike for his continued organization of
9 this. There are a ton of moving pieces. I'm sure it's
10 like herding cats every day and you're doing a great job.
11 So thanks for keeping us organized and your good succinct
12 presentations that kind of help us see what's going on in
13 each track and kind of when the next key component of it's
14 coming up. I really appreciate that.

15 We did have a great kick-off meeting for the
16 Governor's Task Force on how to implement solutions to the
17 barriers that we -- for low-income community participation
18 and energy efficiency and renewable energy and also it was
19 combined with ARB, so the transportation component as well.

20 Between our two agencies, we have 16
21 recommendations, so we can't bite them all off at the same
22 time. But really what we did is identify key agencies who
23 will have a role in helping implement some of the solutions
24 and come up with some of the solutions to the barriers that
25 we put in place. So stay tuned probably sometime soon for

1 a note from Mike looking for key Energy Commission contacts
2 on each of the recommendations on who we would like to have
3 as the Energy Commission point of contact in working on
4 implementing that particular solution.

5 So I just wanted to underscore a little bit of
6 what he said. We will be meeting with the Governor's
7 Office Task Force probably every other month. And continue
8 to work together with across -- it's a pretty broad swath
9 of state agencies. There are probably about 24 people in
10 the room and 5 or 6 more on the phone, so we really have
11 hit most of the agencies that will be working with us on
12 this.

13 CHAIRMAN WEISENMILLER: Great.

14 Actually I was going to say just want to make
15 sure everyone -- Andrew and I got some email last year
16 saying -- or last week -- saying we want to follow up with
17 you on the Barrier stuff. And then after my initial
18 response it was like, "Well actually you should be talking
19 to Commissioner Scott and Mike Sokol who are really more
20 responsible at this point, on the implementation side," as
21 opposed to I am always happy to talk to people, but --

22 COMMISSIONER SCOTT: Yep, send them our way.

23 CHAIRMAN WEISENMILLER: But so definitely you are
24 the team on this issue.

25 COMMISSIONER MCALLISTER: Well, I just

1 appreciate, Mike, your facilitation with my staff and
2 presumably with the other offices too. I mean, I think
3 you're all working together really well. There's a lot of
4 content and a lot of expertise. And I think mobilizing
5 that in an efficient way is no mean feat. So I agree with
6 Commissioner Scott and would second my thanks.

7 CHAIRMAN WEISENMILLER: Thanks, Mike.

8 Let's go on to 19, the minutes.

9 COMMISSIONER SCOTT: Move approval of the
10 minutes.

11 COMMISSIONER MCALLISTER: Second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.)

14 CHAIRMAN WEISENMILLER: The minutes are approved
15 5-0.

16 Commissioner Scott, we're on to Lead Commissioner
17 and Presiding Member Reports, Commissioner Scott?

18 COMMISSIONER SCOTT: Sure, not so much since we
19 met last time, which was just a couple of weeks ago. In
20 between, I have had the opportunity to go to Washington,
21 D.C. I am on the Department of Energy's Hydrogen and Fuel
22 Cell Technology Advisory Committee, so that meeting was a
23 good chunk of last week. And actually one of the
24 discussions that we had was given the proposals on the
25 DOE's budget, what are things that are potential programs

1 that DOE may no longer be able to support? And what does
2 that mean for those of us -- and of course, this focus was
3 on hydrogen and fuel cells -- but what does that mean for
4 those of us who are trying to stand up the hydrogen
5 infrastructure, trying to drive down costs of fuel cells,
6 looking at compressors and all the different components?
7 The part that DOE does really well, because they've got the
8 testing facilities, a lot of the basic research and how
9 will that potentially impact the ability to move forward if
10 DOE no longer has funding for those components?

11 And it's a little bit speculative, the
12 conversation, but just thinking about what are some of the
13 key things that we really need and want to send a signal to
14 DOE that's important for not just the State of California,
15 but for the nation as we think about how to roll out this
16 technology and the infrastructure that supports it?

17 So that was a good portion of the discussion that
18 we had there. And other than that, a bunch of siting
19 related things and that's what I've been up to.

20 COMMISSIONER MCALLISTER: Yeah, just quickly,
21 let's see last week I guess it was, I went down to L.A. for
22 the annual L.A. Business Council's Sustainability Summit.
23 They do it at the Getty. It's always a great event and it
24 just showcases all the leadership they've got going on down
25 there. And Mayor Garcetti is so dynamic and just such an

1 amazing speaker and motivator, it really gets everybody
2 jazzed up every year.

3 And the particular topic, a broad array of
4 topics, but my panel was the first panel about just where
5 things are going in California's energy future and so how
6 we can help lead. So it was very, I think, well received.

7 And just actually last night we got back from
8 D.C. as well. And they have similar issues actually. I
9 was not there for a State Energy Advisory Board Meeting,
10 which I'm on, but there is a lot of speculation about what
11 the future of that Board is as well. I think the signals
12 are, at least under the EERE banner that -- well there's
13 just a lot of uncertainty. There's not a clear commitment
14 to the Board going forward and there's no quorum right now
15 and the appointments are kind of stalled.

16 So it's an indicator of how much uncertainty and
17 kind of angst about DOE's commitment to some of these
18 things. But we all need to keep our contacts and keep
19 working on it for positive outcome.

20 And then so I was in D.C. for EE Global, which is
21 an annual event that the Alliance to Save Energy puts on
22 and it's very international as the name would indicate and
23 lots of people from Asia, India particularly. And it was a
24 really interesting kind of policy discussion going on in
25 India, somewhat driven by the national government, but a

1 lot of is down in the states. So it really is analogous to
2 the U.S. in a lot of ways, a lot of control at the
3 individual states, and a lot of variability in the
4 leadership and the efforts at the state level.

5 So there's much interest in coordinating with
6 California and certainly that is kind of the next big
7 country, logical country, for us to engage with on climate
8 stuff. And a lot of states are looking at the Under2 MOU.
9 One of them has signed it already.

10 And then yesterday just before I came back I met
11 with the Center for Strategic International Studies, which
12 has resources to arrange a lot of new initiative, basically
13 looking at helping the Indian states move forward. And so
14 it's a very exciting set of initiatives on renewables, on
15 efficiency, on grid resilience that I think California is
16 completely well positioned to help them with if we can make
17 it a priority. So it's pretty exciting and they're getting
18 a series of meetings together where they really want our
19 input, so that's about it for now, I think.

20 Oh, I guess I'll just also say the two panels I
21 was on at EE Global were largely about access. And you
22 know, I used to work in international developing countries
23 doing remote power projects and then really tuned into the
24 access and then sort of the difficulty providing access in
25 that context. But they wanted us on these panels and to

1 input to some of these discussions, because we're also
2 looking at access. You know, our Low-Income Barriers work,
3 a lot of is about access. It's sort of access 2.0. You
4 know, people have electricity already, but it is about
5 access.

6 In a developing country setting often there's a
7 continuum of quality of service and I'm starting to sort of
8 see commonalities. So it's about grid policy. It's about
9 putting in place efficient programs that reach people and a
10 lot of the themes actually were pretty common. And I think
11 people really appreciated this idea that government can put
12 in place programs that do actually work and get to people
13 and make sure that they get the services they need.

14 Obviously, there in developing countries we have
15 leapfrogging opportunities where you've got cheap solar
16 that just recently is available. And better batteries and
17 LEDs, and just the level of service you can do with less
18 money is much, much bigger than it used to be.

19 But I was really struck by the commonalities that
20 we have and some of the conversations we're having and the
21 policy people in developing countries to provide access to
22 their citizens, so I wanted to report back on that.

23 Thanks.

24 COMMISSIONER DOUGLAS: Great. So I missed the
25 last business meeting, so I'm actually going to start a

1 little bit prior to the last business meeting on April 24th
2 and 25th.

3 I had the opportunity to do a Navy trip on an
4 aircraft carrier. And to really go out to one of the
5 carriers and get some sense of life on board the ship, and
6 Navy operations, and just the kind of work that they do on
7 the carriers. It was really fascinating. It was a really
8 great experience.

9 And after that I came back to Sacramento and then
10 missed the business meeting in order to go to Blue Lake
11 Rancheria. And attend a celebration of the micro grid at
12 the Rancheria, which the EPIC program supported going
13 online. And the tribe was really thrilled and they were
14 working very closely with PG&E and with a large number of
15 community partners. There was a Supervisor from Humboldt
16 County there and there were quite a lot of people there.
17 It was just a really nice group of people very excited
18 about the project.

19 More recently I actually just came back from the
20 U.S. Offshore Wind Conference where I spoke about
21 California's policies. And really it was a very
22 international audience and also East Coast audience. There
23 were some West Coast people there, but very few. And so it
24 was an opportunity to provide information to the attendees
25 about California's energy and climate policies. The

1 renewable energy mix we have built here, especially in the
2 last decade or so, and some of our goals going forward.
3 And to have a dialogue about, and also learn about, the
4 development of the offshore wind technology.

5 So that is my report.

6 COMMISSIONER HOCHSCHILD: Well, thank you. A few
7 updates from my end.

8 Obviously one of the things in the renewables
9 community that's of great concern obviously is Secretary
10 Perry's recent comments in an interview that the Trump
11 Administration may seek to undo state renewable energy
12 policy on grounds that renewables threaten Grid stability
13 and therefore, national security.

14 And obviously, if you look at the evidence of the
15 three big threats to Grid reliability we've had in
16 California in the last 20 years, is the energy crisis in
17 2001 and Aliso Canyon and SONGS, they're totally unrelated
18 to renewables. And certainly states like Iowa, which are
19 at 40 percent wind, for example, are not having blackouts
20 and so it's really not supported by the evidence. But
21 there's a lot of concern I think throughout the renewables
22 community about that.

23 In terms of updates, I guess the recent
24 highlight, last week we had a clean tech pitch meeting that
25 was hosted by the California Clean Energy Fund, by all

1 these international utilities basically, for small new
2 companies to make their business pitches. And it's just
3 interesting to see the number of pitches in the clean duct
4 space that are related to smart technology and the ability
5 to make good use of real time data. That's really where
6 most of the action -- I'm sort of going to Commissioner
7 McAllister's point about how important data is now for
8 innovation.

9 I also filled in for Commissioner Scott at the
10 Navy event last Friday. The Navy has just completed what I
11 believe to be the single largest procurement of electric
12 vehicles by any federal agency, 205 Ford EVs. They were
13 actually the first vehicles, the very first vehicles, off
14 Ford's EV manufacturing line. And it was just a remarkable
15 event. Rhett and Kevin were both there.

16 And I just again really take my hat off to the
17 military, the Navy in particular, for pioneering so
18 successfully. And to Admiral McGinn especially who kind of
19 engineered -- they required special legislative language to
20 be able to do this. And there's now the opportunity for
21 much more. They're going to be coming back to Sacramento,
22 Admiral Lindsay, and we're doing a lunch on the 23rd. I
23 don't think the Chair is able to join, but anyone else is
24 welcome. They are going to be doing a series of meetings
25 with the Governor and the legislators on the 23rd and the

1 24th.

2 The other report I have is that things are not
3 looking good for the SAFE-BIDCO Board, which I've been a
4 part of for a couple of years now. And they just got a
5 very negative audit, so it looks like we're close to the
6 end of the line for that. Which I think is the last BIDCO
7 left from the first Brown Administration, but I think
8 that's going to run its course as of May.

9 And then tomorrow, Commissioner McAllister and I
10 are together with Ken Alex and a number of other folks, at
11 the Electrification Renewables Symposium. A great lineup
12 of folks including policy makers from Europe and Mexico and
13 GM and others, so that'll be a good discussion. I think
14 that's it on mine.

15 I think we're not having these meetings more
16 frequently, so there's a little bit less to share on mine
17 and that's it.

18 CHAIRMAN WEISENMILLER: Yeah, thank you.

19 Actually I think there's a gap or we added that
20 one sort of (indiscernible) we've got a lot happening,
21 which is amazing. Yeah.

22 I actually was going to say there was one
23 interesting thing on the Navy project was, I think that's
24 the first fleet that they ever got the Air Board rebates.
25 And that took a lot of work from Commissioner Scott with

1 the ARB, again to make that happen. It's sort of
2 surprising in a way.

3 Yeah, so very briefly for me it's IEPR and China.
4 And I think you've heard from Michael on the IEPR part, so
5 on China I was at China Week in Los Angeles yesterday and
6 gave a talk. I got in relatively late last night, so in
7 case I seem groggy, I am. But anyway L.A. just really has
8 a phenomenal relationship with the Chinese on investment.
9 Much bigger, I guess, than San Francisco and obviously New
10 York.

11 So I mean again, and they had I'd say seven
12 provinces, I'm not quite sure if it was six of seven who
13 were there. I think this is generally very L.A. This
14 month is very focused on the import/export business and the
15 first part of that is the Chinese part, so there was a very
16 nice event. So lots of Chinese from, I think it was like
17 160 Chinese businesses and officials who came over for this
18 event. Obviously, L.A. has a very large Chinese community
19 too and they were there along with all of us, who work with
20 them, or are friends with the Chinese. And then we had an
21 event at the Do (phonetic) Consulate that last night.

22 And GOBiz is really active in this type of thing,
23 so certainly they were very helpful in arranging this and
24 pulling this together. So certainly Panorea was there and
25 got a special shout out from the organizers for helping

1 make this happen. So anyway, the Governor actually kicked
2 off the event yesterday morning, so again to reiterate the
3 importance that he places on our relationship with China,
4 both on their business investment side and clean tech. So
5 that was good.

6 Obviously we were working pretty heavily on our
7 trip to China. And the Governor's announced he's going for
8 the Clean Energy Ministerial and -- I'm not going to get
9 the name right -- but for the Sub-SEM part we're having a
10 special event. There are some issues and the name is not
11 quite Sub-SEM, but close enough going forward. But again
12 to reiterate California's commitment on clean tech and
13 climate change.

14 COMMISSIONER HOCHSCHILD: I was going to ask you,
15 just briefly if you could share a few thoughts on this
16 retail choice thing I know you're working with President
17 Picker on?

18 CHAIRMAN WEISENMILLER: Well, I think as you
19 know, regulatory processes moves slowly and market and
20 technology stuff can move really quickly. And it's amazing
21 on how in the CCA part a lot of the fundamental assumptions
22 in the technology side are just changing underneath our
23 feet.

24 You know, I had a workshop on Grid reliability.
25 And a few years ago there was this weird back and forth

1 between the ISO and the PUC on capacity markets. And in
2 that context the PUC said, "Don't worry. We've got it
3 under control. We're going to use bilateral contracts.
4 We're going to keep the plants we need alive. And the ones
5 we don't need, just don't lose any sleep over it." So you
6 go into this workshop and what the utilities say is, "Hey,
7 community choice (indiscernible) we're not signing any more
8 bilateral contracts, period."

9 And so as a result the ISOs had to step forward
10 and do RMR contracts. They have waves of people coming in
11 and saying, "We're going to shut down our plants. They're
12 not economic to run." And the ISO then is coming up with
13 some way of deciding which works and which doesn't work or
14 which they need and which they don't need. And the ones
15 they need are giving RMR contracts to and the PUCs are
16 going, "Yeah, I guess no one's going to sign." They're not
17 going to sign RA contracts. They're not going to sign PPAs
18 for renewables.

19 You know, it's just the utilities could easily be
20 at 60, 70 percent this year. So I mean they're not, but
21 obviously as you know the CCAs don't have full faith and
22 credit of the cities, so they're not particularly credit
23 worthy partners to sign long-term contracts. And that
24 leaves us with the POUs with our ambiguous relationship.
25 But they're the only buyers in town now for SUTH

1 (phonetic).

2 I see Tim left, conveniently. But anyways, so at
3 this stage we're looking at that. Certainly, customer
4 choice was a big thing awhile back, but at this stage yeah
5 you could say, "Yeah, I'm going to put solar on my roof.
6 I'm going to go with my CCA." I mean, the utilities have
7 no idea who their customers really are over the longer term
8 and they have their various proposals.

9 So anyways, the PUC had an *en banc* back in I want
10 to say January on the CCA topic, which obviously got a lot
11 of back and forth and so this CCA is coming up next week.
12 The PUC has that whitepaper out now, a pretty impressive
13 agenda, that will be on -- (indiscernible) meetings, I
14 think that is the one anyways a week from Friday. So it's
15 a joint workshop between the PUC and the Energy Commission
16 on the topic. So it should be pretty fascinating, but as I
17 said it's just one of those things where you look around
18 wondering the system's obviously not very stable now. And
19 the nature of the regulation has to change pretty fast.

20 COMMISSIONER HOCHSCHILD: Yeah. No, I just want
21 to compliment you for doing that. I think it's exactly the
22 right question to ask and just it's so interesting what's
23 happening with our economy too. I had lunch with the
24 President of AT&T on Monday with Janea. They just
25 mentioned, AT&T like a few years ago they had 12 million

1 landline customers. And now they have like 1.5 million,
2 you know? Everything's changing, everyone's going to
3 mobile, and just regulation is struggling to keep up with
4 industry changes and just getting ahead of it.

5 So I was really happy to see you take the lead on
6 that, yeah.

7 CHAIRMAN WEISENMILLER: Yeah. And in some
8 respects it all takes you back to Alfred Kahn and his book
9 on the economics of regulation. He basically said that you
10 get to the question what's a utility function and it's
11 where you saw economies of scale. And certainly that's
12 from the late 70s and the generation era that was gone, but
13 as the utilities are moving we're being forced to become
14 pipes and wires companies. You know, then the question is
15 what that means for the rest of the market?

16 So again, it's going to be a very important
17 workshop. At this point actually I think that the PUC did
18 something saying if you want to come let us know. And
19 actually it's not like there's a reserved seat with
20 anyone's name, but trying to figure out how many people are
21 coming. So I get requests for seats and it's like, "No,
22 this isn't Hamilton, you know?" Or any sort of website
23 that you can sign up for buying seats from people, but --

24 COMMISSIONER MCALLISTER: Yeah, hopefully they're
25 cheaper than Hamilton, hopefully yeah.

1 CHAIRMAN WEISENMILLER: Right, yeah. So anyway,
2 thanks. I mean, this is going to be critical, yeah.
3 Chief Counsel's Report?
4 MS. VACCARO: Nothing, thanks.
5 CHAIRMAN WEISENMILLER: Executive Director
6 Report?
7 MR. OGLESBY: Nothing to add today.
8 CHAIRMAN WEISENMILLER: Public Adviser Report?
9 MS. MATHEWS: I don't have anything really
10 substantive. I just want to highlight that we received our
11 first Spanish speaking call to the PA's Office and we were
12 able to handle it.
13 CHAIRMAN WEISENMILLER: Yay.
14 MS. MATHEWS: So I think a lot of our measures to
15 put notices and more information in different languages is
16 starting to pay off when people have the correct contact.
17 And then also I just wanted to highlight another
18 call from a member of the public that we received. They
19 were complaining about the calls for solar panels and they
20 felt the Energy Commission was really pushing for adding
21 solar panels on to their homes and there were other forms
22 of energy.
23 And we were just really happy to explain to them
24 that the SB 350 Barriers Report, the upcoming May 16th
25 workshop in which they have an opportunity to speak. And

1 then there's another workshop on May 19th about choice for
2 electricity. So it was just nice to actually have a call
3 and my Deputy Public Adviser, Rene, actually took the call.
4 And the caller was really surprised and then appreciative
5 that he actually listened to his concern. And was able to
6 provide him information about what we are doing at the
7 Energy Commission to address the needs and concerns that he
8 has, and be able to offer additional options for low-
9 income.

10 That was the was basis of his comment is that, "I
11 can't afford solar panels, so what options do I have?" So
12 we were very happy to provide that information. So again,
13 I think the work that we've done, the outreach is making
14 its way throughout California.

15 CHAIRMAN WEISENMILLER: Thank you.

16 Any public comment?

17 (No audible response.)

18 CHAIRMAN WEISENMILLER: Then our meeting's
19 adjourned.

20 (Adjourned at 12:13 P.M.)

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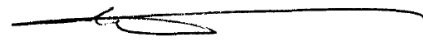
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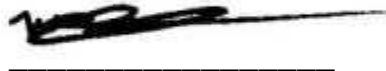
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