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BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
) 18-BUSMTG-01
 Business Meeting)
 _____)

CALIFORNIA ENERGY COMMISSION
THE WARREN-ALQUIST STATE ENERGY BUILDING
ART ROSENFELD HEARING ROOM - FIRST FLOOR
1516 NINTH STREET
SACRAMENTO, CALIFORNIA 95814

WEDNESDAY, JULY 11, 2018

10:00 A.M.

Reported by:
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APPEARANCES

Commissioners

Robert Weisenmiller, Chair
David Hochschild
Janea Scott
Andrew McAllister

Staff Present: (* Via WebEx)

Drew Bohan, Executive Director
Kourtney Vaccaro, Chief Counsel
Rosemary Avalos, Public Adviser's Office
Cody Goldthrite, Secretariat

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Bruce Helft	3
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Linda Barrera	4
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Others Present (* Via WebEx)

Interested Parties

Daniel C. Kim, Director, Department of General Services, DGS	2
Nancy Jenkins Ander, DGS	2

Public Comment (* Via WebEx)

Kevin Messner, Association of Home Appliance Manufacturers, AHAM	4 4
Laura Petrillo-Groh, Air-Conditioning, Heating, and Refrigeration Institute, AHRI	4
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	a. Pursuant to Government Code section 11126(e), the Energy Commission may adjourn to closed session with its legal counsel to discuss any of the following matters to which the Energy Commission is a party:	
	i. <i>In the Matter of U.S. Department of Energy (High Level Waste Repository) (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy (9th Cir. Docket No. 09-71014)</i>	
	ii. <i>Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller, (Alameda County Superior Court, Case No. RG13681262)</i>	
	iii. <i>Energy Commission v. Electricore, Inc. and ZeroTruck (Sacramento County Superior Court #34-2016-00204586)</i>	
	iv. <i>Energy Commission v. United States Department of Energy (Federal District Court, Northern District of California, #17-cv-03404)</i>	
	v. <i>City of Los Angeles, acting by and through, its Department of Water and Power v. Energy Commission (Los Angeles Superior Court, Case No. BS171477).</i>	
	vi. <i>Energy Commission v. City of San Jose, JUM Global, L.L.C. (Sacramento Superior Court, Case No. 34-2018-00230652).</i>	

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b. Pursuant to Government Code section 11126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the Commission, which might include:	
i. The licensing process for a nuclear waste storage repository at Yucca Mountain, Nevada.	
ii. Alternative and Renewable Fuel and Vehicle Technology Program grant ARV-14-011 with HyGen Industries, Inc.	
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P R O C E E D I N G S

JULY 11, 2018 10:04 a.m.

CHAIRMAN WEISENMILLER: Let's start the Business Meeting with the Pledge of Allegiance.

(Whereupon the Pledge is recited)

COMMISSIONER MCALLISTER: So, I guess we should note that Commissioner Douglas is not here today. And then I'm -- as Commissioner McAllister I'm going to recuse myself from Items 1a and b on the Consent Calendar since I'm actually on the Board of NASEO, which is the subject of both of those items. So I'll remove myself on the dais and the vote can happen on the other items or on those items and I'll come back.

CHAIRMAN WEISENMILLER: Great.

(Commissioner McAllister recuses himself.)

CHAIRMAN WEISENMILLER: So let's take up the Consent items a and b.

COMMISSIONER HOCHSCHILD: I move the Consent Calendar.

CHAIRMAN WEISENMILLER: For items a and b?

COMMISSIONER HOCHSCHILD: Items a and b.

COMMISSIONER SCOTT: Second

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: So that item passes 3-0.

1 We have Commissioner McAllister recusing himself and
2 Commissioner Douglas is not here.

3 So let's go on to Consent Calendar's items c and
4 d.

5 COMMISSIONER HOCHSCHILD: I move the Consent
6 Calendar items c and d.

7 COMMISSIONER SCOTT: Second

8 CHAIRMAN WEISENMILLER: All those in favor?

9 (Ayes.)

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

11 Let's go on to Item 2.

12 MR. BOHAN: Great. Thank you, Chair.

13 I have the great pleasure of introducing Dan Kim.

14 He is the Director of the Department of General Services
15 where he has served since May of 2015 when Governor Brown
16 appointed him to that slot. He had been a public servant
17 for better than a decade prior to that. And at DGS he has
18 led our state efforts to add renewable energy to our state
19 consumption. And so we've asked him this morning to
20 provide a brief overview to you about these efforts to
21 lead.

22 Dan?

23 MR. KIM: Thank you, Executive Director Bohan.

24 Good morning, Commissioners. Again, I'm Dan Kim,
25 Director of DGS. I want to thank you for giving me this

1 opportunity, this morning.

2 First I want to say that the CEC has been making
3 some amazing strides, with respect to state energy policy
4 and initiatives. So I want to be able to share with you
5 some of the ways that DGS and CEC are walking the talk and
6 making sure that we as a state lead by example, especially
7 with our own facilities.

8 So first, let me speak to what we're doing with
9 respect to our state buildings. As you know, the Executive
10 Order B-1812 established an aggressive zero net energy goal
11 for state buildings. With respect to new constructions, 50
12 percent of new buildings were to be ZNE after 2020 and 100
13 percent by 2025. It's very ambitious. It's really
14 daunting, given the additional costs associated with ZNE-
15 related construction. And there is no way that at our
16 current rate we would be achieving these ZNE goals.

17 As of 2016, zero percent of new construction was
18 being built to ZNE Standards in the state despite the fact
19 that we had the Executive Order. But we've turned things
20 around.

21 As of last year we issued a new statewide policy
22 with our Management Memo 1704, which established a ZNE
23 first approach. Essentially, we are defaulting new state
24 construction to be ZNE. This is a first statewide policy
25 of its kind that we are aware of, in the nation.

1 We built our first ZNE building for DMV in 2016.
2 DMV has since committed to making all of its buildings ZNE.
3 Part of the reason why is that they realize that the
4 ongoing operating costs associated with their new building
5 is so much lower that I think their ROI was within three
6 years, in terms of the additional cost of construction
7 relative to the reduction in the reduction in energy costs.

8 The existing buildings though, the Executive
9 Order B-1812 had really challenging goals for our existing
10 buildings. By 2025 the state's goal was that 50 percent of
11 state buildings should be ZNE. Now mind you we have 18
12 million square feet of state buildings that we operate. As
13 of last year, zero percent were ZNE. And that's to be
14 understood, given that we have huge deferred maintenance
15 challenges with respect to our buildings. Billions of
16 dollars in deferred maintenance, so many cases we're making
17 tradeoffs between do we do energy efficiency or do we do
18 carpeting or other functions? That said, as of
19 today 21 percent of our existing DGS buildings, that's
20 about 3.8 million square feet, are ZNE. By the end of
21 2018, our goal is to have 25 percent of our existing
22 buildings be ZNE. That's 4.5 million square feet.

23 So how have we done this? We took a two-pronged
24 approach. One is looked at efficiency first. How can we
25 retrofit existing buildings to be as efficient as possible?

1 We got legislation enacted to enable us to do S-codes,
2 (phonetic) which are speeding up some of our energy
3 retrofit efforts.

4 But energy efficiency alone was not going to get
5 us to our target goals. So we had to shift our paradigm
6 and we really looked at renewables. How could we partner
7 with utilities to do onsite and offsite renewables?

8 For onsite renewables we developed power purchase
9 agreements in buildings where the site conditions are
10 favorable. And as a result to date we have generated 15
11 gigawatt hours of energy annually this way.

12 More significantly, we've entered into power
13 purchase agreement with SMUD for offsite community
14 renewables. This has been even more cost effective.
15 Through our Solar Share PPA with SMUD we're generating 39
16 megawatts of energy, which is powering most of the state
17 buildings in Sacramento. This has been win-win-win as the
18 Solar Share PPA provides SMUD with the financial security
19 to invest in solar. It's enabled DGS to make its buildings
20 ZNE with minimal retrofit costs. And it's going to enable
21 DGS to generate \$30 million in energy savings over the
22 lifetime of our PPA with SMUD.

23 Now, I mentioned our ZNE approach has been two
24 pronged with generating energy efficiency where we can and
25 then applying these renewable allocations to DGS buildings

1 that are ZNE ready or close to being ZNE ready.

2 The CEC building actually falls under that group.

3 And I want to comment all of you for walking the talk.

4 You're the first building to fully operationalize a
5 sophisticated monitoring-based commissioning system. And
6 that's going to help lower your energy use. So thank you
7 for your efforts in that area.

8 What's next for DGS? We share your goals in
9 terms of reducing greenhouse gas emissions. That's the
10 ultimate goal for us. And to this end we want to work
11 closely with CEC to determine how best to operationalize
12 that in our own facilities. We appreciate the great
13 partnership that we have you. And we will continue to
14 ensure that, in addition to setting great policy for
15 California, that we lead by example with our own facilities
16 and other functions that we have in DGS.

17 And just as a final note, I want to mention that
18 we are approaching greenhouse gas reduction in multiple
19 angles. And just a few examples include our efforts
20 through our Division of State Architects, which actually
21 does a plan review for all school construction. We're
22 actually having DSA kind of nudge school districts to
23 generate energy efficiency in their school construction
24 efforts. We have a lot of bond funds right now, so this is
25 an opportunity for us to really weigh in and help schools

11

1 see the value of being much more energy efficient.

2 We've also established a Zero Emission Vehicle
3 and hybrid first policy for the state fleet. To our
4 knowledge, it's the first of its kind in the nation. Last
5 year 25 percent of our light-duty vehicle purchases were
6 ZEVs and we're pushing that even further. We had a mandate
7 to reduce petroleum consumption by 20 percent, by 2020. As
8 of last year, we've reduced that consumption by 31.5
9 percent already.

10 We're also working with CEC and many partners on
11 a procurement for electric buses. And we're doing this not
12 for state purposes, but to actually make these electric
13 buses available for transit districts. So we're working
14 with AC Transit, with L.A. and a number of other transit
15 agencies, so that we can purchase electric buses, have
16 economies of scale, and then they can flood the market in
17 that sense. And then after that we're going to be working
18 on school buses to see how we can get electric buses there,
19 as well

20 We've made a lot of progress with your help, but
21 we have much to do. Thank you.

22 COMMISSIONER HOCHSCHILD: Just a question for
23 you, Director Kim. First of all, let me thank you on
24 behalf of all of us for your dedication and Nancy's and the
25 rest of you team. You're doing incredible work, and how

1 passionate and focused you are, and I think this is exactly
2 the right course to be on.

3 I had a question about the Chair and Commissioner
4 Scott and others have really been terrific about focusing
5 us on the transportation piece of the climate pollution
6 problem. And if you'd go a little deeper on the ways in
7 which we can leverage what we're doing. For example, when
8 you're procuring electric vehicles or electric buses is
9 there a way to couple that with other city governments that
10 are doing the same, or other private sector partners to get
11 costs down. And then around electric vehicle charging
12 infrastructure what is your thinking and your plans around
13 that for state facilities?

14 MR. KIM: Right. So as far as the buses, for
15 example, we notified a number of the agencies that we were
16 going to go ahead and do an electric bus procurement. And
17 as a result, I believe L.A. County stopped their
18 procurement efforts and said that they would partner with
19 us, because we really want to generate that economy of
20 scale. That's going to take a little more time, because
21 all the different transit agencies have different
22 requirements, so we're trying to come up with something
23 that meets everyone's needs. But we're really, really
24 excited about that opportunity.

25 As far as the EV charging, I think that's really

1 challenging. The cost for charging is significant. What
2 we have explored, we haven't been able to delve deeper into
3 this, but for example if we can purchase charging through
4 some kind of scale. Maybe if we can reduce the charging
5 costs that could help us in many ways. Nancy Ander, our
6 Deputy Director of Sustainability might be able to speak
7 more to that.

8 MS. ANDER: Sure.

9 Good morning, Commissioners. I'm Nancy Ander.

10 So we're right now looking at -- we're installing
11 Level 1s and Level 2s. We're looking at Level 3s as well.
12 I think one of the big opportunities we're trying to
13 leverage is the utility incentives and incentives from
14 settlements from Electrify America as well as EVgo. So
15 we're trying to get the most bang for our buck, but we're
16 definitely putting those in. We're at the cutting edge, if
17 you will, at the bleeding edge, so we're learning lessons
18 as we go. We're not as smooth as we always want to be
19 because we're learning as we go, but I think we've made
20 some huge progress. We're targeting several thousand
21 assessments just this year. And we anticipate being able
22 to put in infrastructure, several hundred infrastructure by
23 the end of the year.

24 CHAIRMAN WEISENMILLER: I was just going to
25 follow up on the electric bus purchases. The last time I

14

1 was in Guangzhou I met with the World Bank. And one of
2 their officials had been in charge of a program that World
3 Bank was working with the Federal Department of
4 Transportation on a program to encourage the purchase of
5 electric buses. Obviously, since the change of
6 Administration the federal government has dropped out of
7 that program. But we can send you the name. He's actually
8 located in Beijing. But perhaps there's a way that the
9 World Bank can help you on some of the purchases there.

10 MR. KIM: That would be great. Thank you,
11 Commissioner.

12 COMMISSIONER MCALLISTER: Thank you, Director
13 Kim. I wanted to break out into applause, but nobody
14 followed my lead, so no offense. (Laughter.)

15 But we had Nancy over not too long ago to give a
16 talk about all the great things you were doing. And I
17 think it was really wonderful for staff to see that and
18 really sort of have a tangible connection with a sister
19 agency in seeing everything and how we work together and
20 just how leadership's happening across the state. You
21 know, it's not just this building it's really a broader
22 thing.

23 And I also wanted to give you all kudos for the
24 Million Lamp Challenge and starting on getting that
25 procurement moving forward. I don't know, for those of you

15

1 who don't know there's an effort with UC and DGS to just do
2 massive procurement along the lines we were just talking
3 about for transportation. But using massive scale
4 procurement to get costs down and uniform quality, move the
5 marketplace really and what better purchaser than the state
6 to really get that volume.

7 So just a couple of other examples, and then also
8 thanks for our chargers and also helping us shepherd the
9 building process through the LEED process, which is our
10 next item. So I just want to say thanks on all those
11 fronts.

12 MR. KIM: Thank you, Commissioner.

13 COMMISSIONER SCOTT: I would just add in my
14 thanks as well. There have been lots of things that the
15 state is leading by example and with existing buildings,
16 with transportation, with the charging infrastructure, all
17 of those components. It's been good to have DGS as a
18 partner in that. We have, as you probably know, the ZEV
19 Policy Group that's run out of the Governor's Office with
20 GO-Biz and DGS and Energy Commission, PUC and everybody, to
21 really kind of think through how we work well together.
22 And with all of the state facilities that we have, leading
23 by example is a great way to go. So I appreciate the work
24 that you're doing in this space.

25 MR. KIM: Thank you, Commissioner.

1 COMMISSIONER HOCHSCHILD: And I concur with
2 Commissioner McAllister, your work deserve a round of
3 applause. Thank you. (Applause.)

4 MR. KIM: Thank you. Appreciate it, thank you.

5 CHAIRMAN WEISENMILLER: Thanks. Let's go on to
6 Item Three.

7 MS. VACCARO: Just double check if there's any
8 public comment on this item.

9 CHAIRMAN WEISENMILLER: Okay. Fine.

10 Any public comment on Item 2, either in the room
11 or on the line?

12 (No audible response.)

13 CHAIRMAN WEISENMILLER: Nothing? So let's go to
14 3.

15 MR. HELFT: Good morning. When we meet we often
16 take actions that improve the quality of life for
17 Californians specifically, and ultimately many beyond
18 California. Today we want to update you on a feel-good
19 story that benefits each of us that work in this 36-year-
20 old building, how by multiple efforts by many including the
21 conscientious individual actions of staff, the sustainable
22 operation policies of Commission management, and the long-
23 term vision of state leadership, how such efforts have come
24 together for a no regrets win, win. Next slide, please.

25 The LEED Certification Initiative is based on

1 Governor Brown's 2012 Executive Order that directed state
2 agencies to take steps to reduce entity-wide greenhouse gas
3 emissions and obtain LEED Silver Certification for state
4 buildings.

5 LEED is the acronym for Leadership in Energy and
6 Environmental Design and is a rating system devised by the
7 United States Green Building Council, which is a nonprofit
8 organization that promotes sustainability in building
9 design, construction and operation. And that is used to
10 evaluate the environmental performance of a building and to
11 encourage sustainable design. Next slide, please.

12 As Director Kim just mentioned this building is
13 one of the first state buildings to participate in a new
14 monitoring-based continuous commissioning program. This
15 effort allows building operators to monitor and improve the
16 building's equipment and energy use over time, using
17 cutting edge technology.

18 The MBCx software also calculates the ENERGY STAR
19 Portfolio score on a monthly basis, using the last 36
20 months' worth of data. An ENERGY STAR rating of 69 is a
21 prerequisite for LEED and the CEC's current ENERGY STAR
22 rating is 82 that you can see displayed on the monitor
23 every day. It shows it there. Next slide, please.

24 So the LEED Green Building Rating System for
25 existing buildings and operations and maintenance is a set

1 of six categories of performance standards used to certify
2 the operations and maintenance of existing buildings. The
3 intent is to promote high performance and healthful and
4 environmentally-sound practices in buildings.

5 After four years of making process and physical
6 improvements specifically addressing water and energy use,
7 sustainable purchasing policies, waste stream management,
8 ongoing indoor environmental quality checks, exterior
9 building site maintenance and environmentally preferred
10 products purchases and practices for cleaning and
11 alterations, the building went through a one-month
12 intensive auditing period last December where performance
13 data was monitored, collected and submitted for review.
14 Next slide.

15 To earn LEED Certification for existing buildings
16 and operations and maintenance, a building must satisfy a
17 number of prerequisites and then qualify for a minimum
18 number of points to attain one of the four project ratings
19 listed on this slide.

20 The Warren-Alquist State Energy Building achieved
21 LEED Gold Certification with 62 points. Here are a few
22 example measures that helped to push our building into the
23 gold.

24 In response to drought risks, water fixtures and
25 fittings were upgraded to low flow, which result in 41

1 percent water savings or approximately 650,000 gallons
2 annually, compared to the LEED baseline. That's about the
3 size of an Olympic-sized swimming pool. In partnership
4 with SMUD the building offsets 100 percent of electricity
5 use with renewable energy sources. A survey of building
6 occupants revealed that about 58 percent of Energy
7 Commission employees commute using alternative forms of
8 transportation like light rail, biking, walking, carpooling
9 or driving a hybrid electric or fuel efficient vehicle.
10 Let's go the next slide. That's it.

11 LEED Certification represents 4.7 percent of
12 commercial office buildings in the 30 largest U.S. cities.
13 Assuming non-commercial buildings have a similar
14 penetration we can conclude that LEED Gold or better is
15 achieved by around 2 percent of total buildings, which is a
16 rare and impressive achievement.

17 This was a project that involved the coordination
18 of many hands from different agencies and a cross-section
19 of staff within the Commission and could not have been
20 accomplished at this level without the encouragement and
21 support of -- if you're in the room if you don't mind
22 standing -- Rob Cook, Sandra Fromm, Grant Mack, Elizabeth
23 Huber, Liz Flores, Gabe Taylor, Keith Roberts, Sherryl
24 Hancock, Executive Director Drew Bohan. Nancy Anders
25 helped out at pulling us over the line and your Bob

1 Huggett, very helpful in this, to name but a few. So
2 congratulations to us all. (Applause.)

3 CHAIRMAN WEISENMILLER: Thank you. Thanks for
4 that effort to all of you.

5 Any public comment from anyone in the room or on
6 the phone?

7 (No audible response.)

8 CHAIRMAN WEISENMILLER: Then let's go to Item 4.

9 MR. BAEZ: Hi, good morning Chair and
10 Commissioners. My name is Carlos Baez. I'm from the
11 Appliances Office within the Efficiency Division. Today,
12 I'll be giving a short presentation regarding our
13 amendments to the Title 20 Appliance Efficiency Regulations
14 Rulemaking. This is essentially a cleanup of the
15 regulations. The proposed amendments are significant in
16 that this is the first rulemaking of this type since 2014
17 and cover a broad range of changes from format updates to
18 incorporating federal rules. Next slide, please.

19 On January 13th, 2016 the Energy Commission
20 ordered a rulemaking proceeding to make clarifying
21 amendments to Title 20 that do not change underlying
22 Efficiency Standards.

23 On March 30th, 2018, the Energy Commission
24 published the Notice of Public Action, the Initial
25 Statement of Reasons and the proposed regulatory language,

21

1 which started the 45-day comment period.

2 And on April 24th, 2018, CEC staff hosted a
3 public workshop for this rulemaking.

4 This rulemaking covers the entire Title 20
5 Appliance Efficiency Regulations from Sections 1601 through
6 1609. The purpose is to provide clarification, improve
7 readability and reflect current laws and effects. This
8 rulemaking proposes no changes to the underlying Energy and
9 Water Efficiency Standards. Next slide, please.

10 Now changes to reflect federal law, regarding
11 these changes, we are adding and amending definitions, test
12 procedures and energy performance standards in accordance
13 with federal law current in effect. Compliance with
14 federal requirements is mandatory regardless if they are or
15 are not shown in Title 20. These amendments are necessary
16 for clarification purposes.

17 Title 20 is intended to be a complete source of
18 information for stakeholders regarding appliance efficiency
19 regulations at the state level and nationally as well.

20 Next slide.

21 Now some state-specific changes, for these when
22 preempted by federal law we are removing state standards
23 and test procedures for appliances that are now federally
24 regulated. In some cases, we are aligning state test
25 procedures with federal test procedures for appliances that

22

1 are not preempted. And a couple of examples are lamps and
2 state-regulated battery charger systems. Next slide,
3 please.

4 The Modernized Appliance Efficiency Database
5 System, also called MAEDBS, is the current version of the
6 database used to certify models of regulated appliances.
7 After having their products tested, manufacturers are
8 required to submit appliance model data to MAEDBS to
9 determine compliance with the performance standards.
10 Certification to MAEDBS is required before a regulated
11 product can be sold or offered for sale in California. The
12 current version of MAEDBS was introduced in 2015. 2014 was
13 the last year that a similar cleanup rulemaking of this
14 scale was completed.

15 So much of the certification language is
16 outdated. Because of this we are updating terminology and
17 certification procedures in the regulations.

18 In cases where performance standards or test
19 procedures have been updated, the data parameters required
20 for certification have been updated as a result for that
21 particular appliance type. Next slide, please.

22 Within the regulations we are now specifying that
23 the manufacturer's designated contact person will be
24 notified via email when data submittals to MAEDBS are
25 approved or rejected. Contact information is already

1 submitted during the account creation process in MAEDBS, so
2 no additional action will be needed on their part.

3 Next, notifications regarding archiving models
4 will be conducted via email instead of registered or
5 certified physical mail. Models are archived when a new
6 standard or test procedure goes into effect for that
7 appliance type. We send notifications to manufacturers to
8 inform them that their models will be archived. It can
9 involve hundreds or sometimes thousands of individual
10 manufacturers, depending on the appliance type.

11 This is a change we have really been looking
12 forward to. This will lead to a monetary savings on paper
13 and postage. Sending certified mail can be very expensive
14 and we have found communication through email to be more
15 effective than physical mail, in terms of response rate.
16 Next slide, please.

17 In conclusion, this rulemaking will improve
18 accuracy, update standards and procedures, improve
19 compliance and make implementation nimble.

20 We received comments on our 15-day language
21 express terms, which stated concerns over our addition over
22 the federal test method for air compressors. The proposed
23 amendments to the Appliance Efficiency Regulations include
24 definitions and test procedures for compressors that are
25 currently reflected in the Code of Federal Regulations and

1 that are currently in effect.

2 Staff would like to emphasize the following
3 points. First, the proposed scope in Section 1601 covers
4 federally regulated commercial and industrial air
5 compressors. Under the definitions in Section 1602 of the
6 Appliance Efficiency Regulations, to be considered
7 federally-regulated commercial and industrial equipment,
8 both a federal test method and a federal standard must
9 exist for that appliance type. A federal test method
10 exists for compressors. However, there are no federal
11 standards for these products. Because of this compressors
12 do not meet the criteria to be considered federally
13 regulated under the Appliance Efficiency Regulations.
14 Therefore, there are no requirements that need to be met
15 for this appliance type, because they are not in the scope
16 of our regulations.

17 Second, staff has proposed language in Section
18 1606(a) and 1608(a) that make it explicit that air
19 compressors would be exempt from the certification
20 requirements.

21 Third, if DOE were to adopt federal standards for
22 compressors then they would be federally regulated and
23 within our scope. However, because proposed language in
24 Section 1606(a) states that compressors are exempt from
25 certification there would be no obligation for compressor

1 certification unless this language is modified in a future
2 rulemaking.

3 Last, we have another docket open where Energy
4 Commission may consider whether to adopt state standards
5 for compressors. Docket No. 18-AAER-05 is an appropriate
6 place to raise issues related to definitions,
7 certifications and efficiency standards for compressors.

8 Staff recommends the adoption of this rulemaking.
9 The proposed amendments will provide manufacturers and
10 other stakeholders with an accurate and complete version of
11 Title 20, which will assist in compliance with the various
12 appliance efficiency standards that affect them. Next
13 slide.

14 All right, thank you for your time. We would be
15 happy to answer any questions.

16 CHAIRMAN WEISENMILLER: Thank you.

17 Let's start with public comment. I believe our
18 first speaker is from AHAM.

19 MR. MESSNER: Good morning, Commissioners. Kevin
20 Messner with AHAM. I wanted to first say just thank you.
21 These technical updates are really helpful. I've noticed
22 our comments are fewer than they were last time, maybe
23 someday we won't even submit comments on these technical
24 corrections. That would be nice.

25 The first issue -- I just wanted to raise two

1 issues. One is on the battery chargers. This is not a
2 substantive issue and staff has explained it well. There
3 is another rulemaking that deals with the BC marking.
4 This doesn't have that in it. I understand it, it makes
5 sense. The only thing I would ask is maybe in the final
6 Statement of Reasons you put the clarification that a BC
7 mark is not required on the federal battery chargers. I'm
8 nervous that retailers and other might not be quite as --
9 in following all the multiple rulemakings that could
10 happen, so when they see this one that shows the BC mark is
11 on there and then the other rulemaking is lagging behind
12 it, just a final Statement of Reason clarifying that might
13 be helpful to avoid any confusion.

14 The second issue is lights and LEDs. We need to
15 figure out a way to deal with lights, LED lights. That
16 they don't work well on high temperature situations, so we
17 have range hoods. So people want lighting when they're
18 cooking. And right now the path we're on is LEDs are going
19 to have to be used and in a range hood that's not going to
20 work. So there are just technical issues that we have to
21 address that it's an issue right now. So we need to find a
22 way through that.

23 We wanted that to be done through these technical
24 corrections. I realize the lighting standards, it's a big
25 deal. But we have to figure out a way to exempt the high

1 temperature situations or I'm not sure how this all flushes
2 out. So really ask for an expedited help on that either
3 through enforcement discretion, regulatory guidance, I
4 don't know what can be done, because it's a problem right
5 now today.

6 So I appreciate any help on that. Thank you.

7 CHAIRMAN WEISENMILLER: Thank you.

8 We have another speaker with AHRI. AHRI, please
9 come up.

10 MS. PETRILLO-GROH: Good morning. I'm Laura
11 Petrillo-Groh in the Air-Conditioning, Heating and
12 Refrigeration Institute.

13 First of all, we would like to commend staff on
14 the way that this cleanup was handled. This is an
15 incredibly complex set of regulations to go through and to
16 update and to make applicable for California regulations.
17 And we have been engaged in the entire process and very
18 much appreciate all the outreach and communication that
19 we've had with your staff. This was an excellent example
20 of an including the public in the rulemaking process.

21 I apologize for missing the first part of the
22 presentation, but AHRI did have several last-minute
23 comments to the 15-day language issue on June 25th. Most
24 were editorial, having to do with our change in office and
25 changing year for applicable test methods, such as for heat

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1 pump water heaters.

2 And we hope that CEC will consider further
3 clarifications to definitions, particularly for water
4 heaters. We've pointed out several times that repetitive
5 definitions could be unclear in interpreting the document.
6 And we would request that additional language be added to
7 make clear what the differences are between consumer and
8 commercial products, so that it aligns more closely with
9 federal regs.

10 And lastly, there is another water heater
11 question that came up regarding smaller products, storage
12 models less than 20 gallons. And at present, there's no
13 federal regulation on this. And we made a recommendation
14 to update Table F-3 to make more clear that there's no
15 minimum for that product and that there cannot be
16 translation between the UEF and EF Standards. So I hope
17 maybe those got taken into account.

18 I was across the hall at another meeting. But
19 again, thank you very much for the careful consideration of
20 all of our comments and working with us so well.

21 CHAIRMAN WEISENMILLER: Okay. Thank you.

22 Anyone else in the room with comments?

23 (No audible response.)

24 CHAIRMAN WEISENMILLER: Then let's go to the
25 phone line.

1 MS. HWANG: Commissioner, this is Marian Hwang
2 with Miles & Stockbridge on behalf of Atlas Copco.

3 CHAIRMAN WEISENMILLER: Please, go ahead.

4 MS. HWANG: The company would like to comment.
5 Thank you. If I may have about three-and-a-half to four
6 minutes of your time, Atlas Copco also thanks --

7 CHAIRMAN WEISENMILLER: You've got three minutes.
8 Go.

9 MS. HWANG: Thank you. Then I'll read quickly.
10 Atlas Copco also thanks the Commission for this opportunity
11 to present three major concerns.

12 First, we respectfully urge the Commission to
13 delete any requirements applicable to compressors from the
14 proposed rules and to take a holistic approach for
15 issuing any future compressor rules, but only after the
16 status of all federal standards are clarified and
17 finalized.

18 Second, the prior view that this proposed rule
19 contains a temporary exception for compressors and does not
20 require immediate testing, is not legally supported by the
21 proposed rule.

22 And third, under this rule given the lack of any
23 efficiency standard at both the federal or state level, a
24 compressor manufacture's failure to comply with the federal
25 test method within 12 months, still leaves the compressor

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1 manufacturers vulnerable to third-party consumer actions,
2 unfair trade practice claims and possible other citizen
3 claims.

4 Now in support of this view that compressors are
5 currently accepted, the Commission relies on 1602 and its
6 definition of what a federally regulated commercial and
7 industrial equipment is, which is defined as equipment for
8 which there is a state test and an energy conservation
9 standard prescribed by four expressly cited federal energy
10 laws.

11 The major flaw with this conclusion and the
12 definition, is that the compressor testing and efficiency
13 standards are not covered under any of these cited federal
14 laws, but are rather covered under the Energy Policy and
15 Conservation Act of 1975, which is not cited in this
16 definition. And thus the Commission's reliance on this
17 definition will not support, will not legally support the
18 exceptions from the testing of compressors, under your
19 rules.

20 And most importantly, Section 1603(a) expressly
21 provides that compressors within the scope of the rule must
22 be tested within 12 months of the effective date, using the
23 prescribed federal test. For Atlas Copco, such testing
24 would involve hundreds of models. And given the number of
25 compressor models that are individualized to meet specific

1 customer needs, compressor manufacturers will be unable to
2 meet the 12 month deadline if all models must be tested.

3 Third, the failure of the proposed rules to
4 include the use of alternative efficiency demonstration
5 methods, in lieu of testing, as otherwise allowed under the
6 Federal Regulation of 10 CFR Section 429.63(a)(2) will also
7 have a substantial adverse effect on the industry. If AEDM
8 is not included the compressor manufacturers will not be
9 able to meet the 12-month deadline.

10 Thus in summary, the amendments in our view did
11 not provide accurate federal requirements, did not provide
12 clarity or certainty for the manufacturers of compressors,
13 does not reduce manufacturer burdens and costs, but rather
14 will result in significant burden and costs to
15 manufacturers for compressors, as well as result in
16 potential adverse effects to California consumers who's
17 access to compressors could be limited.

18 Thank you Commissioners, for your consideration
19 of our comments.

20

21 CHAIRMAN WEISENMILLER: Okay. Thank you.

22 Anyone else on the phone?

23 (No audible response.)

24 CHAIRMAN WEISENMILLER: Then let's start with
25 staff. Do you have responses to any of the comments? We

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1 need you to go to the podium. Thank you.

2 MR. BAEZ: Hi, thank you. Regarding the BC
3 marking requirement that Kevin brought up, yeah as we have
4 communicated earlier we're not including any of the BC
5 marking requirement changes in this rulemaking. But yes,
6 BC marking requirements are still being modified in another
7 separate rulemaking, 18-AAER-02.

8 We cannot reflect any of the BC marking
9 modifications in this rulemaking, since the other
10 rulemaking is currently being reviewed by the Office
11 Administrative Law. It is not yet effective. But once the
12 other rulemaking 18-AAER becomes effective, we are
13 expecting this to be around October 1st, 2018 then the BC
14 marking modifications will be shown in our regulations,
15 which is why we're not including it in this current
16 rulemaking.

17 Regarding some of the compressor comments, we
18 believe that the existing text does satisfy their concerns
19 and does not cause any additional burden. We state in
20 several places that certification won't be required for
21 compressors and this will be until federal standards are
22 adopted for compressors. And in this case we're preempted,
23 regardless. Or the other case would be if we were to adopt
24 state standards, but that would be done in a current
25 rulemaking with the correct timelines and comment periods

1 associated with it.

2 And regarding the comment regarding AEDMs for
3 certification, that's not relevant at this point since no
4 certification is required and since compressors are not
5 currently included in the scope. Thank you.

6 CHAIRMAN WEISENMILLER: Any comment on LEDs in
7 range hoods?

8 MR. BAEZ: Yeah, we understand their concerns
9 regarding the lighting. Making these edits would change
10 the underlying efficiency standards in the regulations,
11 which are outside of the scope of this current rulemaking.
12 We can address these concerns as part of an upcoming
13 rulemaking for lighting. That's Docket No. 17-AAER-07.
14 But again, making changes to standards would be outside of
15 the scope of this current rulemaking, since they would be
16 changing the underlying Efficiency Standards.

17 CHAIRMAN WEISENMILLER: Excuse me. Another
18 question is obviously there were some issues raised by
19 AHRI; any response there?

20 MR. BAEZ: Yeah, regarding the definition, maybe
21 confusion, we believe that the definitions as they are
22 listed are distinguishable. We do state that they are
23 consumer or commercial or industrial. We don't believe any
24 additional changes would be necessary. But we may consider
25 in the future to maybe update organization or terminology

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1 if we do believe that this leads to increased confusion.
2 But as they're currently written we believe that the
3 definitions are distinguishable.

4 CHAIRMAN WEISENMILLER: Okay. So let's
5 transition to the Commissioners. Commissioner McAllister?

6 COMMISSIONER MCALLISTER: Yeah, so actually I
7 want to thank you Carlos and Linda, also. Did you want to
8 add something, Linda? Yeah, go ahead.

9 MS. BARRERA: Just for the record I just want to
10 note that staff did perform a CEQA analysis and the
11 resolution in the backup materials reflect that analysis.
12 And staff's CEQA finding is that the amendments to Title 20
13 Appliance Efficiency Regulations will not have any direct
14 or indirect significant effect on the environment. And
15 staff will file a Notice of Exemption with the Office of
16 Planning and Research to reflect this finding.

17 COMMISSIONER MCALLISTER: Great, thanks for that.

18 So I appreciate the presentation and all the hard
19 work. I've gotten multiple briefings on this during the
20 course of it and I agree with whoever said it's definitely
21 very detail-oriented. And I doubly appreciate Legal's
22 input and Linda's input and her help with all this.

23 But I think it is fair to say it is a cleanup, as
24 Carlos said at the beginning. And I also appreciate the
25 presence of stakeholders, certainly the compressor

1 manufacturers and AHRI and AHAM and I don't want to
2 minimize those issues. I really believe that the solution
3 is in kind of the outreach and the messaging that we help
4 with going forward. You know, if there's confusion about
5 definitions we can help you get those messages out to your
6 members. And certainly, where there's an impression that
7 compliance is required or where there's not. You know, we
8 certainly need to make that clear with say the compressor
9 manufacturers or others who have that incorrect impression.

10 So I think the package as it is now is good. And
11 in turn given its complexities and given the details of the
12 cleanup, changing and developing the messaging to help get
13 the information correctly out into the marketplace and
14 permeate all of our stakeholder groups, I think is the next
15 step, assuming we vote the affirmative here. But I would
16 obviously recommend to adopt.

17 Okay. I'll move Item 4.

18 COMMISSIONER SCOTT: Second.

19 CHAIRMAN WEISENMILLER: All those in favor?

20 (Ayes.)

21 CHAIRMAN WEISENMILLER: This item also passes 4-
22 0. Let's go on to Item 5.

23 MS. NEUMANN: Good morning, Chair Weisenmiller
24 and Commissioners. I'm bringing two items before you
25 today. Both are requests for approval of new local energy

1 ordinances.

2 Our office encourages and assists local
3 jurisdictions in developing and adopting local energy
4 standards that go beyond the mandatory Building Energy
5 Efficiency Standards adopted by the Commission every three
6 years. Today's ordinances will be the 17th and 18th we've
7 brought to the Commission under the 2016 Building Energy
8 Efficiency Standards.

9 Local governmental agencies wishing to enforce
10 locally-adopted energy standards, must by statute apply to
11 the Energy Commission for a finding that the local energy
12 standards require buildings to obtain equal or greater
13 energy efficiency than the current energy standards.

14 Staff reviewed Alameda County's application and
15 finds that its ordinance meets the requirements for
16 consideration by the Commission. The Alameda County
17 Ordinance requires installation of solar photovoltaics in
18 all new single-family and low-rise multifamily construction
19 according to a prescriptive or performance pathway, based
20 on climate zone. The goal is to offset 80 percent of the
21 building's electric consumption by onsite solar power. The
22 ordinance provides alternatives for situations where the
23 solar isn't feasible, or the option of meeting the
24 standards with enhanced efficiency targets.

25 It's worth noting, that despite the explicit PV

1 targets, low-rise residential buildings must still meet the
2 2016 Energy Standards, without implementing the currently
3 existing PV tradeoff, against energy efficiency targets.

4 Alameda County staff found the ordinances cost
5 effective and has no significant negative impact on the
6 environment.

7 For these reasons, staff recommends that the
8 findings be approved and the Energy Commission resolution
9 be signed. I'm available to answer any questions you have,
10 as is Alan Tam, Chief Building Official of Alameda County
11 via phone. Thank you.

12 CHAIRMAN WEISENMILLER: Great. Thank you.

13 First, is there any comments from anyone in the
14 room? Anyone on the phone? Does Jan (phonetic) want to
15 make a comment?

16 (Off mic colloquy.)

17 CHAIRMAN WEISENMILLER: Okay. Great, so let's
18 transition to the Commissioners. Commissioner McAllister?

19 COMMISSIONER MCALLISTER: Well, I just want to --
20 Mr. Tam, if you are on the phone congratulations on moving
21 this forward. And I know at the local level it's a lot of
22 effort and work and consensus building to do that.

23 We believe at the Commission that working with
24 local government is critical to our mission. And in fact
25 what you all do on the ground at your building departments

1 and your city councils, county supervisors, really helps us
2 do a better job. We learn from what you do and then we can
3 consider those approaches as we update the statewide codes
4 and programs and make recommendations to the Legislature
5 and all the good stuff that we do here in Sacramento. But
6 really, a lot of it starts with you, so thank you very much
7 and I'm happy to approve this. Anyone else?

8 And thanks for moving down the road towards the
9 2019 Code, because that's essentially where this heads very
10 directly, so a nice job. I'll move Item 5.

11 COMMISSIONER HOCHSCHILD: Second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.)

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

16 Let's go on to Item 6.

17 MS. NEUMANN: All right. So for our second
18 ordinance that we're seeking approval of today, staff
19 reviewed the City of Chula Vista's application and finds
20 that the Chula Vista Ordinance meets the requirements for
21 consideration by the Energy Commission.

22 The ordinance reduces the maximum outdoor
23 lighting power allowances from the maximum allowed wattages
24 for the 2016 Energy Standards for non-residential building
25 occupancies by 32 to 81 percent, depending on application.

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1 The lighting power allowance levels are reduced to the
2 levels in the recently adopted 2019 Building Energy
3 Efficiency Standards and apply to both new non-residential
4 construction, as well as to retrofits where 50 percent of
5 the lights or more are replaced.

6 City of Chula Vista staff found the ordinances
7 cost effective, is intended for protection of the
8 environment and has no significant negative impact on the
9 environment. For these reasons, staff recommends that the
10 findings be approved and the Energy Commission Resolution
11 be signed.

12 I'm available to answer any questions you have as
13 is via phone, Cory Downs, Conservation Specialist with the
14 City of Chula Vista. Thank you.

15 CHAIRMAN WEISENMILLER: Thank you.

16 First, any comments from anyone in the room or
17 anyone on the phone? Commissioner McAllister?

18 COMMISSIONER MCALLISTER: Okay. This is another
19 easy one. And I have to say that like Chula Vista has a
20 soft spot in my heart, because I used to live down in San
21 Diego. And they really are sort of the second city down
22 there and they get short shrift sometimes, but it's a
23 really innovative, well run, incredibly diverse city.

24 And I worked with them quite a bit when I was
25 down there. And they have uniquely, in some of our urban

1 areas right, they have a lot of open area that they're
2 looking to develop and they want to develop it right. And
3 so I think all the things that they are doing in their
4 local ordinances are aimed in that direction. And I want
5 to just thank them for that, because that's just good
6 management and we need more of that.

7 So if there aren't any other questions, I'll move
8 Item 6.

9 COMMISSIONER SCOTT: Second.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.)

12 CHAIRMAN WEISENMILLER: This item also passes 4-
13 0. Thank you.

14 MS. NEUMANN: Thank you.

15 CHAIRMAN WEISENMILLER: Let's go to Item 7.

16 MS. SNYDER: Good morning Chair Weisenmiller and
17 Commissioners. My name is Katharina Snyder and I am here
18 with the Energy Research and Development Division.

19 Today, we seek your approval for the proposed
20 agreement with the University of California Los Angeles.
21 Our research team will develop pathways for decarbonization
22 of the energy system in a targeted community including
23 electrification of vehicles, electrification of natural gas
24 appliances used in homes, integration of renewable energy
25 generation and energy storage technologies as well as

1 improvement of energy efficiencies in existing residential
2 buildings.

3 This research project is innovative, because for
4 the first time they will assess ways to reduce nitrogen
5 dioxides, particulate matter and other outdoor and indoor
6 air pollutants associated with the appliances used in homes
7 and electricity generated and served to the subject
8 community.

9 This project will be conducted in Avocado
10 Heights, which is a disadvantaged community in Southern
11 California and will result in an actionable plan for this
12 community.

13 Staff recommends approval of this proposed
14 agreement. Thank you for your attention and I am happy to
15 answer your questions as well as Felicia Federico via phone
16 who is the Executive Director for the California Center for
17 Sustainable Communities.

18 CHAIRMAN WEISENMILLER: Thank you. Let's start
19 with if there are any comments from anyone in the room?
20 Anyone on the phone line? So let's transition over to the
21 Commissioners.

22 I think one of the things, which we are working
23 on any EPIC areas is to really focus on disadvantaged
24 communities and to come up with actionable items to try to
25 move the needle there. Obviously we're trying out a bunch

1 of innovative projects. Hopefully some of these are going
2 to work and others we will learn from. So anyway, we're
3 looking forward to this project being part of the package
4 that we're doing. And again, have high hopes for it.

5 COMMISSIONER MCALLISTER: Great. I'll move Item
6 7.

7 COMMISSIONER SCOTT: Second.

8 CHAIRMAN WEISENMILLER: All those in favor?

9 (Ayes.)

10 CHAIRMAN WEISENMILLER: This item passes 4-0.

11 Thank you.

12 MS. SNYDER: Thank you.

13 CHAIRMAN WEISENMILLER: Let's go on to Item 8.

14 MR. ERNE: Good morning, Chair and Commissioners.

15 I'm David Erne from the R&D Division, here to request
16 approval to award funding for a grant for microgrid at an
17 anaerobic digestion facility in Rialto. You may remember
18 from the May Business Meeting the Rialto bioenergy facility
19 is a redevelopment project of a formerly mothballed
20 digestion facility and was the subject of -- being
21 supported by an ARFVTP grant in May that you awarded.

22 The microgrid will add to that project by
23 providing a microgrid controller and battery storage to
24 allow the anaerobic digestion facility to power the Rialto
25 wastewater treatment plant, shaving off 100 percent of its

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1 peak load. As well as providing unlimited backup power in
2 the event of an emergency and ongoing availability of both
3 the food waste and the sewage sludge that will be used in
4 the facility, so a very strong project for the surrounding
5 community.

6 Staff has reviewed the CEQA documentation from
7 the city, which is the lead agency. And determined that
8 the microgrid is within the scope of those documents, that
9 there will be no new environmental impacts associated with
10 the microgrid, and that the mitigation measures associated
11 with the documentation and for the project will eliminate
12 or mitigate all of the significant impact with the
13 exception of air quality. But the staff also determined
14 that the benefits of the revitalizing the facility, as well
15 as the economic development to the local community, which
16 is a disadvantaged community, and the reduction in
17 greenhouse gas emissions outweighs the environmental
18 impacts, so the air quality impacts.

19 Staff is recommending the approval of the grant,
20 the CEQA findings and the Statement of Overriding
21 Considerations.

22 CHAIRMAN WEISENMILLER: Thank you.

23 Let's start with if there are any comments from
24 anyone in the room. Anyone on the line? Then again we'll
25 transition to the Commissioners.

1 As the Lead on R&D I was going to say this is
2 obviously a strong project again following on the theme of
3 the last one, really trying to move technology into
4 disadvantaged communities. I know obviously there are some
5 issues in some disadvantaged communities on anaerobic
6 digesters, frankly. But having said that, I think the
7 microgrid component here is a good way to really complement
8 what's been done with the ARFVTP projects. And so I'm
9 looking forward to the results from this one.

10 COMMISSIONER SCOTT: Yeah, I agree. I don't have
11 much to add to that, but I will move approval of Item 8.

12 COMMISSIONER HOCHSCHILD: Second.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 (Ayes.)

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

17 Let's go on to minutes.

18 COMMISSIONER SCOTT: Move approval of the
19 minutes.

20 COMMISSIONER MCALLISTER: Second.

21 CHAIRMAN WEISENMILLER: All those in favor?

22 (Ayes.)

23 CHAIRMAN WEISENMILLER: The minutes also pass 4-
24 0.

25 Lead Commissioner or Presiding Member Reports,

1 Commissioner Scott?

2 COMMISSIONER SCOTT: Great. Well, it's been
3 another exciting month since I saw all of you last. I had
4 a chance with the Climate Works Foundation to take part in
5 a visioning session about 2050 today. And really thinking
6 forward in terms of the different type of things that we
7 need to move from jobs, from technology, all kind of the
8 broad spectrum to meet the climate goals that we're all
9 trying to meet, in 2050 and what are the types of things
10 that we ought to be working on today.

11 One of the things that on the job side that I
12 thought was really interesting, is making sure when we talk
13 about jobs, we're talking about one-to-one replacements.
14 Many of the jobs in the petroleum industry sector are union
15 jobs. They come with health benefits and all kinds of
16 benefits. It's kind of a way you can work your way up the
17 ladder. It's an honest living wage. And so to say that a
18 solar contracting job, for example, where you may not have
19 all those benefits associated with it it's not really a
20 one-to-one replacement. And I thought that was an
21 important thing for us to think about, as we're all
22 thinking about jobs in this space.

23 And also the place, the place where things are.
24 Does this require people to have to move to a new town?
25 All kinds of things, so that we're making sure that we

1 really kind of talking about one-to-one replacements for
2 people, so that it was a very broad conversation. But I
3 thought that was one of the most interesting points for me
4 that came out of that meeting.

5 I had a chance to go up to Oregon with a couple
6 of folks from the Energy Commission as well, for the 4th
7 Mobility Electric Vehicle Conference. That was fantastic.

8 This is probably the biggest convening of
9 electric vehicle enthusiasts in North America, so it was a
10 nice opportunity. And there were folks from all around the
11 world there from Costa Rica, from Norway, from England,
12 other places. So we really have a chance to understand,
13 not just what the leaders in the United States are doing,
14 but what leaders around the world are doing for
15 electrification, getting the charging infrastructure out
16 there, getting hydrogen refueling infrastructure out there,
17 what's taking place, not just in the on-road sector, but in
18 ships and trains and other things like that. So it was a
19 nice opportunity to listen and learn.

20 I got to do some closing remarks at that
21 conference, which was great. And actually I was happy that
22 people stayed, because it went until 4:00 o'clock. Then
23 there was a break. And then there was me. So I thought,
24 "Oh, no. There's not going to be anyone here." But there
25 was a good crowd there and it was great to do some closing

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1 remarks there.

2 I had a chance, a couple of weeks ago to speak at
3 the National Fuel Cell Symposium here in Sacramento. That
4 group covers both stationary fuel cells and also mobile
5 fuel cells, like in the transportation sector. It was a
6 good opportunity to provide some highlights about what the
7 Energy Commission is doing in this space and also to listen
8 and learn from fuel cell experts from around the country.

9 And then I just wanted to do a little shout out
10 to Chair Weisenmiller, you and your team, for the Energy
11 Equity Indicators, so Pam Doughman and her leadership
12 there.

13 And also the Travis David, who has put together
14 this amazing set of information; that it's really user
15 friendly. You can click through any number of types of
16 indicators, whether it's a health indicator, the income
17 indicator, where the disadvantaged communities are. And
18 just it's a really nice platform, a really great tool. So
19 if you have not had a chance get a briefing on it or a
20 chance to look at it, please do. But I just wanted to give
21 a shout out to Travis David. I was really impressed and I
22 was trying to figure out, "Well, how can I tweet about
23 what's on here?" to help get the word out, what's there.

24 And it's a really nice way to take the
25 information that the Commission has gathered over the last

1 few years as part of SB 350, the Low-Income Barriers Study,
2 and put it in a way to help us make good -- well, we
3 already make good policy decisions -- but to help us make
4 additionally informed policy decisions as we go forward in
5 this space. So I wanted to do a shout out for that. That
6 was a great briefing. I loved getting a chance to really
7 look at it. And I'm looking forward as it continues to
8 have additional capabilities to see what's there.

9 And then I think that I introduced you to my
10 interns Adriana Gomez and Claire Sugihara last time, but I
11 also wanted to make note that Michelle Solomon, she's there
12 in the yellow, is here as well. She's one of the Stanford
13 interns and she's doing some work with me on electric
14 vehicle charging infrastructure and mapping that and really
15 putting together all of the different efforts around the
16 state to -- and again in a tangible form to see what's
17 going on out there. So I'm delighted to have her and
18 delighted to have the other two interns in my office this
19 summer, as well. So welcome.

20 That's my update.

21 COMMISSIONER MCALLISTER: Awesome.

22 Let's see, I just have a few things. Yesterday
23 actually I had -- no, Monday, sorry -- I had the
24 opportunity to go down to L.A., at the invitation of the
25 L.A. Business Council and gave them a talk, mostly focused

1 on the Building Standards. There's a lot of interest there
2 on the Building Standards that we approved last Business
3 Meeting. Lots of interest fairly broadly, in those
4 standards, but L.A.'s a group that I certainly want to keep
5 informed about that.

6 And I took advantage of the trip to go down to
7 LACI, L.A. Innovation Center, or L.A. Cleantech Innovation
8 Center, and I was just incredibly impressed. I don't know
9 if you all have had the chance to tour, but boy they've got
10 some good stuff going on. And just Fred Walti is now kind
11 of taking that and moving that around the world trying to
12 put together a consortium of these similar innovative
13 centers. And I think there's just a lot of good that's
14 going come from that, in just the education that he is
15 providing people of like what is innovation, you know?
16 It's not --

17 COMMISSIONER HOCHSCHILD: We gave them \$5
18 million.

19 COMMISSIONER MCALLISTER: Exactly and they're
20 very grateful for that. So yeah, exactly, exactly, but
21 they have a bunch of nonprofits working down there. You
22 know, ConRel is also there and a bunch of others or
23 actually use the space. And DWP owns the building and has
24 kitted it out and really has been very supportive and has
25 an Energy Efficiency Education Center there and labs where

1 they're testing lighting and equipment. So really a lot of
2 really diverse group of activities there, but I think it
3 reflects the attitude that modern L.A. has where they're
4 very can do and just want to move the ball forward and
5 they've got a really cohesive set of policies and
6 initiatives to do that, so kudos to all of them. I really
7 enjoyed that visit.

8 Let's see a couple of weeks ago I went to D.C.
9 for a few days for the Alliance to Save Energy Board
10 Meeting. And again I'm chairing the Policy and Programs
11 Committee. I kind of got my arm twisted into that, but
12 it's turning out to be worthwhile, because again people are
13 looking to California for leadership. There's sort of a
14 lot of folks who are feeling untoward in terms of just
15 what's going to happen next. And we provide sort of an
16 anchor for them to show them kind of what's possible and
17 what we're doing in our context and we're just plowing
18 forward.

19 And a lot of the manufacturers that are national
20 manufacturers or international manufacturers that are
21 members of the alliance really depend on California to sort
22 of get policy right. We're a landmark market for them.
23 We're really a keystone market for them. So it helps to be
24 part of that group, I guess is what I'm saying.

25 Let's see, I've been doing a lot of outreach on

1 the Building Efficiency Standards, just an incredible
2 amount of interest, the vast majority positive. I think as
3 it sinks in what we've done and if people actually look at
4 the regs they're realizing how reasonable they are and how
5 sort of well thought out they are and how a couple of
6 people have even said "wise". Which, I don't know how
7 often you hear that about regulations, but I took that as a
8 big complement. So I think I just have to get to it for
9 staff for all the work that went into that rulemaking.

10 And at the end of the day when we get to 2020, I
11 think it's going to be just self-evident that the solar and
12 the other measures that we've included are just going to be
13 standard features. And that's kind of just going to be
14 part of the ether, just like thick walls and good windows
15 now. And so a lot of other moving parts around it, but I
16 think the direction we're going is great.

17 Let's see, I gave a talk at the SEEC Forum, the
18 State Energy Efficiency Consortium, which is marshaled by
19 the Local Government Commission. Every year, they do a big
20 event really focused on local governments and energy
21 efficiency. And so a really good chance to interact with
22 city and county government and sort of a bunch of
23 knowledgeable stakeholders, the Leads in energy and
24 sustainability at those agencies. So reinforcing those
25 relationships and working with them to see what they want.

1 And I guess that's it. A lot of it is just --
2 finally, I'll say we did the Decarb workshop, which was
3 almost like a revival of some sort. I mean, there was a
4 lot of enthusiasm in the room. This was a few weeks ago
5 now, in the IEPR context. Commissioner Hochschild and I
6 were in the room, for a lot of enthusiasm and just can do.
7 A lot of people wanted to roll up their sleeves and help
8 figure out how to decarbonize our buildings. And I think
9 it really bodes well for the future. We have a lot of
10 people contributing their ideas. And when you get applause
11 at a workshop, you know (indiscernible) I think it means
12 you're on to something. So really I think a lot of people
13 came away pretty energized from that.

14 Finally, I wanted to introduce three interns that
15 I have in my office. And they are all in the room, I
16 think? Yep. So Erik Lyon is right there in the white
17 shirt and he comes to us from the Yale School of Forestry.
18 Maggie Deng from UC Berkeley, raise your hand a little bit
19 higher. There she is. And Bryton Moeller, who is next to
20 Erik there, and comes from my own alma mater, Dartmouth
21 College.

22 And so they are doing amazing work, largely, as
23 you might expect focusing on data and doing analysis to
24 help us to visualize all the things that are happening in
25 terms of energy use and just our buildings. If any of you

1 want a briefing, I mean we're getting towards the end of
2 the summer and I think Maggie's going to leave us first,
3 but they've really been doing some great work. And so I
4 wanted to give them kudos and say thanks for a job well
5 done. And it's ongoing, but I just wanted to make sure to
6 let everybody know they're here and have that really
7 resource for my office and the cause of energy efficiency
8 in buildings. So thanks, you guys.

9 And thanks actually to Brian and Martha for
10 helping manage and just giving them good solid work to do
11 and overseeing and all that. It's been great.

12 COMMISSIONER HOCHSCHILD: Well, I also want
13 Commissioner McAllister for the Decarbonization Workshop.
14 It is nice to get applause, so (indiscernible) But in
15 fact, you've been getting a lot of applause and rightly so,
16 in fact even in absentia. I was at the Builder Show, the
17 Pacifica Builder Show a week or two ago and I'll talk about
18 the building regs and great support from all the
19 constituents there.

20 One thing Commissioner McAllister and I are going
21 to be doing later this month is a wrap-up ceremony for the
22 New Solar Homes Program, which we're going to do at UC
23 Davis West Village and just commemorate all the hard work
24 that's gone into that from all the stakeholders and the
25 staff as we've now closed that program last month to new

1 applicants. And it really was the glide path that helped
2 us get to where we are today with the Code and it's worth
3 commemorating. So inspired by Commissioner Scott's ten-
4 year anniversary event for the ARFVTP we'll be doing this,
5 this month for that, the New Solar Homes Program.

6 On solar costs, I said at the time of the vote
7 when we adopted the Title 24 Code that the evidence shows
8 there's a lot more cost reduction to happen in solar. In
9 fact, that's exactly what's happened since the vote. The
10 price of solar in the market has continued to fall. And in
11 fact today, in California, last week we saw the first bids
12 below 2 cents a kilowatt hour, 1.8 cents a kilowatt hour
13 for utility scale PV. And there's a lot more cost
14 reduction still to come.

15 So this is, I think, a real tribute to the early
16 work again here at the Energy Commission, the Emerging
17 Renewables Program and all the seed planting that happened
18 to get us to where we are today.

19 I wanted to thank Chair Weisenmiller for working
20 with President Picker to put together the En Banc. I
21 thought that was a really fruitful discussion about the
22 changing business models, the retail side of things. And
23 it was just great to be together with our colleagues. I
24 think there were three of us there from the Energy
25 Commission, all five from the PUC, for a full day's

1 discussion and some lively speeches by Ralph Cavanaugh and
2 others.

3 We're doing also, along with the IEPR we're
4 actually doing the first IEPR video and so Katie is working
5 on that with the media team. And I'll be able to share
6 that soon too. That's going to be a couple of minutes'
7 summary of the IEPR Volume I Report. I'm really excited
8 about that.

9 And then finally I just want to share on the
10 Climate Summit, you know, it's always a bit chaotic when
11 we're going to do these big international things to begin
12 with. And a lot of folks I talked to said, "Boy, it seems
13 like it's really disorganized in sort of getting it
14 together." And I said, "You know, it always comes together
15 at the end." And that's really what I'm seeing now. The
16 shape of the summit, I think the goals are very bold and
17 ambitious. And there's now over 500 side bar events for
18 the summit.

19 And I've gotten roped into one of them, which I
20 wanted to extend an invitation to all of you and any of the
21 staff who are here to join, which will be on the 11th. We
22 have Al Gore confirmed. It'll be at Fort Mason, John Kerry
23 and Tom Friedman from the *New York Times*. We're doing sort
24 of some -- there'll be a Shark Tank type dialogue on
25 agriculture. And actually the role of agriculture in

1 solving climate change and clean energy and transportation
2 featuring some entrepreneurs and working with Orville
3 Schell from the Asia Society and others on that. So that's
4 coming together and looking forward to that.

5 CHAIRMAN WEISENMILLER: That's good.

6 Just a few things I was going to note. I
7 attended three things. One was the Prime Minister of
8 Portugal, for the first time in 20 years, visited
9 California and basically met with the Governor. And then
10 we had an event at the Stanford Mansion and it was a pretty
11 emotional day for them. They had both Senate and Assembly
12 Resolutions. And they said that the thing that really hit
13 him was how many of our legislators just stood up and said,
14 "I'm Portuguese." I mean, there's obviously a lot of
15 people in the Valley whose parents or ancestors came from
16 Portugal. So it was a sort of reunion for many. So that
17 was an inspiring event.

18 And then the following week the Governor and I
19 met with the President of the Germany in the German
20 Consulate and had a nice dinner, but again a fascinating
21 conversation. He was saying how anxious he was to realize
22 that historically America's really been the anchor to
23 Germany and suddenly find themselves say closer to China on
24 Trade Policy than to America; even finding themselves,
25 believe it or not, closer to Russia than the U.S. on some

1 other policies, so just really that global angst at this
2 stage.

3 And finally, I was going to say I went to Pat
4 Mason's retirement party basically at CFEE. Pat is
5 retiring after basically his whole career has been there,
6 so obviously it's a transition. And let's see, I forgot
7 who is the new head of that organization, but I'm sure
8 it'll go through changes at this stage.

9 Sure?

10 COMMISSIONER HOCHSCHILD: Just a question for
11 you, Mr. Chairman. Obviously a new Supreme Court Justice
12 nominee has been introduced and potentially there could be
13 some rulings in the future that might jeopardize our work.
14 And I'm just curious, what are you most concerned about in
15 terms of Supreme Court rulings and how it might impact
16 California?

17 CHAIRMAN WEISENMILLER: Well, I mean obviously
18 it's going to be -- you know, it could be across the board
19 on any number of things, which we have as our basic values.
20 You know, I think people are concerned about women's
21 rights. They're certainly concerned about immigration. I
22 think all of us were shocked by the travel ban ruling and
23 also the union ruling.

24 So again, I think it's going to force us to think
25 about making sure that our fundamental values, where we

1 need to, are safeguarded at the state level where possible.

2 But again, I'm sure there's going to be a pretty
3 ferocious battle in the Senate. I think both of our
4 Senators are taking the lead against this nomination,
5 although we all know the vote count is not looking great.
6 So, yeah.

7 Let's go to Chief Counsel's Report.

8 MS. VACCARO: Nothing today.

9 CHAIRMAN WEISENMILLER: Let's go to Executive
10 Director's Report -- oh, I should flag that there was a
11 misstatement on the agenda about a closed session. We're
12 not having it, right?

13 MS. VACCARO: Yeah, so we have a default agenda
14 that we typically identify in advance. And then if it
15 comes about that we will be going into closed session we
16 usually identify which item on the agenda. And so you're
17 correct, even though there are things listed under Item 11
18 we will not be going into closed session on any of those
19 items today.

20 CHAIRMAN WEISENMILLER: Right. Okay. I just
21 want to make sure that the public was aware of that. So
22 let's go to the Executive Director Report.

23 MR. BOHAN: Thank you, Chair. I'd just like to
24 give you a couple-minute overview of the budget. A couple
25 of months ago at a Business Meeting I presented to you

1 about the status of our budget and sometimes some concerns.
2 And I want to report some good news this morning.

3 Governor Brown signed his last budget two weeks
4 ago today, at the end of June. This is the 2018-2019
5 budget and it is by way of brief history, when he took
6 office in 2011 he inherited a \$25.4 billion deficit. He
7 leaves office with a fully-funded rainy day fund, which is
8 just shy of \$14 billion. So it's a pretty major turnaround
9 in just eight years.

10 The budget he signed a couple of weeks ago is
11 \$201 billion. We are a relatively small fraction of that.
12 Our total budget is \$535.5 million. And I'm not going to
13 go through all of it. Obviously, I did want to highlight
14 that the ARFVT Fund, we've gotten an infusion of an
15 additional funds there to support infrastructure for
16 electric vehicles, which I think is very good news.

17 We also got \$80.5 million of Cap and Trade funds
18 out of an overall \$1.4 billion budget for that category.
19 This has been a steady increase we've been seeing for the
20 Energy Commission out of the Cap and Trade Fund.

21 And finally I just wanted to spend a minute
22 talking about ERPA. ERPA is the Energy Resources Program
23 Account. We've touched on this several months ago at a
24 business meeting. It's our main source of operational
25 revenues. And it's been a real challenge. I explained a

1 couple of months ago that we've been victims of our own
2 success in that we have, since Governor Brown took office,
3 added 66 new ERPA-funded positions and 72 non-ERPA funded
4 positions, which is a strong indication that both the
5 Legislature and the Governor view our work as positive and
6 something to be added to.

7 But the bad news is the ERPA Account itself,
8 while these demands have been going up, has been flat or
9 being reduced. And the reason I say victims of our own
10 success is major contributors to that reduction in the ERPA
11 Account, which is based off of metered energy in the state,
12 so as folks use --

13 COMMISSIONER HOCHSCHILD: Metered electricity
14 only, there's no gas at all.

15 MR. BOHAN: That's right. That's right, metered
16 electricity. Thank you.

17 And as metered electricity goes down in the
18 state, so go the ERPA revenues. And the work of our -- we
19 do on conservation, particularly on energy efficiency, puts
20 downward pressure on that account. Similarly behind-the-
21 meter renewable energy, particularly rooftop solar, is not
22 metered and therefore is not part of the calculus that goes
23 into the revenue stream that we get to run a significant
24 amount of our operations.

25 I also want to say nevertheless, we've been aware

1 of this for the last several years and we have reduced our
2 expenditures or excuse me, our budget by \$25 million in
3 operational expenditures. So we have been taking a lot of
4 action to try to address this problem. Nevertheless we
5 were still left with, despite those actions, a \$15 million
6 approximate structural deficit between the amount of
7 revenues being brought in on an annual basis end of the
8 year by our account, and the amount that the Legislature
9 was appropriating from that account.

10 The very good news that I'm here to tell you
11 today is that we worked closely with the Legislature and
12 have reduced that structural deficit to a number of about
13 \$3 to \$4 million. So this isn't it's been eliminated, but
14 it's been greatly reduced. And we are continuing to look
15 for ways to save money. Staff, throughout the
16 organization, has done a tremendous job stepping up. It's
17 caused pain and dislocation in some instances. But folks
18 have stepped up and really rolled up their sleeves and
19 worked on this.

20 The Legislature in this last bill, this last
21 budget bill, said we need to provide supplemental reporting
22 language again next year, which we will. We did this this
23 year at the Legislature's request. We will do so again
24 next year, but we think through some additional measures
25 we're looking at, we'll be able to close the deficit

1 altogether. Thank you.

2 CHAIRMAN WEISENMILLER: Yeah I just want to
3 supplement that with a shout out to Saul Gomez and John
4 Laird for helping us deal with these issues.

5 Let's go on to the Public Advisor Report.

6 MS. AVALOS: This is Rosemary Avalos representing
7 the Public Adviser and at this time there is no Public
8 Adviser Update.

9 CHAIRMAN WEISENMILLER: Okay. Thank you.
10 Any public comment?

11 (No audible response.)

12 CHAIRMAN WEISENMILLER: Okay. This meeting's
13 adjourned.

14 (Adjourned the Business Meeting at 11:23 a.m.)

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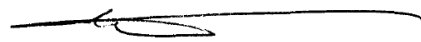
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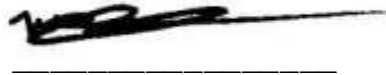
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