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APPEARANCES

Commissioners

Robert Weisenmiller, Chair
Karen Douglas
Janea Scott
Andrew McAllister

Staff Present: (* Via WebEx)

Drew Bohan, Executive Director
Kourtney Vaccaro, Chief Counsel
Courtney Smith, Chief Deputy Director
Eunice Murimi, Public Adviser's Office
Cody Goldthrite, Secretariat
Linda Barrera, Staff Attorney

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Michael Sokol	16

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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

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P R O C E E D I N G S

JANUARY 17, 2018 10:09 a.m.

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

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

CHAIRMAN WEISENMILLER: Oh. Actually, things continue this way, so let's start with a minute of silence for the landslide victims.

(Whereupon, a moment of silence was observed.)

CHAIRMAN WEISENMILLER: Okay. For today's meeting Item 14 has been held. And let's start with the Consent Calendar although I think we have an announcement, then we'll split the Consent Calendar up.

COMMISSIONER SCOTT: So due to my participation as a member of the California Fuel Cell Partnership, I will be recusing myself on Item 1g.

CHAIRMAN WEISENMILLER: So let's take up all the Consent items except for g.

COMMISSIONER DOUGLAS: Move consent except for Item 1g.

COMMISSIONER SCOTT: Second.

COMMISSIONER MCALLISTER: Second.

CHAIRMAN WEISENMILLER: Well, okay. All those in

1 favor?

2 (Ayes.)

3 CHAIRMAN WEISENMILLER: So this item passes 4-0.

4 Commissioner Hochschild is necessarily absent on
5 travel, business travel. So this first item, Consent part
6 then was 4-0. Let's deal now with g.

7 COMMISSIONER DOUGLAS: Move Item g.

8 COMMISSIONER MCALLISTER: Second.

9 CHAIRMAN WEISENMILLER: All those in favor?

10 (Ayes.)

11 CHAIRMAN WEISENMILLER: So this item passes 3-0.

12 Since these are Consent items we're not taking
13 public comment on this item, so let's go on to Item 2.

14 I'll say I've just been told by the Chief Counsel we can
15 take Consent -- we can take public comments on the Consent
16 items. So --

17 MS. VACCARO: So I mean if a member of the public
18 had something they want to say afterwards, I mean think if
19 there is somebody here you can certainly allow them to
20 speak.

21 CHAIRMAN WEISENMILLER: Sure, okay. Then Bill
22 Elrick from Fuel Cell Partnership.

23 (Off mic colloquy.)

24 MR. ELRICK: I'll make it quick, because I had
25 heard we couldn't speak on this. I just wanted to speak in

9

1 support of all the great work the CEC, the staff and the
2 programs and everything from, I will say, supporting the
3 partnership and being very active and adding all the needed
4 input and value there. But also in there the activities
5 supporting both PNNL (phonetic) and the Safety team, as
6 well as GO-Biz Program. I can't say enough of how much
7 these activities have helped launch the market. And really
8 2016 has been kind of the last one in, but we hope to grow
9 the quickest. So I want to thank you and say great work on
10 every (indiscernible).

11 CHAIRMAN WEISENMILLER: Okay. Thank you. I
12 mean, certainly the Consent items are things we don't think
13 are controversial but if they are then we will pull it out,
14 but there seem to be more. Thank you. So anyway, thanks.

15 Let's move on to Item 2.

16 MR. PAYNE: Good morning Chair, Commissioners. My
17 name is Lon Payne. I am a Project Manager with the Siting
18 Office. With me is Staff Attorney Jared Babula.

19 We're here today to present a proposed order
20 appointing a siting committee to oversee a Small Power
21 Plant Exemption proceeding for the McLaren Backup
22 Generating Facility. Applicant Vantage Data Centers filed
23 its SPPE Application on December 26, 2017 seeking the
24 exemption from the California Energy Commission's power
25 plant licensing requirements.

1 The McLaren Backup Generating Facility consists
2 of 48 diesel-fueled generators to provide backup generation
3 for the McLaren Data Center being constructed in Santa
4 Clara, California.

5 Thank you. And we'd be happy to answer any
6 questions you may have.

7 CHAIRMAN WEISENMILLER: First, is there any
8 comments from the Applicant?

9 (No audible response.)

10 Let's go on. Are there any comments from anyone
11 in the room?

12 MR. BABULA: Let me just -- this is Jared Babula,
13 Staff Counsel. The Applicant is represented by Mr. Scott
14 Galati and he wanted me to inform the Commission that he's
15 on this case. He's unavailable. He's in London right now
16 and he was going to try to call in, but apparently he
17 wasn't able to get through. So I just wanted to convey his
18 message that he's working on this case. Thanks.

19 CHAIRMAN WEISENMILLER: Okay. Thank you.

20 Any comments from anyone on the phone?

21 (No audible response.)

22 Okay. Then let's transition to the
23 Commissioners, any comments on this application?

24 So I'm going to point in a -- well, I guess we
25 have two steps. One will be a vote on accepting the

1 application and then a committee. In terms of the
2 committee, I'm going to appoint Commissioner Douglas as the
3 Lead and Commissioner Scott as the Second Member.

4 COMMISSIONER DOUGLAS: So I'll move --

5 CHAIRMAN WEISENMILLER: Let's deal with them in
6 sequence.

7 COMMISSIONER DOUGLAS: Sure. I'll move to accept
8 the application.

9 COMMISSIONER SCOTT: Second.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.)

12 CHAIRMAN WEISENMILLER: So that passes 4-0.

13 COMMISSIONER DOUGLAS: And I'll move to establish
14 a committee for this case consisting of myself as the
15 Presiding Member and Commissioner Scott as the Associate
16 Member.

17 COMMISSIONER MCALLISTER: I'll second.

18 CHAIRMAN WEISENMILLER: All those in favor?

19 (Ayes.)

20 CHAIRMAN WEISENMILLER: So that also passes 4-0.

21 Thank you.

22 Let's go on to Item 3.

23 MR. NELSON: Good Morning Chair and
24 Commissioners. I'm Ryan Nelson, a Mechanical Engineer with
25 the Appliances and Outreach and Education Office in the

12

1 Commission's Efficiency Division.

2 (Microphone cuts out.)

3 UNIDENTIFIED SPEAKER: (Off mic) (indiscernible)

4 MR. NELSON: Can I start over?

5 UNIDENTIFIED SPEAKER: Yes.

6 MR. NELSON: Okay, with me is Linda Barrera with
7 the Chief Counsel's Office.

8 Staff is proposing an Order Instituting
9 Rulemaking to consider amendments to the Appliance
10 Efficiency Regulations. The Commission would consider
11 establishing efficiency standards, test procedures, marking
12 requirements, and certification requirements for the
13 following appliances:

- 14• Commercial and industrial fans and blowers;
- 15• Compressors, including air compressors;
- 16• Hearth products such as natural gas fireplaces;
- 17• High color rendering index linear fluorescent lighting;
- 18• Portable air conditioners; and
- 19 • Uninterruptable power supplies.

20 The U.S. Department of Energy does not currently
21 regulate commercial and industrial fans and blowers,
22 compressors, hearth products, portable air conditioners and
23 uninterruptable power supplies.

24 The DOE considered minimum energy performance
25 standards for commercial and industrial fans and blowers,

1 compressors, hearth products, portable air conditioners and
2 uninterruptable power supplies, but never completed the
3 rulemaking process for these appliances. However, as part
4 of the process, the DOE completed extensive research for
5 each appliance, which showed significant energy savings is
6 available.

7 The California energy savings analysis would rely
8 heavily upon the U.S. DOE research and data. This will
9 allow the rulemaking process to proceed quickly to capture
10 the energy savings for California.

11 High color rendering index or CRI linear
12 fluorescent lighting is currently exempt under the U.S. DOE
13 minimum energy performance standards. This exemption
14 allows less efficient T12 linear fluorescent lamps for sale
15 if they have a CRI of 87 or higher. This exemption could
16 also apply to other linear fluorescent lamps in the future,
17 reducing the realized energy savings. Eliminating this
18 exemption in California will ensure the full energy savings
19 are captured.

20 The proposed amendments to the Appliance
21 Efficiency Standards would save California a significant
22 amount of energy.

23 Staff asks the Commission issue the Order
24 Instituting Rulemaking to publicly notice stakeholders of
25 the intent to analyze the above appliances as amendments to

1 the Appliance Efficiency Standards. Thank you.

2 CHAIRMAN WEISENMILLER: Great.

3 Any comments from anyone in the room? Anyone on
4 the line?

5 (No audible response.)

6 CHAIRMAN WEISENMILLER: Commissioner McAllister?

7 COMMISSIONER MCALLISTER: So thanks, Ryan, I
8 appreciate that. This is pretty straightforward and I
9 guess the context is just that, as we all know, the
10 Department of Energy has pulled back on much of its
11 activity on developing new standards. And it was basically
12 projected that they're not planning to move forward on some
13 of these. And these are just very clear opportunities
14 where we are not preempted and that we can step in and
15 harvest some savings and certainly there are other states
16 where they're interested in now doing that as well, that
17 they would look to adopt these standards, some of our other
18 ones that we already have going forward.

19 And in particular, just a little more color on
20 the lighting one, pardon the pun. Back in the day there
21 were lots of T12s and CRI was hard to get with florescent
22 and so they exempted the really high CRI lamps, because
23 they were specialty lamps. Today, we have technologies
24 that really make it easy to get high CRIs and so it's a
25 much bigger chunk of the market. And yet it is exempted

15

1 from federal regulation and so we're going to step in and
2 fix that. So that's the overall context. I'm obviously
3 very supportive of this and really looking forward to
4 getting this next tranche of standards moving forward.

5 All right, so I'll move Item 3.

6 COMMISSIONER DOUGLAS: Second.

7 CHAIRMAN WEISENMILLER: All those in favor?

8 (Ayes.)

9 CHAIRMAN WEISENMILLER: Item 3 passes 4-0. Thank you.
10 Let's go on to Item 4.

11 MR. CHAUDHRY: Good morning Mr. Chair and
12 Commissioners. I am Shahid Chaudhry with the Local
13 Assistance and Financing Office of the Energy Efficiency
14 Division.

15 I'm here to request your approval for a
16 \$1,441,000 ECAA loan at 1 percent to the City of Big Bear
17 Lake, Department of Water & Power. The Department will use
18 these funds to install 275 kilowatts solar PV systems to
19 power five water wells at their Division's well field.

20 On completion, the project will generate about
21 459,000 kilowatt hours annually, bringing grid electricity
22 consumption at this site to almost zero. That will save
23 the Department about \$136,600 in utility costs every year.
24 Based on the loan amount, the simple payback is 8 1/2,
25 almost 8 1/2 years.

1 The loan request fulfills requirements of the
2 ECAA loan program. I therefore recommend and request your
3 approval of this item. I'm available to answer any
4 questions, you may have. Thank you.

5 CHAIRMAN WEISENMILLER: Thank you.

6 First, any comments from anyone in the room?
7 Anyone on the line?

8 (No audible response.)

9 Then let's transition to the Commissioners,
10 Commissioner McAllister?

11 COMMISSIONER MCALLISTER: Yeah, this is one on
12 one line of good projects, so thanks Shahid for that
13 description. And you'll note that the payback times for PV
14 are getting ever shorter, so that's pretty amazing what the
15 market place is doing. Hopefully that keeps up, whatever
16 happens at the federal level. So I'll move Item 4.

17 COMMISSIONER SCOTT: Second.

18 CHAIRMAN WEISENMILLER: All those in favor?

19 (Ayes.)

20 CHAIRMAN WEISENMILLER: Item 4 passes 4-0.

21 MR. CHAUDHRY: Thank you. Thanks.

22 CHAIRMAN WEISENMILLER: Thank you.

23 Let's go on to Item 5.

24 MS. RUDMAN: Good Morning, my name is Monica
25 Rudman. I'm with the Local Assistance and Finance Office

1 of the Efficiency Division. And I'm here to request your
2 approval of Item Number 5, specifically Amendment 3 to ECAA
3 Loan Number 002-15-ECD granted to the City of Santa Cruz.

4 The Energy Commission executed this loan in
5 August 2015 to finance installation of a variety of energy
6 efficiency measures at 13 city-owned buildings, as well as
7 various streets. Currently, over 75 percent of energy
8 efficiency measures approved in the loan agreement are
9 either complete, in design, or under way. The City of
10 Santa Cruz expects to complete installation of the project
11 by May 1st, 2018.

12 The City of Santa Cruz would like to increase the
13 budget of the Comprehensive Mechanical System Upgrade at
14 the City Hall Annex from \$389,522 to \$531,000. They have
15 received proposals with construction costs higher than
16 initially budgeted. Also, updated California building
17 codes now require seismic improvements and configuring the
18 equipment to be compatible with advanced controls.

19 In addition, the City requests that two energy
20 efficiency measures be deleted from the scope of work.
21 This is re-insulating the attic at Fire Administration and
22 eliminating two exhaust fans serving the Council Chambers.

23 These changes will increase the overall project
24 cost to \$1,416,238, a net change of \$127,652. When the
25 project is completed the annual energy consumption will be

1 reduced by an estimated 487,331 kilowatt hours and 11,844
2 therms, reducing annual energy bills by approximately
3 \$83,089. The simple payback of the amended project will
4 increase from 15.4 years to 17 years.

5 The ECAA Loan Program allows for loan awards up
6 to 3 million per applicant and requires repayment of the
7 loan, both interest and principal, within 20 years. This
8 is equivalent to projects having a simple payback of 17
9 years or less. The request meets the ECAA Loan Program
10 requirements.

11 Thank you for considering this item. If you have
12 any questions I'd be happy to answer them.

13 CHAIRMAN WEISENMILLER: Thank you.

14 Any comments from anyone in the room? Anyone on
15 the phone?

16 (No audible response.)

17 CHAIRMAN WEISENMILLER: That's okay. Transition
18 to Commissioner McAllister.

19 COMMISSIONER MCALLISTER: Yeah, so I definitely
20 support this change. It kind of reflects the world we live
21 in and realities of not knowing everything until you
22 actually do a project. Certainly, I think this continues
23 to be a good project, very interested in getting mechanical
24 projects, system upgrade projects scaled up. So hopefully
25 we can learn something from this project and I know the

1 City has historically done a good job with these projects.
2 So I appreciate the update, Monica.

3 So I'll move this item.

4 COMMISSIONER DOUGLAS: Second.

5 CHAIRMAN WEISENMILLER: All those in favor?

6 (Ayes.)

7 CHAIRMAN WEISENMILLER: This passes 4-0. Thank
8 you. Let's go on to Item 6. Good morning.

9 MR. PENA: Good morning Chairman and
10 Commissioners. My name is Nelson Peña of the Local
11 Assistance and Financing Office in the Efficiency Division.

12 Today, I am requesting approval of an Energy
13 Conservation Assistance Act also known as the ECCA Loan to
14 the Alpaugh Unified School District. This application is
15 for a \$2.1 million ECAA-Ed funded loan to implement the
16 installation of four separate fixed-axis solar photovoltaic
17 electric generation systems, at its District-owned school.

18 The loan will fund four separate photovoltaic
19 canopy array systems over existing parking lots for a total
20 of 410.4 kilowatts of Alpaugh Unified School District. The
21 photovoltaic systems combined are expected to produce
22 approximately 656,024 kilowatts per hour of electricity
23 annually for the District and the District will save over
24 131,205 annually.

25 The photovoltaic systems will be on District-

1 owned land and the Solar Investment Tax Credit is not
2 applicable.

3 Energy Commission staff has determined that this
4 loan is technically justified. And based on the loan
5 amount, and the calculated simple payback for this loan
6 will be approximately 16.1 years, which is within the 20-
7 year payback period requirement for the loan program and is
8 within the 20-year effective useful life of the solar
9 photovoltaics' performance.

10 With this information, I request your approval at
11 this time by the Alpaugh Unified School District. And I am
12 happy to answer your questions that you may have. Thank
13 you.

14 CHAIRMAN WEISENMILLER: Thank you. First is
15 there any comments from anyone in the room? Anyone on the
16 line?

17 (No audible response.)

18 CHAIRMAN WEISENMILLER: And then again we'll
19 transition to Commissioner McAllister.

20 COMMISSIONER MCALLISTER: So thanks, Nelson.

21 I guess I'll just point out this highlights the
22 importance of a tax credit. You know, when you don't have
23 tax liability, you can't take it so you do have higher
24 costs. But even so, they've chosen to own it. And I think
25 that we've seen that with a lot of schools that they really

21

1 choose to own the -- to make a capital investment instead
2 of a long-term contract or a lease.

3 So I'm supportive of that position and would move
4 Item 6.

5 COMMISSIONER DOUGLAS: I second.

6 CHAIRMAN WEISENMILLER: All those in favor?

7 (Ayes.)

8 CHAIRMAN WEISENMILLER: Item 6 passes 4-0. Thank
9 you.

10 Let's go on to Item 7.

11 MR. SANDHU: Thank you and good morning Chair and
12 Commissioners. My name is Balraj Sandhu. I'm a Mechanical
13 Engineer, in the Efficiency Division, Local Assistance and
14 Finance Office.

15 This item is a proposal to approve an Energy
16 Conservation Assistance Act or ECAA loan in the amount of
17 \$2.2 million at zero percent interest, for the Sequoia
18 Union High School District.

19 The District has requested this loan to fund the
20 installation of 777 kilowatt DC, carport, canopy-mounted,
21 fixed-axis, photovoltaic system, at the Woodside High
22 School located in Woodside, California.

23 This project is estimated to generate 1,277,000
24 kilowatt hours of electricity annually and reduce the
25 School District's yearly utility expense by \$199,000.

1 Based on the loan amount, the simple payback for
2 this project is 11.1 years. Staff has determined that the
3 loan request complies with ECAA program requirements.

4 I respectfully request your approval for this
5 item. Thank you. And I'm here to answer any questions you
6 may have.

7 CHAIRMAN WEISENMILLER: Thank you.

8 Is there any comments from anyone in the room?
9 How about on the line?

10 (No audible response.)

11 CHAIRMAN WEISENMILLER: Then I'm going to
12 transition to Commissioner McAllister.

13 COMMISSIONER MCALLISTER: Yeah, really nothing
14 new to add. These are just a group of good projects, so
15 thanks for all your due diligence.

16 I'm going to move Item 7.

17 COMMISSIONER SCOTT: Second.

18 CHAIRMAN WEISENMILLER: All those in favor?

19 (Ayes.)

20 CHAIRMAN WEISENMILLER: So this item also passes
21 4-0. Thank you.

22 Let's go on to Item 8.

23 MS. ORTIZ: Good morning, Commissioners. My name
24 is Reta Ortiz. I'm from the Energy Research and
25 Development Division's PIER Program Support Unit.

1 The proposed contract with the nonprofit National
2 Academy of Sciences, Engineering and Medicine will develop
3 a two-day workshop in Washington D.C., including expert
4 panelists and decision makers from other states, feature
5 results of the fourth California Climate Change Assessment
6 and facilitate a broader discussion on climate
7 preparedness.

8 As a leader in supporting cutting edge climate
9 science, the State of California sponsored scientific
10 studies for its fourth assessment to assess the impacts of
11 climate change on California. The fourth assessment is led
12 by the California National Resources Agency and the Energy
13 Commission is Lead over energy-related research. The
14 results of these studies will be available later this year
15 and public events are planned in California to present the
16 results.

17 The workshop in Washington D.C. will convene
18 leaders from the scientific community, cities and states,
19 to review the results from the fourth assessment and
20 discuss best practices in applying science to local
21 solutions to increase system resilience.

22 We request approval of this contract and I'm here
23 to answer your questions.

24 CHAIRMAN WEISENMILLER: Thank you.

25 Any comments from anyone in the room? Anyone on

1 the phone?

2 (No audible response.)

3 CHAIRMAN WEISENMILLER: I'm going to transition
4 to the Commissioners and as Lead on R&D I'll talk about
5 this one.

6 I think sort of first to make sure everyone
7 knows, we're now in the glide path towards wrapping up the
8 fourth climate assessment. And obviously, this is the
9 fourth one. This has really been -- the climate
10 assessments have been very foundational for California's
11 science-based climate policy.

12 This one is bigger and better than before. You
13 know, I think the last time we had about 35 studies lapped
14 together and from about 30 different institutions in
15 California. This time it's, I'm going to say, closer to
16 60. I'm looking at Drew to make sure, but --and about half
17 of those are energy unique. About half of those are under
18 natural resources, non-energy pieces, so it's really a
19 significant project. It's really critical, given our focus
20 on climate issues.

21 And the National Academy is in a -- I think it's
22 obviously people know about the National Academy and how
23 well respected it is. The current federal administration
24 is, I won't say disdainful of science, so that they haven't
25 really gotten much in the way of assignments, particularly

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1 on climate issues or resilience in the past year. So
2 talking to them, what we really wanted to do was to
3 highlight California's scientific results from the climate
4 assessment in D.C. They will do an independent assessment
5 of that. I mean just by their nature, they are the
6 premiere science and technology group in the country.
7 Obviously they're going to take an independent assessment
8 and then it's an opportunity to publicize those results in
9 Washington with key decision makers.

10 So I think this is a very good first step in
11 deepening our relationship with the National Academy. And
12 at the same time, I think it's a really important piece of
13 the outreach associated with the fourth assessment. So I
14 certainly encourage people to support this one.

15 COMMISSIONER MCALLISTER: I have a quick
16 question. Is this the extent of the funding or are we sort
17 of partnering with other agencies, or what?

18 CHAIRMAN WEISENMILLER: We've reached out to
19 different foundations and at this point people are sort of
20 interested, but I can't say anyone has sort of stepped
21 forward.

22 COMMISSIONER MCALLISTER: Okay.

23 CHAIRMAN WEISENMILLER: So this is enough if
24 other step forward, then we can expand the nature of what
25 we're doing.

1 COMMISSIONER MCALLISTER: Our support us more
2 likely to make that happen, I would imagine.

3 CHAIRMAN WEISENMILLER: Yeah.

4 COMMISSIONER MCALLISTER: Yeah, great.

5 COMMISSIONER DOUGLAS: I think it sounds really
6 important and really good and I'll move approval.

7 COMMISSIONER MCALLISTER: I'll second.

8 CHAIRMAN WEISENMILLER: All those in favor?

9 (Ayes.)

10 CHAIRMAN WEISENMILLER: So this passes 4-0.

11 Thank you.

12 Let's go on to Item 9.

13 MR. KURAL: Good morning Chair and Commissioners,
14 my name is Tanner Kural with the Research and Development
15 Division. I am requesting approval of a proposed federal
16 cost share agreement with Southern California Edison, SCE,
17 titled "Electric Access System Enhancement," referred to as
18 the acronym EASE.

19 Under the EASE project, partially funded by the
20 U.S. Department of Energy under their research grant
21 program called ENERGISE, SCE will streamline their
22 Distributed Energy Resource, DER, interconnection process
23 and develop a real-time constraint management control
24 system to allow for increased hosting capacity of DERs.
25 The DOE is contributing about 4.2 million to the project.

27

1 SCE is contributing a total of 4.4 million as match funds.

2 SCE will demonstrate their updated
3 interconnection process and control system at the area
4 surrounding one of their existing substations located in
5 SCE service territory. This area will be used to
6 demonstrate the system with a mix of residential and
7 commercial DER assets, based on current and forecasted DER
8 adoption.

9 Project objectives include enhancing control of
10 high penetration distributed renewables in order to
11 increase hosting capacity by 20 percent. Another goal is
12 to reduce interconnection time for Solar PV. Currently,
13 interconnection studies are performed manually and can take
14 more than 60 business days. By automating the
15 interconnection study and approval process, SCE aims to
16 demonstrate a reduction in customer and commercial
17 interconnection time for Solar PV under 250 kilowatts to be
18 within five to ten days.

19 I ask for your approval of this project. I'm
20 here to answer any questions. Thank you.

21 CHAIRMAN WEISENMILLER: Thank you. And comments
22 from anyone in the room? Anyone on the phone?

23 (No audible response.)

24

25 CHAIRMAN WEISENMILLER: I guess again I'll

1 transition to talking -- take the lead on talking about
2 this since it is an R&D activity.

3 I think this is a really interesting one.
4 Obviously, one of the things we really focus on is sort of
5 leveraging our money. So to the extent we are leveraging
6 some federal funds here, it's important I think.
7 Certainly, the topics are good. I mean, God bless I
8 remember it was like three years for the interconnection of
9 the microgrid in Twentynine Palms or actually China Lake.
10 So anyway, certainly shortening the time on this stuff is
11 really important. And I'm certainly glad to see Edison
12 taking the lead on it.

13 Also, obviously when we started, we had a pretty
14 bad relationship with Edison on R&D. You know, I mean they
15 certainly took the lead in killing our R&D program. And at
16 this point under the leadership of President Ron Nichols
17 they've really rebuilt the relationship with us going
18 forward, so that's great. You know, so anyway...

19 COMMISSIONER MCALLISTER: That sounds good, so
20 I'll move Item 9.

21 COMMISSIONER DOUGLAS: I second.

22 CHAIRMAN WEISENMILLER: All those in favor?

23 (Ayes.)

24 CHAIRMAN WEISENMILLER: This item passes 4-0. Thank you.
25 Let's go on to 10.

1 MR. GHANDI: Good morning, Chair and
2 Commissioners. My name is Cyrus Ghandi. I'm with the
3 Energy Efficiency Research Office R&D Division.

4 Today, staff is proposing approval of an
5 interagency item with the San Francisco State University in
6 the amount of \$249,947. The purpose of this contract is to
7 identify market-ready and advance natural gas saving
8 technologies that will reduce energy costs, increase energy
9 efficiency and reduce greenhouse gas emissions for
10 California's food processing industry.

11 The Industrial Assessment Center at San Francisco
12 State University was selected because of its past
13 experience and subject matter expertise, having completed
14 more than 500 assessments of industrial facilities to help
15 us identify some of the key natural gas technology upgrade
16 solutions for the near, mid and long term.

17 The food processing sector contributes over \$82
18 billion to the state's economy and is a major user of
19 natural gas. The industry faces unique challenges and San
20 Francisco State study will help us to better understand the
21 research needs for this industry.

22 I ask for your approval of this item and I'm
23 happy to answer any questions.

24 CHAIRMAN WEISENMILLER: Thank you.

25 Is there any comments from anyone in the room?

1 How about on the phone?

2 (No audible response.)

3 CHAIRMAN WEISENMILLER: I'll transition to the
4 Commissioners, and again as Lead on R&D I'll talk about
5 this one.

6 The Energy Commission has been entrusted with
7 implementing some I think \$160 million of GDRF (phonetic)
8 funds for food processors. And food processing, as
9 indicated, agriculture is certainly one of our leading
10 industries and so it's an important area. A lot of the
11 food processing is not full time. But really the energy
12 use is very much in the canning season or processing
13 season, which makes it hard for them to really justify
14 investments. And the notion is to really focus on
15 investments, which can reduce the greenhouse gas emissions
16 in a cost-effective fashion.

17 And it's fairly interesting San Francisco State
18 has had such a lead role in this area for the Department of
19 Energy, so we're leveraging off of the prior investments
20 there.

21 So anyway, I think it's a pretty good project.

22 COMMISSIONER MCALLISTER: So I totally agree with
23 that. I mean I have some experience in industrial energy
24 and efficiency and it really is -- there are processes that
25 really are common across many, many industry types. But

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1 then there're also production processes that are specific
2 to given industries, and so you really do have to dig in
3 and work with the industries very directly. And these
4 industrial assessment centers that the Department of Energy
5 has funded over the last couple of decades are really a
6 key, just sort of patrimony for the country and, you know,
7 are at risk. And so I think it's really a multiple
8 benefits of a project like this.

9 And so I'll move Item 10.

10 COMMISSIONER DOUGLAS: Second.

11 CHAIRMAN WEISENMILLER: Okay. All those in
12 favor?

13 (Ayes.)

14 CHAIRMAN WEISENMILLER: This item passes 4-0.

15 Thank you.

16 Let's go on to Item 11.

17 MR. ORENBERG: Good afternoon, Commissioners. My
18 name is Jacob Orenberg and I'm the Project Manager for the
19 Annual Investment Plan Update for the Alternative and
20 Renewable Fuel and Vehicle Technology Program, or ARFVTP.
21 The ARFVTP was created by Assembly Bill 118 of 2007 and
22 provides up to \$100 million per year to projects that will
23 transform California's fuel and vehicle types to help meet
24 the state's climate change policies. The Investment Plan
25 Update is a document that determines the funding priorities

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1 for the program for each fiscal year.

2 Today, we are seeking your approval of proposed
3 funding modifications to the 2016-2017 and the 2017-2018
4 Investment Plan Updates for the ARFVTP.

5 To provide some background information for this
6 proposal, the California Budget Act gives the ARFVTP two
7 years to encumber funds. So fiscal year 2016-2017 funding
8 must be encumbered by June 30th, 2018 and fiscal year 2017-
9 2018 ARFVTP funding must be encumbered by June 30th, 2019.
10 This means that the funding must be dedicated to a
11 contract, grant, or loan agreement by this deadline,
12 otherwise the funding will revert and not be usable for the
13 purposes outlined in the Investment Plan.

14 Currently, there is roughly \$3.5 million in 2016-
15 2017 Biofuel Production and Supply funding that remains
16 unencumbered. This funding was originally set aside for
17 two projects awarded under Grant Solicitation GFO-15-606.
18 However, the Applicant withdrew these projects from
19 consideration in December. In addition, there is roughly
20 \$2 million in 2016-2017 Natural Gas Fueling Infrastructure
21 funding that remains unencumbered, because of lower-than-
22 expected demand, which I will discuss later.

23 There are two parts to this proposed funding
24 modification, the first of which exchanges Biofuel
25 Production and Supply funding with Emerging Opportunities

1 funding. This exchange is being proposed because staff
2 does not believe that the roughly \$3.5 million of remaining
3 2016-2017 biofuels funding can be encumbered for new
4 projects by the June 30th deadline. And this is because of
5 the amount of time that is required to select and award new
6 grant agreements through a competitive solicitation.

7 So, to preserve these funds for the purposes of
8 the ARFVTP, staff proposes exchanging \$3.5 million of
9 fiscal year 2016-2017 Biofuel Production and Supply
10 funding, with an equal amount of fiscal year 2017-2018
11 emerging opportunities funding. The 2017-2018 funding has
12 a later encumbrance deadline, which will provide the Energy
13 Commission with up to 17 months to release another biofuels
14 grant solicitation and encumber the funds.

15 Staff believes that the 2016-2017 funds, with the
16 earlier encumbrance deadline of this June 30th, can be
17 readily used for emerging opportunity projects. As this is
18 an equal exchange of funding between categories and fiscal
19 years, there will be no net change in total funding to
20 these two categories.

21 The second part of this funding modification
22 reallocates funding from the Natural Gas Fueling
23 Infrastructure category to the Electric Vehicle Charging
24 Infrastructure category. This is being proposed, because
25 the previous Natural Gas Fuel and Infrastructure grant

1 solicitation, GFO-16-602, did not receive sufficient demand
2 from applicants and was only able to provide about 40
3 percent of the available funds to eligible projects.

4 In addition, on December 4, 2017, the Energy
5 Commission and the California Public Utilities Commission
6 issued a joint letter to the Los Angeles County Board of
7 Supervisors. This letter recommended a moratorium on new
8 connections for natural gas service in the areas of Los
9 Angeles County that are served by the Aliso Canyon natural
10 gas storage facility.

11 Given the low demand demonstrated in the previous
12 Natural Gas Fueling Infrastructure solicitation, as well as
13 the fact that new natural gas interconnection projects in
14 much of Los Angeles County would need to be excluded from
15 solicitations for the near term, staff does not believe
16 that the remaining 2016-2017 funds for Natural Gas Fueling
17 Infrastructure can be encumbered by the deadline of this
18 coming June coming June coming June 30th.

19 To preserve these funds for the purposes of the
20 ARFVTP, staff proposes reallocating roughly \$2 million in
21 fiscal year 2016-2017 funds from the Natural Gas Fueling
22 Infrastructure allocation to the Electric Vehicle Charging
23 Infrastructure allocation. Staff believes that these funds
24 can be encumbered for Electric Vehicle Charging
25 Infrastructure projects before the deadline.

1 This funding is also expected to provide charging
2 infrastructure to support the Energy Commission's upcoming
3 75 million School Bus Retrofit and Replacement Program that
4 was authorized under Senate Bill 110 of 2017. Because of
5 the low demand for Natural Gas Fueling Infrastructure funds
6 in previous solicitations, staff does not propose
7 offsetting this reduction with additional funds from other
8 categories or fiscal years.

9 Staff is confident that, with these proposed
10 funding modifications, the remaining ARFVTP funding for
11 fiscal year 2016-2017 will be able to be encumbered by the
12 deadline of this June 30th. We request your approval of
13 Agenda Item 11, and I can now answer any questions you may
14 have. Thank you.

15 CHAIRMAN WEISENMILLER: Thank you. Let's go to
16 comments, anyone in the room? We have, I believe a
17 representative of Zero Motorcycles. Please?

18 MR. FRIEDLAND: Good morning Chairman
19 Weisenmiller and Commissioners Scott, McAllister and
20 Douglas. My name is Jay Friedland. I stand here in my
21 role as Vice President of Public Relations for Zero
22 Motorcycles. Zero has been designing and building electric
23 motorcycles in California for the past 10 years and we've
24 grown from 8 people, in 2008, to over 150 now today.

25 As you know, Zero has shipped thousands of

1 electric motorcycles to customers in California and across
2 the entire world. We're second only to Tesla in terms of
3 volume manufacturing electric vehicles in California. Over
4 60 police and public safety departments in California,
5 including LAPD, cities across the Central Valley and
6 California parks are now deploying Zero motorcycles. And
7 these motorcycles emotionally resonate with motorcycle
8 riders providing high performance and "good clean fun."

9 I'm really here today to speak in support of the
10 ARFVTP, which I'm sure I'm going to mess up that acronym,
11 (indiscernible) and in support of electric motorcycle
12 manufacturing.

13 Zero has successfully completed three Energy
14 Commission ARFVTP manufacturing grants, which have played a
15 fundamental role in the growth and expansion as a
16 California electric vehicle manufacturer. Leveraging
17 Energy Commission grant funding with private capital, Zero
18 Motorcycles will be able to hire more people, achieve
19 growth, and achieve more innovation.

20 And why is this important? Just one of the
21 things that's happened recently is that the ARB has done
22 some modeling. And this year, or actually last year in
23 2017,

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25 2017, it turns out that motorcycles produce more pollution

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1 than the cars on the road. And that's an important fact,
2 because the amount of motorcycles is a small fraction of
3 the amount of cars. And the amount of VMT or Vehicle Miles
4 Traveled that motorcycles, that motorcycle riders do, is
5 also much smaller. Sixteen percent more pollution coming
6 out of motorcycles than out of cars, so this is really
7 making a difference.

8 So as you look forward to future funding
9 opportunities on ARFVTP, we believe that electric
10 motorcycles are a key sector in needing support. And we
11 want to thank the staff and congratulate the Commission on
12 the fact of the 10th anniversary of the ARFVTP Program.
13 And we really look forward to continuing this program for
14 California (indiscernible) thank you.

15 CHAIRMAN WEISENMILLER: Thank you.

16 Any other comments from anyone in the room?

17 (No audible response.)

18 No, let's transition to the line. I think we
19 have Thomas Lawson.

20 MR. LAWSON: I'm sorry, good morning.

21 CHAIRMAN WEISENMILLER: Good morning.

22 MR. LAWSON: Thank you for the opportunity to
23 comment on this particular item. I just have a couple of
24 points I wanted to make as well as a question to either
25 staff or the Board. I definitely understand the need to

1 spend the encumbered funds by June 30th of this year. One
2 of the suggestions that I had or questions that I had was
3 currently in the NGVIP program there's a wait list of 1.2
4 million. Why wouldn't we be able to use this 2 billion to
5 be able to satisfy that wait list there? That's one
6 question.

7 The second question is staff obviously used the
8 request for the moratorium in Los Angeles as a reason to
9 reallocate funds. My question is, that actually vote or
10 action was moved to February and I wonder whether or not
11 that's going to be approved or not? I don't know. I don't
12 have any intel on that. Should we wait until there's an
13 action there to then be able to determine whether or not
14 we're going to impact other programs?

15 In natural gas vehicles I think in California are
16 bidding quite of bit of -- are doing a great job of finding
17 solutions to air quality goals. I think we're able to
18 (indiscernible) have are very good programs and we've
19 already begun to engage with Commissioner Scott and staff
20 on some of these issues on how to rule these programs,
21 because I think we all want to see them be successful. And
22 I look forward to continue conversations on that topic as
23 well.

24 So those are my comments. Thank you for the
25 time. I appreciate it.

1 CHAIRMAN WEISENMILLER: Great, thank you.

2 Anyone else on the line?

3 (No audible response.)

4 CHAIRMAN WEISENMILLER: Okay. We'll transition.

5 Let me -- I was going to talk about Aliso Canyon in the
6 Lead Commissioner Reports, but I'll do that now to provide
7 some context and I'll ask the staff to talk about the
8 zoning question.

9 So basically, if you go back to I'm going to say
10 late November-December, when we released the Aliso Canyon
11 status, we were concerned that even in relatively average
12 weather we could have curtailments in Southern California
13 in January. And so based upon that, President Picker and I
14 sent a letter to the L.A. Supervisors requesting a
15 moratorium on new gas hookups. Then when they did not
16 respond, at that stage the PUC considered a resolution to
17 do that. The resolution had morphed. Originally,
18 President Picker had talked about the situation where
19 around Porter Ranch is expanding, adding more gas service,
20 at the same time that many of the people in the L.A. Basin
21 want Aliso Canyon shut down.

22 So it's like how do we -- you know, how do we
23 basically harmonize the situation of increasing reliance on
24 gas at a time when there's substantial vulnerability there?
25 And in fact, I remind people that based upon my

1 conversation with the Governor I've sent a letter to the
2 PUC requesting that we need a plan to shut down Aliso
3 Canyon in ten years. So basically the question is how do
4 we move forward?

5 Now, I would note that if you look at -- we've
6 posted a recent update on the -- we do monthly updates on
7 the supply and demand situation in Southern California
8 including the amount of gas in storage. We had an
9 incredibly warm December, you know, that in terms of
10 heating degree days it's a reduction of about two thirds,
11 so just -- wow is the answer. And so we have really good
12 levels of storage going into January, which allowed the PUC
13 to postpone the moratorium decision until February.

14 Now again I don't -- I'm not quite sure exactly
15 what they're going to do, but they do have this conundrum
16 of, on the one hand, in fact the Supervisor we sent the
17 letter to responded to us which we -- that included two
18 thoughts. One was to shut down Aliso Canyon right now.
19 And the other one was don't do the moratorium. (Laughter.)
20 So it was like okay, how do you harmonize these two pushes?

21 And so again, I don't know what the PUC would do
22 on the moratorium. But it was pretty clear that getting
23 letters from various companies ready to open up for
24 business in the L.A. Basin saying, "Wait a minute. You
25 can't possibly do this moratorium." Then it seemed like it

1 was time to really step back from the building in more gas
2 load in the Basin until we have a better game plan.

3 So anyway, I don't know what the PUC would do on
4 the moratorium. But at this stage, I think certainly the
5 better part of prudence is to really slow down on this
6 particular push until we have a better understanding,
7 again, on Aliso Canyon. Outside of Aliso Canyon it's
8 certainly a different story. I think certainly there can
9 be some air quality benefits from natural gas vehicles that
10 we tend to be very supportive of, but certainly nothing in
11 the L.A. Basin until we get a better handle on Aliso
12 Canyon. So that's the policy context.

13 Staff, do you want to talk about the timing?

14 MR. ORENBERG: Thank you, Chairman.

15 Yes, in regarding Thomas's other question about
16 using the \$2 million from Natural Gas Fuel Infrastructure
17 for the purposes of a Natural Gas Vehicle Incentive Project
18 that would not be possible without a funding reallocation
19 itself. The funds dedicated to the Natural Gas Fuel and
20 Infrastructure Allocation are specific to Natural Gas Fuel
21 and Infrastructure and cannot be used for vehicles.

22 In addition, the Natural Gas and Vehicle
23 Allocation currently has \$19.7 million in unencumbered
24 funds for fiscal years 2016-2017, and 2017-2018. So 10
25 million of that is from 2016-2017 and will be expiring on

1 June 30th if we don't encumber it, or rather reverting. So
2 we are looking into ways to use that for natural gas
3 vehicles, but we don't think it would be prudent to move
4 the infrastructure funding to that other pot of \$10 million
5 for natural gas vehicles.

6 CHAIRMAN WEISENMILLER: Thanks.

7 So let's transition to the Commissioners.
8 Commissioner Scott?

9 COMMISSIONER SCOTT: Yeah, so I just want to say
10 thank you very much to Jacob and the team for looking
11 proactively, kind of around corners to see this coming, so
12 that we have the opportunity to shift
13 some dollars around and really efficiently and effectively
14 continue to invest our ARFVTP dollars.

15 I think that the point Jacob made on
16 infrastructure to infrastructure makes a lot of sense. We
17 are working really hard to try to increase the amounts of
18 investment that we put in infrastructure, so that it can
19 keep pace with the amount of dollars that's going in to the
20 vehicle side. We are super lucky to have the \$75 million
21 to invest in school buses. And if those school buses are
22 electric, than we will also want to be able to help support
23 the infrastructure for those school buses at those schools
24 at those schools and so to shift those dollars from the
25 Natural Gas Infrastructure into infrastructure that can

1 support the school buses if they're electric, to me makes a
2 lot of sense.

3 So I'm very supportive of the recommendation that
4 staff has put together. I appreciate the good thinking
5 that they have done in this space. And many thanks to Jay
6 and to Thomas for your comments on this; I appreciate that.
7 So if you guys don't have questions I will move approval of
8 Item 11.

9 COMMISSIONER MCALLISTER: I'll second.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.)

12 CHAIRMAN WEISENMILLER: This passes 4-0. Thanks.

13 Let's go on to Item 12.

14 MR. RILLERA: Good morning Chair and
15 Commissioners, I am Larry Rillera of the Fuels and
16 Transportation Division.

17 The California Sustainable Freight Action Plan,
18 submitted to the Governor in 2016, includes nine actions
19 for state agencies to address, including one focused on
20 workforce training and development. Within the Action Plan,
21 the Governor's Office of Business and Economic Development
22 or GO-Biz, is the implementing agency for this workforce
23 task.

24 In partnership with GO-Biz the Energy Commission
25 previously developed Contract 600-16-006 with Cal State

1 University, Long Beach using \$25,000 from the Alternative
2 and Renewable Fuel and Vehicle Technology Program, or
3 ARFVTP. Using these funds, CSU Long Beach began an
4 assessment of the freight-related workforce sector.

5 With the proposed \$150,000 in new ARFVTP funding
6 for the contract, the CSU Long Beach will expand on this
7 work including preparing career pathway maps, developing a
8 concept paper for a freight workforce development pilot
9 project, preparing a development plan for the pilot project
10 and implementing the pilot project. This pilot project
11 will help inform future investments and stakeholders as the
12 freight transport system moves toward zero-emission
13 technology.

14 A final report under the contract will also
15 provide guidance on how the Energy Commission can further
16 refine its freight workforce training activities funded by
17 the ARFVTP.

18 This amended project will benefit disadvantaged
19 communities located throughout the freight movement system
20 from the state's seaports to inland warehouse and
21 distribution centers. In particular, these communities
22 will benefit from both expanded workforce training
23 opportunities as well as a quicker transition toward
24 cleaner vehicles and equipment operating in their
25 communities.

1 With that, I would like to thank you for your
2 consideration of this item and note that a representative
3 from GO-Biz is here in support this item. Thank you.

4 CHAIRMAN WEISENMILLER: Thank you. Let's start
5 with comments from folks in the room. Mr. Ramirez, please?

6 MR. RAMIREZ: Good morning, thank you
7 Mr. Commissioner and fellow Commissioners. I want to
8 extend my appreciation for this opportunity to speak on
9 this matter, as a partner. And I have to do a shout out
10 for Commissioner Scott for her leadership on this item. I
11 very much appreciate it. And the hard work of Larry and
12 the team at CEC for helping this thing go forward.

13 As you know, GO-Biz is the state's office that
14 focuses on the economy, it's vibrancy, which also includes
15 its workforce. And in that role the Sustainable Freight
16 Action Plan, as approved by the Governor, places a high
17 priority on assuring that we continue to provide a strong
18 and nimble workforce as we transition to a sustainable
19 freight economy.

20 As we do this, we have to work diligently to
21 ensure that we provide an available workforce to make this
22 transition successful. And this project will do that. I
23 appreciate your positive consideration of this item and to
24 be brief, I'll stop my comments at that point. Thank you
25 very much.

1 CHAIRMAN WEISENMILLER: Okay. Thank you.

2 Anyone else in the room? Anyone on the phone?

3 (No audible response.)

4 CHAIRMAN WEISENMILLER: Then let's go to

5 Commissioner Scott.

6 COMMISSIONER SCOTT: Sure. I just would like to
7 say how pleased we are to be able to help support this
8 critical component of the Governor's Sustainable Freight
9 Action Plan. And thank GO-Biz for their partnership in the
10 helping us to develop a well-trained workforce. I don't
11 need to tell you all the importance of a well-trained
12 workforce, making living wages in our clean transportation
13 economy. So I heartily support this and if there are no
14 questions, I will move approval of Item 12.

15 COMMISSIONER DOUGLAS: Well great work on this
16 and I'm really pleased to see it go forward. And I second
17 the item.

18 CHAIRMAN WEISENMILLER: All those in favor?

19 (Ayes.)

20 CHAIRMAN WEISENMILLER: So this passes 4-0.

21 Thank you.

22 Let's go on to Item 13, please.

23 MS. ZHANG: Good Morning Commissioners. My name
24 is Taiying Zhang. I'm from the Fuels and Transportation
25 Division in the Emerging Fuels and Technology Office.

1 Today I'm seeking your approval of agreement ARV-17-014
2 with Crimson Renewable Energy for about \$4.46 million
3 grant.

4 This project will design, construct, and operate
5 a 3rd-generation commercial-scale biodiesel refinery next
6 to Crimson's existing second-generation biodiesel plant in
7 Bakersfield. When fully operational, the new facility will
8 convert a variety of low-value feedstocks with very high
9 levels of free fatty acids, sulfur, and other impurities,
10 such as grease, low-quality animal fats, and soap stocks.
11 The new facility will produce over 11 million diesel gallon
12 equivalents of biodiesel fuel and a high-quality glycerin
13 co-product.

14 With the low-value feedstocks, the biodiesel
15 carbon intensity will range between 20 and 31 gCO₂e/MJ. At
16 full capacity the fuel produced could reduce greenhouse gas
17 emissions up to 124,127 MTCO₂e/year. This project will
18 create 10 full-time jobs and 30-40 short-term jobs. It is
19 estimated to inject about a \$25 million to \$30 million per
20 year into the state economy.

21 Thanks for your consideration of this item.

22 I think we have Mr. Harry Simpson, the CEO of
23 Crimson Renewable Energy, on the phone. Thank you.

24 CHAIRMAN WEISENMILLER: Thank you.

25 Let's first start, is anyone in the room who

1 wants to comment on this item?

2 (No audible response.)

3 CHAIRMAN WEISENMILLER: We don't. Now, let's
4 transition to the phones and Mr. Simpson?

5 MR. SIMPSON: Am I on?

6 MULTIPLE SPEAKERS: Yes.

7 MR. SIMPSON: Oh, there we are.

8 I just wanted to say thank you to Commissioner
9 Scott and the team at the CEC for the positive evaluation
10 of our grant application and awarding this grant. As
11 Commissioner Scott and many of the Board Members know, we
12 have been awarded a prior grant that we executed on. And
13 expect to complete this project in 2019 and make this
14 another (indiscernible) showcase for the ARFVTP Program.

15 CHAIRMAN WEISENMILLER: Thank you.

16 Let's transition to Commissioner Scott?

17 COMMISSIONER SCOTT: Sure. Thank you very much
18 Harry for joining us on the phone today, and to the staff
19 for putting together this terrific agreement. These
20 projects are very exciting, because it helps us with our
21 Low Carbon Fuel Standard. And it's great, in my opinion,
22 to have in-state production of those fuels. And so I am
23 looking forward to, I believe he just said 2019, when
24 they'll be online producing this fuel. And I'm very much
25 looking forward to that and hardily support this project as

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1 well. So I will move approval of Item 13.

2 COMMISSIONER MCALLISTER: I'll second.

3 CHAIRMAN WEISENMILLER: All those in favor?

4 (Ayes.)

5 CHAIRMAN WEISENMILLER: This item passes 4-0.

6 Thank you.

7 Again, Item 14 is held to the next business
8 meeting, so let's go on to Item 15, please.

9 MR. CAZEL: Good morning, Commissioners. My name
10 is Phil Cazal and I am with the Energy Commission's Zero-
11 Emission Vehicle and Infrastructure Office.

12 I am presenting four grant agreements for
13 possible approval that represent four hydrogen refueling
14 station projects proposed under Grant Funding Opportunity
15 15-605, Light-Duty Vehicle Hydrogen Refueling
16 Infrastructure. A total of 16 hydrogen stations from this
17 same grant funding opportunity were approved at the June
18 and August business meetings this past year.

19 The agreements presented for possible approval
20 today are for capital expense grants to design, construct,
21 and commission four additional stations. Each of these
22 proposed stations has also applied for a \$300,000 operation
23 and maintenance support grant, which will be presented for
24 Commission approval as each station is completed and ready
25 to be opened to the public.

1 Throughout the application and selection process,
2 Energy Commission staff worked closely with staff from the
3 California Air Resources Board to ensure that proposed
4 refueling stations will be located in high-demand areas and
5 will be appropriately sized to meet the projected demand
6 from the over 13,000 fuel cell electric vehicles expected
7 on California roads by 2020.

8 These four stations will add to the growing
9 network of 60 funded hydrogen stations, 31 of which are
10 open to the public and selling hydrogen to fuel cell
11 electric vehicle drivers.

12 The four stations proposed for possible approval
13 today are located in Redwood City, Studio City, Beverly
14 Hills and Mission Hills The proposed stations will be
15 developed by FirstElement Fuel, Incorporated. And each
16 station will be capable of dispensing at least 310
17 kilograms of hydrogen per day, which is enough to refuel
18 over 60 fuel cell electric vehicles each day. FirstElement
19 Fuel is requesting approximately \$1.9 million in grant
20 funds per station and is committing over \$630,000 in match
21 funding for each station.

22 If approved, these four stations are expected to
23 be open to the public in late 2019.

24 Staff is asking for approval of these four
25 agreements listed as a. through d. in Item 15. And we have

1 Joel Ewanick, the CEO from FirstElement Fuel, as well as
2 Andrew Martinez from the California Air Resources Board on
3 the phone, Gia Vacin with the Governor's Office of Business
4 and Economic Development, and Bill Elrick from California
5 Fuel Cell Partnership to comment today.

6 We're also available to answer any questions you
7 have.

8 CHAIRMAN WEISENMILLER: Great. Thank you.

9 So as we go through comments I'm going to start
10 with those in the room and then switch to those on the
11 line. And in both categories, I'll start more with the
12 government agencies first and then walk through the list.
13 And so, I'm going to start with GO-Biz first. Please come
14 to the line, come on up.

15 MS. VACIN: Good morning, can you hear me okay?
16 Okay. Good morning, Chair Weisenmiller and Commissioners.
17 I'm Gia Vacin, the Zero Emission Vehicle Infrastructure
18 Project Manager at GO-Biz.

19 I'm here to speak in support of approval of the
20 proposed four hydrogen stations. FirstElement has an
21 excellent track record in station development and
22 operations, with high station up time and high
23 responsiveness when issues do arise.

24 The True Zero Network currently consists of 18
25 open stations and there's one nearing completion. As I

1 understand it they'll be kicking off commissioning very
2 soon. So that's great. That will bring 19 to our open
3 network and then of the 16 that were approved last year, 8
4 of them were for settlement stations. So with the addition
5 of these four more stations, not only will it add three
6 stations to the south and one to the north bringing more
7 capacity to places that we need more fueling stations, it
8 will also bring this grouping for settlement stations to
9 12, which will really enable some economies of scale.

10 I think that's an important thing that we need to
11 be considering as we're going forward and thinking about
12 cost and reducing costs and price at the pump and those
13 kinds of things.

14 Additionally, FirstElement Fuel has been a
15 thoughtful and consistent partner in helping to accelerate
16 the hydrogen fuel cell electric vehicle market. They are
17 creative and proactive in working to advance the
18 technologies and reduce costs and continue to improve the
19 customer experience. So I have great confidence in their
20 abilities and am supportive of your approval of these four
21 new stations. Thank you.

22 CHAIRMAN WEISENMILLER: Yeah. Thanks for being
23 here.

24 Let's go to FirstElement next.

25 MR. EWANICK: Good morning Chairman and

1 Commissioners. My name is Joel Ewanick and I'm one of the
2 three founders of FirstElement, along with Dr. Brown and
3 Dr. Stevens who are also here with me. We just thank you
4 for the time.

5 You know, we think that these three stations,
6 these four stations, along with the eighteen that have
7 already been built and the one that's going to open in the
8 next three days, three weeks, or so, are a significant step
9 forward for the adoption of fuel cell electric vehicles.

10 Your investment in those first 18 stations, and
11 the one that's about to open, have started to really work.
12 We have, so far, had 100,000 successful fills. We have
13 dispensed 335,000 kilograms. That's the equivalent of
14 14,000,000 tons of CO2 removed from the atmosphere. And
15 more important, that's 22,000,000 miles driven on electric
16 vehicles driven by fuel cells. That is a significant
17 number, so your investment is working.

18 I stood here on July 22nd, 2014. And I said with
19 a stroke of the pen you have taken the infrastructure
20 argument off the table and you did. This is a really
21 significant moment. We will continue to do that same kind
22 of dedication that we have with the first ones. But it's
23 your vision, your dedication and your persistence that have
24 made this happen. So we thank you for that and we again --
25 we're humbled by the offer.

1 CHAIRMAN WEISENMILLER: Great, thank you. Thanks
2 for being here.

3 Fuel Cell Partnership, Bill?

4 MR. ELRICK: Bill Elrick with the California Fuel
5 Cell Partnership. I want to thank you for the opportunity
6 to comment and voice very strong support of CEC's ARFVTP
7 Program (stumbles) --

8 CHAIRMAN WEISENMILLER: Fast, fast.

9 MR. ELRICK: -- I even had it here, so I could
10 reference it -- and the co-funding of these four stations
11 and all the hydrogen support that you've provided over the
12 years. I can't say enough about this program and this
13 announcement as well, in its success in launching
14 California's commercial hydrogen market.

15 Because of FirstElement Fuel and the other
16 stations you've funded, California now has the largest
17 retail fueling market in the world, retail. It also has
18 the most fuel cell vehicles in the world.

19 And this is only the beginning. We're working
20 collaboratively with CEC and the other stakeholders on
21 getting these first hundred stations up and running as
22 quickly as we can. And where we're now also looking
23 forward to the future and making a pivot to scale up this
24 roll-out to be a more sustainable commercial marketplace
25 that makes all ZEVs common place and brings more renewables

55

1 into the transportation network. And it supports
2 California's goals, both economic and environmental.

3 And I just want to close with thanking the CEC,
4 the Commissioners, the staff for all their hard work in
5 getting us here. Again, great program and great success,
6 so thank you.

7 CHAIRMAN WEISENMILLER: Thank you.

8 Anyone else in the room?

9 (No audible response.)

10 CHAIRMAN WEISENMILLER: Okay. Let's go to the
11 phone lines. Let's start with the ARB.

12 MR. MARTINEZ: Andrew Martinez, I'm with the
13 California Air Resources Board, ZEV Zero Emission Vehicle
14 Infrastructure Section.

15 First of all, thank you for the opportunity to
16 provide comments and apologies for not being there in
17 person. I'm a little under the weather and so I want to
18 share my thoughts, but not my germs.

19 CHAIRMAN WEISENMILLER: Thank you.

20 MR. MARTINEZ: So these stations, as Phil
21 mentioned, have been the result of really good cooperation
22 between CARB and CEC over the past several years, through
23 the AB 8 Program. (phonetic)

24 In the 2017 Joint Agency Staff Report, as I
25 mentioned, the Redwood City station in particular fills a

1 major gap in coverage on the East Bay area. And the
2 stations in L.A. in particular, help reinforce backup and
3 redundant coverage and capacity, especially in the western
4 L.A. region, along corridors near and on Santa Monica
5 Boulevard; up the Interstate 5 and up I-405.

6 So California Air Recourses Board just wants to
7 essentially register our support for these stations. And
8 we look forward to continuing this work with the California
9 Energy Commission and all of your staff.

10 CHAIRMAN WEISENMILLER: Thank you. Thanks for
11 your comments.

12 Let's go to Toyota, also on the line.

13 MR. MCCLORY: Good morning, Commissioners. My
14 name is Matt McClory with Toyota Motor of North America and
15 I appreciate the opportunity to comment. I apologize for
16 the echo.

17 (Audio cuts in and out during phone call.)

18 On behalf of Toyota, we support the proposal for
19 the four hydrogen refueling stations projects as described.
20 These projects support the (indiscernible) of the greater
21 hydrogen (indiscernible), which is critical to provide
22 capacity for (indiscernible) to increase the volume for
23 models of fuel cell (indiscernible) future.

24 Even more significant, we certainly appreciate
25 these projects are planned in areas in areas that are

1 consistent with the market locations identified by the auto
2 makers (indiscernible) process published by the California
3 (indiscernible) partnership.

4 Placing stations, based on current and future
5 customer feedback allows LEMs (phonetic) to expand sales of
6 these vehicles and also provides redundancy for
7 (indiscernible) customer experience.

8 We appreciate the Energy Commission's support for
9 these projects, which paves a way towards the
10 commercialization by interests (indiscernible) and where
11 this type of subsidy may be (indiscernible).

12 That's the end of my remarks. Thank you very
13 much.

14 CHAIRMAN WEISENMILLER: Thank you.

15 Let's go to Honda.

16 MR. ELLIS: Hello?

17 CHAIRMAN WEISENMILLER: Yes, we can hear you. Go
18 ahead.

19 MR. ELLIS: Perfect, thank you.

20 Good morning Commissioner Scott and members. My
21 name is Steve Ellis on behalf of American Honda Motor
22 Company based in Torrance, California.

23 We thank the CEC for continued support of
24 projects for lower emission vehicle transportation, and
25 specifically for this agenda item on hydrogen refueling

1 stations for our customers and the (indiscernible).

2 Honda has moved from a demonstration project
3 climate of our fuel cell cars, back in 2002, to a higher
4 volume building commercial diesels (phonetic) in 2008 and
5 now commercial deployment of the all-new (indiscernible)
6 fuel cell, a California network in both Northern and
7 Southern California.

8 FirstElement has shown an outstanding focus on
9 improving and advancing all aspects of fueling stations
10 with a customer satisfaction mindset to support automakers
11 and all electric vehicle customers. Additionally, at Honda
12 we've provided financial support for FirstElement to help
13 accelerate increased station networking to ease the
14 adoption of this form of zero emission vehicles as another
15 choice that California citizens make in addition to battery
16 electric vehicles, to meet their daily transportation
17 needs.

18 Simply put, we support the grant funding to
19 FirstElement Fuel for each of these station awards. And
20 thank Commissioner Scott, the Board and staff, for their
21 leadership with the deployment of this commercial
22 development of a hydrogen station network in California.

23 CHAIRMAN WEISENMILLER: Thank you.

24 Anyone else on the line?

25 (No audible response.)

1 CHAIRMAN WEISENMILLER: Then let's transition to
2 Commissioner Scott.

3 COMMISSIONER SCOTT: Well, I'm not sure I have
4 too much to add to the enthusiastic remarks that you have
5 heard from our partners.

6 I do want to say thank you very much though to
7 GO-Biz, to ARB for being great partners, as we have been
8 rolling out the hydrogen refueling network to the Fuel Cell
9 Partnership and also, really especially to the First
10 Element Fuels. They didn't say a bunch about this, but of
11 the 31 stations that are open retail they've built 18 and
12 the 19th one is coming in about three weeks, is what I'm
13 hearing. They have the connector station, which allows
14 folks today to be able to drive from Southern California to
15 Northern California and back. They've also got the
16 connector station that allows you go get up to Tahoe.
17 Hopefully we can get some snow up there soon. And so I
18 really appreciate the fantastic work. It's terrific to
19 have a California company really helping us to build out
20 the network.

21 And one of the things that Phil said in his
22 presentation is that these four stations are expected to be
23 open by late 2019. And we went over that really quickly,
24 but that's very exciting as well that we're able to get
25 these stations going in about two years, which is a big

1 improvement from when we started with the program. And so
2 that's just something that I'm excited about as well.

3 And I also want to thank our partners, Toyota and
4 Honda, for bringing the beautiful Clarity and Mirai for
5 folks to have the option of zero emission vehicles, right?
6 It's just we're really starting to -- we're building the
7 foundation. And it is very exciting. And I'm glad that
8 we're able to add four additional stations to the network
9 and thanks to FirstElement for being here today.

10 So if you don't have questions, I will move
11 approval of Item 15.

12 COMMISSIONER MCALLISTER: Great. I'll second.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 (Ayes.)

15 CHAIRMAN WEISENMILLER: This item also passes 4-
16 0. Thank you.

17 MR. SOKOL: Good morning, Commissioners. There's
18 nothing new to report on the SB 350 front this month. And
19 so I'll happily turn it for any questions or commentary
20 from Commissioners.

21 CHAIRMAN WEISENMILLER: Great. Thanks.

22 Are there questions, yeah?

23 COMMISSIONER SCOTT: I will note that we are --
24 the Public Utilities Commission and the Energy Commission
25 are working together to put together our disadvantaged

1 Communities Advisory Group, who will help us by looking at
2 what we're doing under SB 350 for energy efficiency go
3 bring in low-income communities and also on the renewable
4 energy and provide some advice.

5 We put out a charter and a call for applications.
6 We've received a whole bunch of applications and are in the
7 process of reviewing those. And so the PUC Commissioners
8 Rechtschaffen and Guzman Aceves, and Chair Weisenmiller and
9 I, will review those applications and pick the committee.
10 And when we are ready to announce that group, we will let
11 folks know and get that out on the various listservs and
12 social media and things like that.

13 But we are making progress on our Disadvantaged
14 Community Advisory Group.

15 COMMISSIONER MCALLISTER: Just go ahead?

16 CHAIRMAN WEISENMILLER: Yeah.

17 COMMISSIONER MCALLISTER: So one of the efforts I
18 know you've been working on is this developing metrics for
19 the disadvantaged communities efforts. And I got a nice
20 briefing on that and it overlaps a number of areas. And my
21 interest is obviously getting more efficiency there and
22 folks in a multi-family and just a whole bunch of issues
23 that are kind of in my purview.

24 But I wanted to point out -- kind of it dawned on
25 me when I was looking at the amazing staff work on the

1 metrics and in particular the utilizations (phonetic) that
2 we're now able to do. And it made me think of the
3 conversations that Commissioner Douglas and I had had, now
4 years ago, when she was in the throe -- when you were in
5 the throes of the DRECP (phonetic) and really putting
6 together a lot of this GIS information, and doing all of
7 these layers, and really sort of gathering the best data
8 that was out there to represent visually whatever questions
9 we were trying to ask and understand them better.

10 And so now we can -- as we're gathering more data
11 on energy consumption, on properties, on buildings and with
12 802 data that's going to come in on large commercial and
13 multi-family buildings -- the pieces are starting to align
14 in a way that really is very exciting. And so that sort of
15 most current representation of that I think has been this
16 work that cartography has been doing with the divisions on
17 underlying the analysis for this metrics discussion. And I
18 think it's quite exciting.

19 And it's really a signal, a sign of things to
20 come, of great things to come, that'll cross divisions,
21 really. I don't think we actually have -- well, clearly we
22 have not fully thought through all the possibilities here.
23 But I know there are lots of them in efficiency and demand
24 response and some of the things that I worry about. So
25 anyway, I wanted to just call that out and say thanks for

1 all the good work.

2 And I think it also has a great potential to
3 provide professional development for staff to work on some
4 of these exciting issues, to hone their analytical tools
5 and learn these skills. And I think that'll be good for
6 the Commission long term as well. So I'm very excited
7 about that. So I wanted to just thank you and the team for
8 pushing that forward.

9 COMMISSIONER DOUGLAS: Well thanks for that
10 comment, Commissioner McAllister.

11 And I'll just add on, you know, when we did the
12 work in the DRECP and then subsequent planning efforts of
13 various kinds, it gave me a real insight into the power of
14 using and manipulating data through these platforms that
15 allow you to really draw from this broad sort of data sets
16 and model results and model runs and make changes quickly
17 and rerun and we've built a lot of capacity to do this kind
18 of analysis in-house. And bringing that capacity to bear
19 towards different sets of issues and whether it's showing
20 where funds have been expended or showing where certain
21 kinds of programs can be most effective based on
22 geographically specific factors, I just think there's
23 tremendous potential here. And then the ability to link
24 that data to data held by other state agencies and really
25 create systems that allow us to pool our analytical

1 capability and data.

2 I agree with you. We're at the very beginning of
3 understanding how we can work in this way and be much
4 better and more effective at both thinking through what
5 actually is happening on the ground and what is needed.
6 And also portraying and communicating what is happening on
7 the ground to others who can take it and build on it.

8 CHAIRMAN WEISENMILLER: Great, thanks. Thank
9 you.

10 Minutes?

11 COMMISSIONER DOUGLAS: I'll move the minutes.

12 COMMISSIONER MCALLISTER: I'll second.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 (Ayes.)

15 CHAIRMAN WEISENMILLER: And we have one, so three
16 with one abstention and one absent now.

17 So let's go to Lead Commissioner or Presiding
18 Member Reports. Commissioner Scott?

19 COMMISSIONER SCOTT: Great. Well, I want to say
20 happy New Year to everyone. We've gotten off to a really
21 fast start, so it feels like the New Year was quite some
22 time ago, actually.

23 I had a couple of things I wanted to highlight
24 for you. I had a chance to go down south just last week
25 and present what the Energy Commission is doing on

1 transportation at the Southern California Energy, Water and
2 Green Living Conference. So that was just a great chance
3 to engage with -- actually it was a pretty broad set of
4 folks; everything from wild life agencies and defenders of
5 wildlife, to me talking about transportation, but just a
6 lot of the key -- so the Salton Sea -- a lot of the key
7 issues that are taking place down in Southern California.
8 And so I was pleased to be able to present a little bit
9 about what the Commission is doing on transportation there.

10 We also had the Air Resources Board hosted the SB
11 1383 Dairy Working Group. That was a couple of Fridays
12 ago. We launched that last summer, maybe May, a little bit
13 earlier than summer, but and pulled together some sub
14 working groups to really help us look at some of the
15 questions around dairies and how to capture the methane and
16 other gases from dairies, as part of our short-lived
17 climate pollutant strategy.

18 And I'm pleased to say that we had -- and I'll
19 just run through the list -- there's a bunch of agencies
20 that are all working together on this. The Air Resources
21 Boards, CDFA, the Energy Commission, the Public Utilities
22 Commission, CalRecycle, San Joaquin Valley Air Pollution
23 Control District and the Regional Water Quality Board all
24 came and gave presentations about -- very brief
25 presentations what their staff has been up to, to help

1 support this effort as it's gone along.

2 And then we heard from our sub groups. And I
3 really want to give a shout out to the sub groups, because
4 they have spent a lot of time and energy. They've been
5 very dedicated to pulling together their best thoughts and
6 information, data and expertise for the state agencies to
7 really think through and review. They're still in the
8 process of that, but they gave us kind of an update about
9 where they are.

10 And those groups are broken down into three
11 groups; fostering markets for digester projects, fostering
12 markets for non-digester projects and the research needs,
13 including enteric fermentation, which we'd have to have a
14 scientist explain a little better than I can remember from
15 the presentation. But you know what they've done is assess
16 the state to really try to understand on the digester side,
17 what's there and then what the possibilities are. And then
18 also on the non-digester side, what's there are what the
19 possibilities are.

20 So a lot of the gaps were kind of falling into
21 the research questions, so we'd need to see that the
22 research groups, the items that they identified that
23 required additional research kind of overlapped with where
24 the other two groups were finding gaps in this space. So
25 that's continuing on. We met on January 5th to kind of get

1 that update, so the SB 1383 work continues.

2 And then I just here, internally, had a chance
3 last week to meet with Rob Cook's team. And just talk a
4 little bit about really the overall importance of the work
5 that they do. I mean everything from IT, keeping all of
6 our computers up and running and our beautiful WebEx is
7 working and the mics and everything, to the contracting
8 team who's always making sure that as we approve these
9 grants, the contracts get together and get out and get
10 moving quickly, so that projects can get up and running.
11 You know, just across the board the great work that his
12 team does to really support the mission of the Energy
13 Commission.

14 So it was great to get a chance to talk with
15 them, thank them for their fantastic work. And then also
16 to talk a little bit about what's going on in the
17 transportation space and how important the work that they
18 do is to help support what we're doing in that space.

19 So that's a couple of things about what I've been
20 up to.

21 COMMISSIONER MCALLISTER: Great, so yeah Happy
22 New Year as well. I was able to spend a good amount of
23 time, probably the most time I've ever spent, in my
24 childhood home city basically since I left for college. So
25 my mom was ecstatic. (Laughter) And there's this new

1 Country Music Hall of Fame, that City is Nashville, so I
2 just recommend it to everyone and whether or not you're
3 into country music, it's a good thing. Anyway, on to
4 business.

5 Really, just a couple of things to mention, on
6 January 1 the lighting minimum efficiency standard,
7 backstop, came into effect. And California is two years
8 ahead of the rest of the country on this. And we opted to
9 go ahead and do it, because the market is ready and the
10 technology is ready.

11 And basically what that means is that for typical
12 general service lighting, the A-lamp, the screw-in light
13 bulb that everybody knows and a few other types of lamps,
14 45 lumens per watt will be the minimum efficiency. And the
15 upshot of that is that incandescents can't meet it. So
16 manufacturers for the last few years have seen this coming
17 and they've chosen other technologies to develop. And we
18 all know that the LED revolution is on us. And the quality
19 has gone through the roof and the prices have gone down
20 tremendously. And so that's what you're going to see on
21 shelves. CFLs will be there, but I think LEDs will pretty
22 much be taking over those spaces. And incandescents will
23 be fading out.

24 And so, I did a lot of interviews over the break
25 to news outlets all over the place: national, state and

1 everything in between. And there was -- typically you
2 expect reporters to sort of put their skeptical hat on and
3 ask you the tough questions, you know and sort of why is
4 this a good thing? And really, "Yeah, but what about this
5 and that?" And many of the reporters went out and visited
6 a shop that sold all the new products that are out there.
7 And they just came back with stars in their eyes and they
8 really didn't ask many critical questions, because they
9 were so convinced. They just saw for themselves what a
10 transformation has taking place already.

11 And so it's clearly the right thing to do. And
12 we're ahead of the game by two years. And it was good to
13 be able to say, "Well, this was a 2007 Energy Independence
14 and Security Act that's a federal act that George W. Bush
15 signed into law." So it was a Republican Administration
16 and this is all coming federally in two years. All we're
17 doing is doing it a little bit early. So that by the time
18 the rest of the country comes around, the market will be
19 completely done.

20 So very positive and I think another example of
21 just people hearing about what we do and seeing leadership
22 there. And just seeing rational policy making, basically,
23 for the good of the state and the consumers and so all of
24 that was very positive.

25 I guess the other thing, there are obviously lots

1 of plates spinning and I won't go into all the great staff
2 work that's happening, but about codes and standards. And
3 some interesting analysis that we're doing about various
4 issues, largely related to 350 and energy efficiency and
5 then some about rates and kind of thoughts going forward
6 about that, but results to come.

7 And I guess the other thing I wanted to say was
8 just to say thanks and congrats to Chair Weisenmiller on
9 the IEPR. I think maybe we don't say it that often, but
10 you have a lot of your plate and the IEPR typically has not
11 been one of those things and you took it on this year. And
12 just going through the review chain and looking at the
13 document, the quality is super. And obviously it's not
14 done. The forecast still needs to get finished and
15 adopted, but looking at areas that I'm most interested in,
16 I was just very impressed. And so I just wanted to give
17 kudos to you and obviously to Heather and the whole team,
18 because it's really just come together nicely. I know it's
19 a lot of work and I don't always make life easy for them.

20 So anyway, I'm happy with the direction that's
21 going and I guess the reason it's so important is that next
22 year is kind of a critical year to not only wrap up the
23 Governor's eight-year trajectory this time, but also plan
24 for the full IEPR in 2019, when really a lot of rubber is
25 going to hit the road. And so I think it's a good basis

1 for that. So thanks.

2 COMMISSIONER DOUGLAS: Great. Well, I have a
3 couple of quick reports, really about a couple of staff
4 workshops that are scheduled for the next few weeks. They
5 both relate to a broader effort we've been making in the
6 STEP Division and on the compliance side to move to
7 increase compliance with conditions, improve safety,
8 improve efficiency, improve transparency and so on, on the
9 compliance side. So with regard to existing projects that
10 have been licensed in some cases a long time ago, and
11 operational for a long time.

12 And so in that context, on January 25th, a staff
13 workshop will be held to discuss proposed revisions to the
14 existing incident reporting process for jurisdictional
15 power plants and a proposed compliance docketing policy.
16 The incident reporting will help ensure that when there are
17 incidents that result in emergency responses or potential
18 security breaches we're provided with timely and clear
19 information, regarding the incident, so we can assess the
20 situation and any needed actions on our end.

21 In terms of the docketing policy, the Energy
22 Commission staff has developed a new compliance docketing
23 policy that will require certain documents to be docketed
24 and available on our website after a project has received
25 its license. Those documents have always been and of

1 course are, available to the public through a Public
2 Records Act request. But having the information easily
3 available and accessible on the website is a bit
4 improvement in terms of just ease of access to the public
5 for these documents. So that will be January 25th and
6 those two topics will be covered at a staff workshop.

7 On January 30th, the STEP staff will be holding a
8 second workshop to discuss proposed changes to Title 20 of
9 the California Code of Regulations. Those proposed changes
10 are mostly related to the power plant siting process and
11 the amendment process. There's some very minor, frankly,
12 clarification and cleanup language related to small power
13 plant exemptions. Some language related to what activities
14 fall under the processing of a petition to amend. And they
15 provide staff with some additional flexibility to approve
16 certain kinds of changes.

17 They establish a new kind of amendment and I'll
18 just talk about this very briefly. They propose a staff
19 initiated amendment that would only take place with the
20 concurrence of the project owner, but the idea is that
21 there are some projects that have been licensed a long time
22 ago that have really obscure and sometimes no longer
23 relevant conditions. They might call on the Applicant to
24 fund something that no longer exists, or to be a member of
25 something that no longer exists, or follow some set of

1 rules that's been superseded by some other set of rules.

2 And so in those instances applicants sometimes
3 find, or project owners sometimes find it difficult to
4 convince themselves that they need to spend the time and
5 resources and pay an amendment fee to clean up obscure or
6 no longer relevant items in their licenses. But from a
7 compliance perspective, of course, we want those to
8 actually track with the real world.

9 And so this would create an avenue for the staff
10 to take the initiative working cooperatively with the
11 project owner, and through a public process, to make those
12 changes on its own initiative.

13 So those are some of the items that will be
14 covered in those draft regulation changes. And that
15 workshop is scheduled for January 30th.

16 So that's all I've got today.

17 CHAIRMAN WEISENMILLER: Well, thanks.

18 Just a couple of things briefly, I mean I was
19 going to cover Aliso Canyon and I think I've covered it.
20 The one thing I would point out is, in the Aliso context
21 one of the things we tried to do last year, and are trying
22 again this year, is basically have so-called gas work on
23 demand response for the gas system, as opposed to the power
24 system.

25 And last year the approval was late and it

1 frankly didn't get very much done. This year, we've been
2 sort of pushing to get more done. And part of it is
3 outreach to nest and other third-party thermostat
4 operators. There are some issues in terms of coordinating
5 between the programs -- electricity demand-response
6 programs run by, say Edison and the gas demand-response
7 programs run by Sempra or SoCalGas to the extent that
8 they're involved in the same thermostat control devices.

9 So anyway we're hoping to get more progress this
10 time than we did last year, but we'll see. Again, it's
11 sort of -- I think there -- I'm trying to remember where
12 back on the East Coast there's been some progress done by
13 one of the gas utilities, I'm going to say in New York,
14 again trying to do gas demand response.

15 But as a way of dealing with it if we get to -- I
16 have to stress having said we had an incredibly warm
17 December, we also watched and the polar vortex brought an
18 incredibly cold period on the East Coast. And if that had
19 hit here, it would have been really bad, just on the
20 reliability perspective. So definitely we were lucky, but
21 luck is not sufficient policy going forward. And we need
22 to continue to be more proactive.

23 Yeah, I've been really tied up in the IEPR,
24 trying to tie that up at this stage. It is a lot of work.
25 Certainly Heather and gang have done a phenomenal job. The

1 main forecast is not done yet. We're struggling on the one
2 hand with the doubling of energy efficiency and trying to
3 fold that in and also trying to deal with basically the
4 load shift implications of PV. We're trying to do more of
5 a peak shift model or do 8760 hours and look at the effect
6 of PV on the peak demand or the peak demands. And so
7 that's pretty major steps forward.

8 At the same time, the PUC has been trying to get
9 us to accelerate the timing. And it just really frankly
10 doesn't work in the sense that you want to get enough of
11 the summer peak data to really capture that. And then do
12 the analysis and then have a public process. And so trying
13 to fit all three of those together, I think we need to sit
14 down with them and talk about the timing, because we could
15 well be in a situation of just cutting off say, in July or
16 something in dealing with their timing needs by having a
17 pretty unbaked forecast.

18 UNIDENTIFIED SPEAKER: (Indiscernible)

19 CHAIRMAN WEISENMILLER: Yeah, or in possibly
20 September right, so neither one is -- it's not a good idea.
21 But anyway we're struggling with the timing at this point
22 and really need to pull things together at the next
23 business meeting. But a lot of people have been working
24 pretty hard and again, a shout out to the Demand Office
25 folks who have been here through all Christmas, basically

1 trying to deal with the new timeline and the new scope of
2 stuff. So anyway, that's coming along.

3 And I would just footnote that on the metrics on
4 basically the Barriers Report, hats off to Pam and Kevin to
5 sort of really keep pushing that along. You know, when Pam
6 stepped back Kevin just sort of picked it up to try to keep
7 it going. So anyone it's an important area and certainly I
8 think we've had pretty good feedback as we're going through
9 that process. So anyway, a few shouts out.

10 Let's go on to Chief Counsel Report.

11 MS. VACCARO: So good morning. I don't have a
12 substantive report out, but just briefly I wanted to make
13 an introduction. So I'm very proud of my office and always
14 pleased with the talent that we have, but like everyone
15 else in the Commission, we try to raise the bar and really
16 attract folks from different schools. And we have an
17 opportunity, right now, to have an extern from Berkeley
18 Law, formally known as Boalt Law, who did undergraduate
19 work at Yale, worked for L.A. Times, in Asia worked for
20 Soros Fund. A really tremendous wealth of work
21 experience, but also coming from a prestigious law school
22 two days a week by train, because of the interest in what
23 we do here I think is really pretty remarkable. And again,
24 it's just an example of what we're all trying to accomplish
25 here, in terms of broadening and deepening the bench.

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1 So John Hannon is going to be in our office for
2 at least this semester. You'll be seeing him in some of
3 the meetings. And I'm just pleased to be able to make this
4 introduction.

5 CHAIRMAN WEISENMILLER: Great. Thank you.
6 Welcome aboard.

7 Let's go on to the Executive Director Report.

8 MR. BOHAN: Good morning. I just have one
9 announcement that is not news to you, but it may be to some
10 others. And that is that we have a new Chief Deputy
11 Director who is sitting here, Courtney Smith. She emerged
12 from a really strong field of candidates. We had a lot of
13 good folks interested in this job, but I think we made the
14 right decision. You all know her. She's brilliant. She
15 works really hard. She's creative and she's real easy to
16 get along with. So we're very fortunate to have her.
17 Thanks.

18 CHAIRMAN WEISENMILLER: Thanks. Welcome.
19 Public Adviser's Report?

20 MS. MURIMI: Good morning Chair and
21 Commissioners, nothing to report from the Public Adviser's
22 Office.

23 CHAIRMAN WEISENMILLER: Okay. Thank you.

24 I'm going to sort of amend my comments with one
25 thing. Last Saturday, I attended the memorial service for

1 Gregg Wheatland. Gregg was in our law office downstairs,
2 back in the late '70s. He went from here to the PUC where
3 he was both an attorney and the ALJ, then went to the City
4 and County of San Francisco and then went to Ellison
5 Schneider. So really a distinguished legal career and
6 people talked a lot about the various dimensions. You
7 know, I mean one of the things was Gregg was one of the
8 people who basically mapped out in Alaska where the
9 national parks should be, in his transition between law
10 school and the Energy Commission. And there were some
11 great slides. But anyway, definitely we're all going to
12 miss him.

13 Yeah, any public comment?

14 (No audible response.)

15 The meeting's adjourned.

16 (Adjourned the Business Meeting at 11:40 a.m.)

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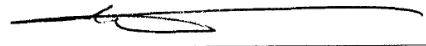
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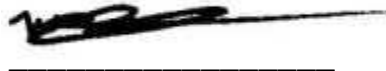
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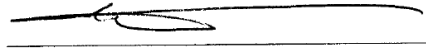
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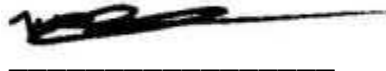
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