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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, NOVEMBER 7, 2018

10:00 A.M.

Reported by:
Peter Petty
APPEARANCES

Commissioners

Robert Weisenmiller, Chair
Karen Douglas
Janea Scott
Andrew McAllister

Staff Present: (* Via WebEx)

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

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Spencer Myers, Vantage Data Centers 2
Robert Sarvey, Helping Hand Tools 2
Kara J. Miles, W Power 3
Margaret Rosegay, Pillsbury, Winthrop, Shaw, Pittman 4
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   a. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS
   b. EQUILON ENTERPRISES LLC (DBA SHELL OIL PRODUCTS US)
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:


ii. 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)

iii. State Energy Resources Conservation and Development Commission v. Electricore, Inc. and ZeroTruck (Sacramento County Superior Court #34-2016-00204586)


v. City of Los Angeles, acting by and through, its Department of Water and Power v. Energy Commission (Los Angeles Superior Court, Case No. BS171477).

21. Chief Counsel's Report (Cont.)

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.

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PROCEDINGS

NOVEMBER 7, 2018 10:05 a.m.

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

(Whereupon the Pledge is recited)

CHAIRMAN WEISENMILLER: Well, let's start the Business Meeting with a minute of silence for the massacre back in Pittsburgh.

(Whereupon a Moment of Silence is observed)

CHAIRMAN WEISENMILLER: I'm afraid there's been too many of those in the last year. Hopefully next year is better.

We will adjust the timing on Item 15 for one of the parties who wants to be here in a certain time window that I think we can accommodate. But let's start with the consent calendar.

COMMISSIONER DOUGLAS: Move consent.

COMMISSIONER MCALLISTER: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: I would note that Commissioner Hochschild is not here today, so it is 4-0.

So let's go to Item 2, Small Power Plant Exemption.

MS. COCHRAN: Good morning. I'm Susan Cochran.
with the Chief Counsel's Office and I'm very pleased to be standing before you today to present the Committee Proposed Decision for the Small Power Plant Exemption for the McLaren Backup Generating Facility.

In December of 2017 Vantage Data Centers, LLC applied for a Small Power Plant Exemption from the Energy Commission. It revised the application in May 2018 to change the type and number of diesel-fired generators to provide backup generation to the McLaren Data Center.

The Energy Commission appointed a Committee consisting of Commissioner Douglas as Presiding Member and Commissioner Scott as Associate Member to conduct proceedings on the application. The exemptions sought would be to apply to a backup generating facility to be located within the boundaries of the McLaren Data Center, on Mathew Street in the City of Santa Clara, California.

The Committee issued its Proposed Decision on October 26th, 2018, which recommends granting the requested exemption and issued an Errata on November 6th, 2018. Copies of the Errata are on the dais and in the back of the room.

The Small Power Plant Exemption does not approve the data center nor does it approve the proposed backup generating facility. If granted a Small Power Plant Exemption requires the project proponent to obtain further
permits and licenses from other local agencies, in this case the City of Santa Clara and the Bay Area Air Quality Management District.

The City of Santa Clara is currently processing an application for the data center that is on hold pending the Energy Commission's decision on the exemption.

In order to grant a Small Power Plant Exemption, the Energy Commission must make three findings. First that the proposed facility will generate between 50 and 100 megawatts; second, that the proposed facility will not have a significant adverse effect on the environment; and third that the proposed facility will not have a significant adverse effect on energy resources.

Regarding generating capacity, this was one of the contested issues in this proceeding. Neither the Warren-Alquist Act, nor the Energy Commission's regulations dictate the manner of calculating generating capacity for a Small Power Plant Exemption. Intervenor Helping Hand Tools argue for application of Section 2003 of the regulations. But that applies to turbine generators and not the generators proposed for the data center.

Accordingly, the Committee determined that under these circumstances that the power generated would be used exclusively for the McLaren Data Center and will not be distributed to the grid. That capacity should be
calculated by reference to the demand of the servers to be housed in the data center and the cooling and lighting load for the buildings.

This load was calculated in the Proposed Decision to be 98.67 megawatts, less than 100 as required under Section 25541 of the Warren-Alquist Act.

The Committee has proposed a Condition of Exemption PD-1 that requires the Applicant to notify the Energy Commission if the configuration of the data center will change and thus alter or increase the building demand.

The City of Santa Clara has also agreed to place a Condition of Approval on the Data Center Project it is currently reviewing to limit the data center's design and operation to stay below the 100 megawatt limitation.

Regarding the effect on the environment, the Energy Commission is the lead agency under the California Environmental Quality Act, or CEQA. However, Small Power Plant Exemptions are not governed by the Energy Commission's Certified Regulatory Program. Thus the Proposed Decision incorporates by reference an Initial Study and Proposed Mitigated Negative Declaration prepared by staff to address the backup generating facility's potential environmental effects.

The Initial Study and Proposed Mitigated Declaration proposed certain mitigation measures for
cultural resources and tribal cultural resources. The City of Santa Clara has agreed to impose the mitigation measures as proposed. With the imposition and implementation of the mitigation measures the backup generating facility will not have any adverse impact on the environment.

Finally, the Proposed Decision includes information that the backup generating facility will not have any adverse impacts on energy resources. This issue was uncontested.

We've had meaningful and substantive participation from many parties including Applicant, staff and Intervenor Helping Hand Tools. The Committee and the Energy Commission has also received impact from City of Santa Clara, Silicon Valley Power and the Bay Area Air Quality Management District, both of whom participated in the evidentiary hearing on this matter.

Helping Hand Tools and Clean Coalition provided comments on the staff's Initial Study/Proposed Mitigated Negative Declarations that were addressed in the Proposed Decision.

Comments on the Proposed Decision were received from the Energy Commission staff and Intervenor Helping Hand Tools. The errata that was prepared and filed yesterday makes some of the requested edits from staff. Late yesterday, Intervenor Helping Hand Tools filed
comments on the Proposed Decision. These comments do not propose any changes to the Proposed Decision, but instead make claims of certain errors.

Procedurally, Intervenor questions whether the Committee, and therefore the Commission, has complied with CEQA and its provisions regarding a review of an Initial Study/Mitigated Negative Declaration. The Commission has satisfied these requirements, because the Initial Study/Proposed Mitigated Negative Declaration was submitted to the State Clearinghouse for a 30-day review period.

The document was submitted to the clearinghouse on June 22nd and the public comment period ended on July 24, 2018. In fact, Intervenor Helping Hand Tools made comments on that document during the comment period.

Second, the Intervenor claimed that the Energy Commission was required to hold an informational hearing and site visit, citing to Section 1709.7 of the Commission's regulations. However, that section does not apply to Small Power Plant Exemption proceedings, but applies to Notice of Intent and Applications For Certification. The regulations for Small Power Plant Exemptions do not require a site visit or informational hearing.

Substantively, Intervenor reiterates its arguments about the correct calculation of generating
capacity for the Data Center Project. As discussed above, there is no specific statute or regulation that applies to the calculation of generating capacity for a Small Power Plant Exemption.

Intervenor also disputes the finding in the Proposed Decision that the potential of the project to impact air quality. Again, the Proposed Decision contains an analysis with citation to the record to support the finding that the McLaren Backup Generating Facility will not have significant adverse impacts on air quality and thus environmental quality as a whole.

I therefore request that you adopt the proposed order adopting the Committee's Proposed Decision as the Energy Commission's Final Decision and making the findings required to grant a Small Power Plant Exemption. The proposed order is on the dais and in the back. I made minor modifications to the document previously filed by adding the date of the Errata and its number in the docket. I'm available for any questions that you may have.

CHAIRMAN WEISENMILLER: Thank you. Let's go to the Applicants.

MR. GALATI: Scott Galati representing Vantage Data Centers.

MR. MYERS: Spencer Myers with Vantage Data Centers.
MR. GALATI: Thank you very much for the opportunity to speak. We have reviewed the Errata. We have also reviewed the comments. We believe that very much what Hearing Officer Cochran just said about the Commission and the Committee following CEQA's rules. We don't believe that there's been any procedural error here. We support the Proposed Decision with the Errata. And we urge the Commission to grant the Small Power Plant Exemption for this project.

CHAIRMAN WEISENMILLER: Okay. Staff?

MR. BABULA: Thanks. This is Jared Babula, Staff Counsel. And unless there's specific questions staff doesn't have any further comments than what was already stated by the Hearing Officer. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Intervenors?

MR. SARVEY: Thank you, Commissioners. This is Robert Sarvey representing Helping Hand Tools. Good morning.

On October 26th the Committee for the backup generating facility published this Proposed Decision. Now, 13 days later this decision is before you. That's not even two weeks of notice for the public to respond and I believe that it's too short of a time period for a decision of this magnitude.
But this isn't surprising that we only got 13 days, because in this proceeding the Energy Commission has failed to engage the public entirely. The Commission's held no site visit informational hearing for the public to inform the public of the project and summarize it. The Commission did not provide the public with the staff that issue identification report. No notice that the documents were available to the public at the library was ever issued. No hearings or workshops were held in the affected environmental justice community. Staff's never held a hearing in Santa Clara for the Initial Study. In short, all of the Energy Commission procedures that are normally held, even in SPPE proceedings, were not followed.

Now imagine for a moment that a developer was to site within 400 feet of your home, 47 2.75 megawatt diesel generators. And then imagine again that across the street from that project is the Santa Clara Data Center with its 32 2.25 megawatt backup diesel generators. In addition, directly across from the MBGF is the Silicon Valley Power Cogen Project with 50 tons of NOx a year and substantial amounts of particulate matter.

So if this was your home I believe you would expect a notice. You would want a letter letting you know that this was happening and it never happened. I think the Energy Commission has not followed its procedures.
environmental procedures or its procedures for engaging the public that it normally does. I've been in quite a few proceedings. I've never seen any proceeding, including the SPPE proceedings, where these methods were not followed.

So this project has no SCR. Has no oxidation catalyst. Has no continuous emission monitor and no limit on any criteria pollutant emissions or GHG emissions once in emergency mode. It could run 8,760 hours a year. There's no limit.

Despite this the project's emissions of NO2 and diesel particulate matter have not been modeled in emergency mode with all 47 diesel engines operating at once. In fact, on page 5.31 of this Proposed Decision it states that just two engines running for eight hours could violate the federal NO2 standard.

The Proposed Decision assumes that 47 engines have been modeled. Running NO2 emissions and particulate matter emissions from 47 diesel engines have been modeled. They have not been.

As I said, the Proposed Decision mistakenly concludes that the project has been modeled for NO2 and particulate matter impacts with all 47 generators operating at once. Only CO emissions have been modeled in emergency operation with all 47 generators operating. So we have no idea what will happen when even just two of these
generators are operating for eight hours. We could have a violation of the NO2 standards. That's what your Proposed Decision states on 5.3-11 at the bottom of the page.

The Proposed Decision to adopt the data center's estimated load of 98.7 megawatts as the generating capacity quality for SPPE treatment. In the history of the CEC, this method for calculating generating capacity has never been utilized. The Commission has always relied on name plate capacity to calculate generating capacity as required by the Commission's Regulations 2003. Obviously, you wouldn't take a cogeneration plant, and if it only has 49 megawatts that it's exporting, you would exclude it from the Commission's jurisdiction. That would not happen.

2HT has consistently argued in this proceeding that the Energy Commission has always used Section 2003 to compute generating capacity. The only other data center the Commission has processed rejected the Santa Clara Data Center's maximum data center load of 49.1 megawatts as the generating capacity of the data center, which would exclude the project from Energy Commission jurisdiction. Instead, in the Santa Clara Data Center proceeding the Commission rejected the load of the data center as maximum generating capacity. And instead used name plate capacity of the 32 2.5 megawatt diesel generators as maximum generating capacity, making the project subject to Energy Commission
jurisdiction.

So in Santa Clara Data Center, you rejected maximum load as the generating capacity and you made it go through the SPPE process, at substantial expense to Santa Clara Data Center, and a substantial expense to everyone involved.

So 2HT urges you to deny this application and require this applicant to file an ASC. This is a potentially significant environmental impact and it should be evaluated at an ASC level and that's our position.

Thank you very much.

CHAIRMAN WEISENMILLER: Thank you. Hearing Adviser, do you have any comments?

MS. COCHRAN: Yes. Thank you, Mr. Chair.

First of all under the rules for an SPPE within 21 days of the issuance of the Proposed Decision this Commission is required to consider the Proposed Decision and whether to follow it. So by giving 13 days we are within the requirements of the SPPE regulations that do exist.

Second, as it relates to notice to the community, the Initial Study and Proposed Mitigated Negative Declaration were mailed to the neighboring property owners at the time that it was issued in June. In addition, as required by the Commission's own CEQA regulations, notice
of availability of this document was published in the San Jose Mercury News right after publication on October 26th.

As it relates to Section 2003 and name plate capacity, there is substantial discussion in the Proposed Decision. Essentially what the Committee looked at was the unique circumstances of this. In addition, Commission staff testified at the evidentiary hearing and subsequent Status Conference that the more nuanced approach of considering demand where a facility is not providing power to the grid, is the better approach than was used in 2012 when the Santa Clara Data Center was decided. And in fact, Helping Hand Tools cites to that in the document that it presented yesterday with its comments on the Proposed Decision.

So again, the question is whether consistent with 25213 of the Warren-Alquist Act, have we done a reasonable thing in order to effectuate the processes and the requirements that the Commission must meet in order to grant a Small Power Plant Exemption? I believe the Proposed Decision does in fact reflect that analysis and does in fact meet the terms and conditions of providing appropriate public outreach and the substantive requirements to approve a Small Power Plant Exemption.

CHAIRMAN WEISENMILLER: Thank you.

Staff?
MR. BABULA: Yeah, I would just like to add that this is actually the second Initial Study and Mitigating Neg Dec where the project that originally when it went to the city went through an entire Initial Study and Mitigating Neg Dec, which was adopted. And so staff built off of that original work. And we looked closely at who made comments and what was the -- and any issues with that document. And so starting when it came here there had already been a year of activity where the community was aware of the project, so we then went through our process. And followed CEQA for net notice and outreach, knowing that this had already been out there. And so this is not the first go around. So it's important to just recognize that. That's all of the response I have. Thanks.

CHAIRMAN WEISENMILLER: Applicant?

MR. GALATI: We agree with what the Hearing Officer and Mr. Babula just said. And just wanted to, again let you know that this Applicant did the right thing. What they did is they came to the Commission and said, "We have this data center. And we have this backup generating facility that's going to address the needs of that data center that will only be used when the data center doesn't have any power delivered by Silicon Valley Power."

How should we calculate generating capacity? And we explored lots of different ways to look at generating
capacity with staff. And we did this in the context of both this project and another one that was being expanded.

We ultimately got a jurisdictional determination from the Executive Director. It was addressed to Vantage. We were talking about both projects, but it primarily addressed the burning question at the time, which was our other facility is the expansion required to come to the Energy Commission. But in that decision it actually addressed how you calculate generating capacity. And it was based on the maximum demand that the data center could take on the worst hour in the last 50 years. So the worst possible scenario, with full IT load meaning all of the -- there is no place to put any more servers. And that is what we based generating capacity on.

It's less than 100 megawatts. We came here for a Small Power Plant Exemption and that's why we calculated generating capacity that way. It's the way the Commission through a couple of meetings and exchange of a lot of information told us to do so.

So I just wanted to make sure that there has been this impression that somehow this Applicant is trying to get out of Energy Commission jurisdiction. It is not. It did exactly what it was supposed to do under the regulations and then followed those rules. We agree that the impacts have been evaluated. That there's been a
lot of public outreach. That just because you don't see
comments in the record doesn't mean people weren't asked to
comment. So we ask that you approve this Small Power Plant
Exemption and let Vantage go on and build this project,
which is important to them. Thank you very much.

CHAIRMAN WEISENMILLER: Is there any public
comment from anyone in the room? Any public comment from
anyone on the line?

(No audible response.)

CHAIRMAN WEISENMILLER: Then let's transition to
the Commissioner discussion. Commissioner Douglas?

COMMISSIONER DOUGLAS: So, a couple comments
based on all of the discussion today, you know that I
wanted to highlight.

One is that as has been noted granting the SPPE
does not in itself allow the construction of the proposed
facility. The Applicant is still required to go through
and has gone through a local permitting process with CEQA,
full CEQA implementation there as well. And they have been
required to go as well to the Bay Area Quality Management
District.

The City of Santa Clara pursuant to the SPPE is
the entity that reviews the land use and other entitlements
needed to construct and that includes the CEQA analysis.
The Bay Area Air Quality Management District issues a
permit to construct and to test the generators after construction.

To grant an SPPE we have to find the following three things. First, is the facility will generate between 50 and 100 megawatts and we have made that finding.

Second, that the facility will not cause any adverse environmental impacts and we looked at that. And particularly, we focused on air quality.

Third, the facility will not cause any adverse impacts on energy resources and it obviously and definitely does not. It's a backup generators that we expect to operate very little actually.

Silicon Valley Power has a service availability of you know 99.9859 percent. And so historically there's been only one outage in the area near the data center. It lasted about 19 hours, but that's been it. And so the reliability of service in that area is actually very high.

These are some of the reasons why we approached the issue of generating capacity the way we did in terms of data centers. This is strictly backup power and the data center does not need to back up more energy than it actually uses.

So those are some of my comments. You can see if Commissioner Scott would like to add anything.
COMMISSIONER SCOTT: Thank you. I would like to echo Commissioner Douglas's comments to you. As others have mentioned, some questions were raised throughout this process, particularly relating to whether the project's generating capacity exceeded the exemption limit.

We held a status conference and an evidentiary hearing to discuss how best to calculate the generation capacity, given that neither the Warren-Alquist Act nor the Commission's regulations directly address generation when as here the project has no turbines and is for data center backup generation.

We carefully considered the input we received from all parties and agreed with the approach presented by the staff and Applicant. We determined that the generating capacity is limited by the demand of the facility therefore, qualifying this project for a Small Power Plant Exemption, because its generation is between 50 and 100 megawatts and there's no adverse environmental effect or adverse effect on energy resources. So this means that approval of this project would be a matter for local jurisdiction, not for the Energy Commission.

I'd like to just thank our staff and the Applicant and the Intervenor for their thoughtful engagement here. The more input and participation we have the more robust our process is. And so I think that always...
makes for a good discussion, good process. And thank Hearing Officer Cochran for her good work and also as always thank the Presiding Member, Commissioner Douglas and her team. She and I have worked on a number of siting cases together now and I continue to learn from her expertise and I appreciate her leadership in this space. Those are my comments.

COMMISSIONER MCALLISTER: Yeah. I did receive a good briefing from Hearing Officer Cochran on this, so I appreciated that very much. Absolutely appreciate the need for backup generation. I mean it's pretty incredible, we live in a data-driven society and that extra 0.0003 percent actually turns out to have a lot of cost, if you really want to cover that. And so that's a lot of diesel generators.

I guess I did have one question. And I did understand that not only is this a backup for the Silicon Valley Power, but you also within the configuration of the diesels have backup to the frontline diesels in the case they're used. And you do simple math and 2.5 times 47 is bigger than 100, so I guess a couple of questions related to that. Number one, could you sort of talk about why the configuration, that nominal capacity overall is greater than 100, and the load obviously limits the availability to actually use power in real time. But is it possible that
this load could grow to be -- that's my second question --
greater than 100 megawatts?

MR. GALATI: I'll take first shot at it and then
Mr. Myers can correct me where I'm wrong. But basically
the backup generators are configured in a four to make
three configuration, so that the fourth one is redundant to
all of the three. So that is because it is so important
during an emergency that even if we have another emergency
with our facility that we're still able to develop power.

Second of all, the design basis that is less than
100 megawatts again is assuming that we have rented out all
of the possible space and use that we can. Vantage's
history is we only are able to capable -- even though we
rent out all the space, people are only able to make use of
60 percent of what's allocated to them. We assumed 100
percent was being used. And then we designed the facility
with the backup generators to serve that facility on the
hottest hour in the last 50 years, assuming that's the
cooling load for that 100 percent.

So there's so much redundancy and factors of
safety built in that that's how you design something for
backup. So that's why taking a name plate rating wouldn't
be appropriate.

In addition, to address any concern that the
Commission had that somehow the project could be expanded
to serve, if we did build a bigger project we would have to put in more generators to have the same backup generating capacity using these criteria. But what we did is we asked and we went to Silicon Valley Power. Silicon Valley Power will ensure that the City of Santa Clara puts a condition on the data center that it cannot use more than 100 megawatts. So since a backup generating facility just supplies the data center, we thought that was a belt-and-suspenders approach, so the Commission could feel very comfortable.

If, in the future Vantage wanted to build another building, they wanted to put another story on the building and wanted to increase, they would have to come back to the City and that condition would also have us come back to the Commission. And Vantage has a history of doing that. That's how we got here in the first place. We have another campus and they were expanding that campus that they bought in I think 2008. They were expanding that campus. And it was that that started the discussion with the Commission. We're going to add more generators, what does that mean? So we have a history of coming back to the Commission and that's what it would take. But there are no plans whatsoever to make that building need any more megawatts than 100.

MR. MYERS: Just in addition to that there's no
more physical space on this location. There's no ability to build anything else beyond what we've planned. It's physically impossible.

COMMISSIONER McALLISTER: Okay. Thanks very much. I don't know if staff has anything to add, but I do want to thank the Committee for all their work on this as well and staff. So thanks.

CHAIRMAN WEISENMILLER: Commissioner McAllister asked if you had anything else to add?

MR. BABULA: Sorry, nothing further. Thanks.

CHAIRMAN WEISENMILLER: Okay. I was going to just, obviously thinking back to when the Warren-Alquist Act passed, there were certainly computers around. (Laughter.) But they were in relatively isolated scientific establishments and certainly data centers. I don't think we had any at that point, so certainly this is part of the changing nature of our society, as Commissioner McAllister said, that we all now have to deal with.

COMMISSIONER DOUGLAS: Yeah, I think that's absolutely right. Our society evolves and technology evolves and then you have think about well what does this mean in light of today's environment and needs. So I don't see any other questions or comments. I'll move approval of this item.

COMMISSIONER SCOTT: Second.
CHAIRMAN WEISENMILLER: Okay. All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This passes 4-0. Thank you.

Let's go on to Item 3.

MR. CELLI: Good morning Chairman Weisenmiller and Commissioners. Kenneth Celli appearing on behalf of the Stanton Energy Reliability Center AFC Committee, which is made up of Commissioner Scott as the Presiding Member and Commissioner Douglas is the Associate Member.

The Presiding Member's Proposed Decision, which I will refer as the PMPD, reflects the Committee's careful consideration of all evidence submitted by the parties as well as all public comments received. The PMPD recommends that the Commission grant certification, because the Stanton Energy Reliability Center is consistent with laws, ordinances, regulations, and standards, and pursuant to CEQA will have no significant adverse effects on the environment.

The project itself would be a nominal 98 megawatt hybrid enhanced gas-fired facility consisting of two 49-megawatt General Electric LM6000-PC natural gas-fired combustion turbine generators in a simple-cycle configuration with spray intercooled technology, coupled
with two 10-megawatt, 4.3 megawatt hour battery energy storage systems with synchronous condensing capability. The battery energy storage system can be operated in conjunction with the combustion turbine generators or separately.

The project will be constructed on a brownfield site located at 10711 Dale Avenue in the City of Stanton in Orange County, California. The approximate 3.9 acre site is located in the northeastern portion of Stanton, the City of Stanton, which is zoned industrial. As you can see on your computer screen, the project will be constructed on a rectangular-shaped site approximately 1,300 feet long by 135 feet wide, and is bisected by the Orange County Flood Control District stormwater channel separating the two legal parcels, with one parcel to the west and the other parcel to the east of the channel. The two combustion turbine generators will be constructed on the eastern parcel and the battery energy storage system will be located on the western parcel. The site is bounded by Dale Avenue to the east, an electrical transmission line corridor to the north, the Union Pacific Railroad to the south, and by the intersection of Pacific Street and Fern Avenue to the west.

The Stanton Energy Reliability Center will connect to Southern California Edison's Barre Substation...
which is located directly across the street on Dale Avenue via an underground generator tie-line that is about a third of a mile long.

The Southern California Gas Company will deliver Natural gas via a new 2.75-mile pipeline that will extend south along Dale Avenue from an existing gas line in La Palma Avenue.

The Golden State Water Company will provide between 13.4 to 34 acre feet of potable water per year for service water, fire protection and potable water uses via existing connections in Dale Avenue and Pacific Street.

The project's wastewater will discharge to the City of Stanton's sanitary sewer line located in Pacific Street to the west of the project.

The construction laydown area for the project is located on the western half of the site where the battery storage system will eventually be built. Construction workers will park 350-feet south of the project site on Dale Avenue, which is the parking lot of the Bethel Romanian Pentecostal Church, that pink box.

The Committee received evidence and closed the record at the August 2nd, 2018 evidentiary hearing. But the Committee reopened the record on September 6, 2018 for the limited purpose of receiving updated maps to perfect the record.
There were three Intervenors in this proceeding:
Robert Sarvey, Helping Hand Tools and Clean Coalition.
Neither Mr. Sarvey nor Helping Hand Tools participated in
any of the hearings or offered comments on the project.
The Clean Coalition participated in the July 25th
Prehearing Conference, but then withdrew as an Intervenor
on July 31st. In its Notification of Withdrawal the Clean
Coalition requested that their proffered evidence be
treated as comment. Since all of the Clean Coalition's
evidence was directed to the subject area of alternatives
the PMPD addressed Clean Coalition's comments in the
Alternatives section.
As usual, the public was presented a full
opportunity to participate at every stage of these
proceedings. The Committee received a number of public
comments and the PMPD considered and addressed all timely-
filed public comments. And I might just say that the
comments were overwhelmingly in favor of the project.
The Committee recommends that the Commission
adopt the PMPD on the Stanton Energy Reliability Center
along with the Committee Errata, which was docketed on
November 6, 2018. The Errata addresses comments on the
PMPD and includes corrections and clarifications.
With that the matter is submitted and I'm happy
to answer any questions on procedural matters or the PMPD.
Otherwise the parties can address the Commission. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Applicant?

MR. GALATI: Scott Galati, representing Stanton Energy Reliability Center, LLC.

MS. MILES: Good morning. I'm Kara Miles, President of W Power and sponsor of the Stanton project. We're excited to be bringing this new technology as a greenfield development to the City of Stanton with a hybrid of storage and generation. It's been widely accepted in their industry, including getting a clean air innovation award from the South Coast Air Quality Management District.

I'd like to thank the Committee, Commissioners Scott and Douglas; Hearing Officer Ken Celli; the Project Manager John Heiser and Staff Counsel Lisa DeCarlo. We look forward to working with you and all the staff that's worked so hard on this project as we go into construction.

MR. GALATI: I would just say for the record that we've read the Errata to the PMPD. We support it. As you know, this project was -- as you may not know -- when we went to evidentiary hearing we had 100 percent agreement with staff. I don't think I've done a project where we didn't even need to change a comma in a condition. We had 100 percent agreement with staff and I think it shows how
you can collaborate and really get through a process and do a great project. So we're really proud of that and then staff should be as well

CHAIRMAN WEISENMILLER: Thank you.

Staff?

MS. DECARLO: Good morning Energy Commission, Staff Attorney Lisa DeCarlo. We, staff has read the Errata and agree with all the changes proposed therein. Staff has no additional comments on the Proposed Decision, but we would like to thank the Committee for their diligence and attention to detail in overseeing the proceeding and producing the Presiding Member's Proposed Decision. And we would like to thank the Applicant for their diligence and their efforts in coordinating with the community, both before filing their application to make sure that they did have a project that was accessible to the community, and also during the proceeding to make sure that they addressed the community's concerns and staff's as well.

CHAIRMAN WEISENMILLER: Okay. Thank you.

Intervenors?

MR. SARVEY: Yeah, my name is Robert Sarvey. I intervened in this as an individual. Early on, the Applicant met with me and we discussed the project. As you know, I've been a supporter of synchronous condensers on all projects for the last probably six years.
This Applicant is doing it, so I'm proud to see that. I've also been a supporter of backup energy battery systems on these projects. The Applicant did that. I've also proposed a 1 ppm VOC limit for the last ten projects. It's never happened. This Applicant's done it.

This is an environmental justice community. This Applicant reached out properly, unlike the last Applicant I addressed you on. They got four different languages in everything they put out there. They went out to the public. They did a good job. And I have no opposition to this project. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Any response from the Hearing Advisor to the comments so far?

MR. CELLI: Nothing further. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Applicant?

MR. GALATI: Nothing. We ask you to approve the project.

CHAIRMAN WEISENMILLER: Okay, staff?

MS. DECARLO: Nothing further from staff.


(No audible response.)
CHAIRMAN WEISENMILLER: Okay. So let's transition over to the Commissioners.

COMMISSIONER SCOTT: Okay, well, just a couple of thoughts here. So as you all know California's electricity system is changing. Increasing amounts of renewable generation is being added while legacy once-through cooling plants along the coast are retiring. There's a need for new resources to meet local capacity needs that are equipped with flexibility to turn on and ramp up quickly.

In February of 2013, the California Public Utilities Commission identified a capacity need in the West LA Basin. The Stanton Energy Reliability Center Project was proposed to partially meet this need and was awarded two resource adequacy contracts with Southern California Edison.

The proposed project combines a combustion gas turbine with an integrated battery storage system and a clutch to operate as a synchronous condenser. In addition to providing energy, the proposed project is also capable of providing spinning reserve, high-speed regulation, primary frequency response and voltage support. It's designed to start and ramp up to full capacity within ten minutes, giving it the fast start's capability to serve the grid with increasing amounts of renewable generation.
So the Committee, as you heard, held two public hearings in the City of Stanton where we received multiple comments from the public. The lion's share of those were in support of the project. We have additionally received support letters from our local and elected officials, including California Assemblywoman Sharon Quirk-Silva and Orange County Board of Supervisors Member Michelle Steele.

So I'm recommending approval of this project to you, because with the implementation of the Conditions of Certification in the PMPD this project complies with all applicable laws, ordinances, regulations, and standards. And identified environmental impacts will be mitigated to less than significant levels.

And again, as with the previous project, I want to thank the parties and the staff for their great work here and I also want to thank Commissioner Douglas and her team for their work as well. And let me turn it to her to see if she has comments.

COMMISSIONER DOUGLAS: I don't have a lot to add. I'll join in Commissioner Scott's comments and thank her for her leadership on this Committee.

COMMISSIONER MCALLISTER: I'll just say I'm really excited to see these technologies incorporated. I think we have made a template for future applications as well. But also I want to just back up and point out that
the landscape, as Commissioner Scott pointed out, the landscape is changing and has changed and our statutory obligation is to do thermal power plants above 50 megawatts. But the landscape is much, much broader than it and this piece is actually shrinking over time.

And so I think a lot of people may not appreciate that when the Commission gets a power plant application that it's not just a constant flow. It actually is kind of tapering off and as this landscape moves in really a different direction overall. And so I think this plant takes a big step in that direction if you see it within a broader context that actually makes a lot of sense. And these technologies really are part of what has to be a core piece of our planning in the future, so thanks for everybody for working together on it and making it happen.

CHAIRMAN WEISENMILLER: Yeah, I was just thinking back to, to some extent, the genesis of this where early on when the San Onofre steam generator went we were facing a situation where basically the whole transmission grid in Southern California was designed around that plant always being there. And we have had to work pretty diligently to put in place a fix. This is an element of that. Certainly the other elements, many of them are in place or starting and still working on I think Sycamore-Penasquitos, that transmission line; probably coming online about now, but
anyway the other pieces of it.

So it's good to see what you can do to respond to crises. And it's good to actually have the pieces in place now, so we can continue to move forward into the transformed grid. But certainly it's sort of a -- thinking back, I mean, some of the more difficulties of my terms here has been when SONGS went out and when Aliso Canyon basically had its issues. So you always have to be prepared for surprises, so anyway.

COMMISSIONER SCOTT: Okay. I just want to make sure that I did say thank you to our Hearing Officer Ken Celli as well. And with that, I will move approval of Item 3 including the Errata.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This has been approved 4–0. Thank you. Thanks everyone.

CHAIRMAN WEISENMILLER: Let's go on to Item 4.

MS. ROOT: Good morning, Commissioners. My name is Christine Root and I am the Compliance Office Manager in the Siting, Transmission, and Environmental Protection Division and with me today is Staff Attorney Kirk Oliver. Today staff is seeking 1) approval of a Settlement Agreement with Dynegy Moss Landing, LLC, to
resolve alleged violations to the reporting requirement included in the General Conditions of the project's Commission Decision. And 2) to delegate the Energy Commission's Executive Director authority to sign the Agreement.

Under the Settlement Agreement, Dynegy agrees to pay $50,000 to the Energy Commission. In return, the Energy Commission agrees to close the matter without further action or litigation.

The combined-cycle, natural gas-fired, 1,060 megawatt Moss Landing Power Plant was certified by the Energy Commission on October 25, 2000 and began commercial operation on July 11, 2002. The facility is located east of the community of Moss Landing, near the Moss Landing Harbor in Monterey County.

The Settlement Agreement is intended to resolve issues arising from staff's investigation of the reporting violations by Dynegy.

The certification for the Moss Landing facility requires Dynegy to notify the Energy Commission within ten days of receiving a notice of violation and to list notices of violation in their Annual Compliance Report. Dynegy failed to notify the Energy Commission of Notices of Violation issued by the Monterey Bay Unified Air Pollution Control District between October 19, 2013 and September 30, 2014.
The Energy Commission staff was notified by the California Air Resources Board of a settlement agreement between Dynegy and the District.

Staff contacted the District to get further clarification on the agreement. And staff then reviewed previously submitted Annual Compliance Reports and discovered that project had not reported the Notice of Violations. However, in the 2016-2017 Annual Compliance Report, after the Energy Commission opened its investigation, it was stated, "In September 2016, Dynegy Moss Landing, LLC reached a settlement agreement relating to concerns by the Monterey Bay Unified Air Pollution Control District."

The Energy Commission is required by state law to monitor compliance of jurisdictional power plants. Non-reporting of violations deprives us our ability to perform this monitoring as required by Public Resources Code Section 25532 and 20 California Code of Regulations 1770.

Staff and Dynegy agree that this matter can be effectively resolved by a settlement agreement under which Dynegy will pay $50,000 to the Energy Commission.

The proposed Settlement Agreement provides that the Energy Commission agrees to close this matter without further action or litigation. And I'm available to answer
any questions that you might have.

CHAIRMAN WEISENMILLER: Thank you.

Applicant? Dynegy?

MS. ROSEGAY: Thank you very much. My name is Margaret Rosegay. I'm with Pillsbury, Winthrop, Shaw, Pittman, in San Francisco and I represent Dynegy Moss Landing in this matter. As you may know Dynegy Moss Landing is recently through merger acquired by Vistra Corporation.

These violations occurred a number of years ago in the context of an upgrade of their continuous emissions monitoring system and some very, very complicated reporting and Excel spreadsheet technicalities coming out of their DOS, which is the data acquisition and handling system.

I believe it was also a fundamental misunderstanding on the part of plant personnel with respect to their reporting obligations under the AFC. And they sincerely believed that they were not required to make notifications to the CEC where the violation notices were contested and had been timely contested.

The discussions around these violations occurred over a period of many, many months. I will confess, as a lawyer I could barely keep up with the conversations. They were incredibly technical around how data comes out of the DOS handling system and some of the migration of one SIMS...
system to another SIMS system. But at the end of the day, we would request that the Commission approve the Settlement Agreement.

We have committed to staff that we absolutely understand the notification requirements at this point going forward. Any and all Notices of Violation, Notices of Non-Compliance or anything else that is required by the General Conditions to be reported to the CEC will be timely reported and we would request that you approve this Settlement Agreement, so that we can put it behind us and move on. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Any public comments from anyone in the room? Any public comments from anyone on the line?

(No audible response.)

CHAIRMAN WEISENMILLER: Then let's transition to the Commissioners. Commissioner Douglas.

COMMISSIONER DOUGLAS: Just as a brief response to the comment from Dynegy, I completely -- I'm very happy to hear that the real takeaway from this is that we have clarity about reporting requirements and certainly I heard loud and clear that that has been internalized, in terms of the company. And so when things come up that under the conditions the Energy Commission is to be notified, we be notified. And that's the most important thing, I think, to
us. And I recommend the settlement to the Commission's approval. Any other comments? No. I move approval of this item.

COMMISSIONER MCALLISTER: I second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 4-0.

Thank you.

MS. ROSEGAY: Thank you.

CHAIRMAN WEISENMILLER: I had indicated at the beginning of the meeting that I would take one item out of order, so let's do that now. Let's deal with Item 15.

MR. DODSON: All right. Good Morning Chair Weisenmiller and Commissioners. My Name is Geoffrey Dodson and I'm representing the Renewable Energy Division. I work in the Incentive Office where we administer incentive grant programs promoting renewable energy projects. And I'm here today to ask for your support to approve the adoption of the Renewable Energy for Agriculture Program Draft Guidelines.

We are excited with the opportunity to develop and administer the Renewable Energy for Agriculture Program. This program provides up to $10 million from the Greenhouse Gas Reduction Fund to support onsite renewable energy projects in the agriculture sector to reduce
greenhouse gas emissions.

As a program funded through California Climate Investments, it is designed with the primary goal of reducing greenhouse gas emissions. The program is available to owners and operators of agriculture operations statewide with an emphasis for projects that provide co-benefits to priority populations, benefiting public health and reducing air pollution.

The program will support the installation of commercially available renewable energy technologies such as solar PV or wind turbines, installed onsite for agricultural operation. Project proposals can also be used to replace old equipment such as the replacement of a diesel-powered water pump with a new electric pump powered in part by newly installed solar PV panels, for example. Funding will be awarded through competitive grants, which can be used to cover a portion of, or all eligible project costs associated with the project.

We developed the Draft Implementation Guidelines through the public process including multiple workshops and the public comments received through this process in meetings with relevant State agencies and industry associations addressing the needs of the agricultural community including the California Department of Food and Agriculture, the California Farm Bureau Federation and with
the California Air Resources Board's Funding Guidelines for Agencies that Administer California Climate Investments. Multiple drafts of the program guidelines were released with revisions in response to public comments that we received.

The purpose of the program guidelines is to provide information on program structure, eligibility and general scoring criteria that will be used to evaluate applications.

Upon your approval to adopt these draft guidelines to implement the Renewable Energy for Agriculture Program we will proceed with completing the grant solicitation package that conforms to these guidelines.

Staff recommends the approval of the Implementation Program Guidelines offering the opportunity to proceed with our program deployment schedule of releasing the solicitation package later this year.

Thank you for your time and consideration and I'm available any questions that you might have.

CHAIRMAN WEISENMILLER: Thank you. Let's go to a public comment. Karen?

MS. MILLS: Good morning, Commissioners. Thank you very much. I'm Karen Mills, Senior Attorney for Energy Policy with the California Farm Bureau Federation and very
much appreciate the opportunity to comment on the important
program and I do so at somewhat of a high level for the
program.

I did have the opportunity to review many of the
comments that were submitted in writing on the program in
advance of today's consideration. And I appreciate the
interest that the program generated as reflected by those
comments.

I think it's important to move forward with the
funding program and thereby assure that the funding's
delivered to the agricultural sector as intended by the
funding.

I do note that six months, for the beginning to
the end of the program is a bit of a challenge for the
timeframe, and particularly for such a technically-driven
program. It's not an easy parameter that the projects have
to fulfill as has been outlined.

So as part of that, I would support quick action
to announce the parameters of the grant program to
appropriate audiences. One consideration might be to work
with CDFA as they have done many of these types of grant
programs in the past and I assume that they have a pathway
for interacting with the agricultural community to get them
the information out to them. And perhaps they have a
workable model about how to reach those intended audiences.
So I very much support the program. I support flexibility with it as you move forward in consideration of the complexities and the timeframe and the process in order to maximize the reach to our state's farms and ranches.

So with that I thank you very much for your time and look forward to seeing the benefits of the program.

CHAIRMAN WEISENMILLER: Great. Thanks for being here.

MS. MILLS: Yeah.

CHAIRMAN WEISENMILLER: Let's see, are there any other public comments either in the room or on the line?

COMMISSIONER DOUGLAS: So I just wanted to say quickly too, just to say I appreciate your being here too, Karen. And I think the idea of reaching out to CDFA is a very good one, because they'll have established networks and they'll be able to get the word out.

I think it would be great to brainstorm with you separately as well or to have staff do that to just think about what we can do to get the word out. This is a new kind of program for us. It's exciting. I think that there's huge potential here. And I'd love to have a very successful program that is something that the state looks at and says let's do this again. And so doing this outreach well and quickly will be important to that. So anyway, I really appreciate your being here.
MS. MILLS: Yes, absolutely and to the extent that I can work with your staff and offer any suggestions. It's always a challenge to reach out to the community and make sure that you're targeting the right audiences. We look at that on many aspects. And it's a short timeframe, but this is a better timeframe. Everybody's pretty much finished with harvest now and so they can turn to these types of interests. Thank you.

COMMISSIONER DOUGLAS: Thank you.

COMMISSIONER MCALLISTER: Yeah, I just very much appreciate the emphasis on the justice aspects of it and I think that's extremely appropriate. Certainly in our rural areas that is needed.

And I want to just reiterate what Commissioner Douglas just said, just about this program possibly providing a template. I mean I think we have a lot of recent examples of programs that we've administered as the Energy Commission that have really knocked it out of the park. And we've shown that we have that skillset, which is a unique skill set certainly for a state agency.

And so we have a lot of work to do on doubling efficiency and on a number of other fronts that we have to engage with stakeholders. You know, industry comes to mind, right? There's an overlap between ag and industry, so hopefully we can again use this program to build a
foundation that we can utilize going forward to create new programs that hit these other segments, the additional segments of the economy and reduce carbon, so high hopes for this.

COMMISSIONER DOUGLAS: Just to build on what you just said, Commissioner McAllister, you know as we look at higher and higher greenhouse gas reduction targets it's very clear that we've got to get beyond the standard day-to-day programs that we've been doing for decades. And reach out to new constituencies and bring the benefits of these programs broadly across the economy and this is a real opportunity to build on that.

CHAIRMAN WEISENMILLER: No, I was going to say obviously one of the things that's nice about this opportunity for the Commission is that this program, and the similar EPIC Program, was designed to really help agriculture respond to our needs for reducing greenhouse gas emissions. And so certainly this is both are new areas for us. It's very important to reach out to get the message out and also it raises new issues on timing. You know, certainly agriculture has to deal with this question of well when are people out in the field and when can they really respond?

But so certainly flexibility is going to be important on these. And yeah, I think to stay on top of
them to make sure the money goes out, but also that it's well spent for the ratepayers.

So thanks for your participation here and looking forward to seeing some results from this program in the near future.

COMMISSIONER DOUGLAS: Well, I'll move approval of this item, Item 15.

COMMISSIONER McALLISTER: I'll second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This program passes 4-0.

Thanks.

Let's go on to back in a more regular flow, Item 5.

MR. COOK: Good morning Chairman Weisenmiller and Commissioners. Rob Cook, Deputy Director for The Administrative Division and I'm here to present a proposed increase to the Energy Resource Programs Account surcharge on retail electricity rates.

This particular funding source, the Energy Resource Programs Account, is an essential funding source for the Commission. Approximately 60 percent of our staff, predominant funding for three of our divisions and I think all of our small offices, comes from this fund. And it's been a founding fund for the Commission. It's been here
since the inception.

The fund is fed from a surcharge on retail electricity rates. It is currently set at 29 hundredths of a mil. And the cost to the average household is about $1.87 a year on this fund.

Now, the fund itself is in a structural deficit, which simply means that the allocation has exceeded the revenue for a number of years. Peak allocation for this fund occurred about three years ago at about $98 million and peak revenue that year was also -- that was our peak point of revenue, at $75.5 million. And I think it was Warren Buffet who said, "When you find yourself in a hole, stop digging." And we're trying to stop digging.

The causes of the structural deficit, we're victims of our own success here. The Legislature seems to like what we do and they frequently give us more to do. And for a number of years the go-to funding source for all of those new initiatives was the Energy Resources Programs Account, ERPA.

Also, our Appliance Efficiency and Building Efficiency Standards do what they're supposed to do and dampen the use of energy in the state. And our aggressive implementation of behind-the-meter renewable energy has led to reductions in our revenue. All great policy goals, but they have consequences for our funding source.
As I mentioned before, the peak funding we received on this fund occurred about three years ago at about 75.5 million. It has subsequently dropped in the subsequent years down to about $68.9 million, a reduction of almost 10 percent of year-over-year.

Now, we've taken aggressive action to try to correct the structural deficit and with the assistance of the Governor's Office, the Legislature, the Department of Finance, we have succeeded in reducing the appropriations against this account by $27 million over those two budget cycles.

Those reductions have been necessary, but insufficient to close the gap and that's why we have this action before you today. The Energy Commission is authorized under the law to raise the surcharge on retail electricity rates up to three-tenths of a mil. And we're have one-hundredth of a mil to go here. That gap or what we're able to do within the Commission's authority will raise about 1.24 million in the current fiscal year and over a full fiscal year, about $2.5 million; also a necessary but insufficient step to close the structural deficit that we're facing.

Now, this proposal has been well vetted through the Governor's Office, through the Legislature and just as part of the overall solution that we're seeking here.
will note from the Assembly Floor Report of the Budget that was published in June, reporting out on our budget, the Budget Act itself approved a series of actions to reduce the program deficit by 10.6 million in this current year and 11.8 million next year.

The difference between those two is one of those actions that was highlighted, that is increasing the surcharge this last one-hundredth of a mil to raise 1.25 million this year and 2.5 million in subsequent years.

With that, I am available for any questions?

CHAIRMAN WEISENMILLER: First, are there any public comments from anyone in the room? Anyone on the phone?

(No audible response.)

CHAIRMAN WEISENMILLER: Transitioning to our Commissioners.

I was going to say I think Commissioner Douglas and I were the last ones to vote for the increase in the surcharge, probably about ten years ago. And again it's certainly we have put in place the last couple of years a portfolio of actions. This is a piece of that portfolio. Certainly the Legislature understands why we're doing this and this is the only -- November is the only opportunity to do this, so I encourage a motion.

COMMISSIONER MCALLISTER: I wanted to make a
comment actually and just quickly thanks, Rob, for that. And I wanted to just acknowledge Drew's efforts and the whole team really, but led by Drew to really figure out where we can tighten our belt and where we can help optimize processes and really get our budgeting and expenditures under control.

Obviously that has some pain associated with it, because we do depend on contracts and we really have a lot of stuff to do out there in the world. I mean, you know, every item we bring to the Commission has some resource allocation associated with it. But the pain is a lot less than it would have otherwise been and the gap that we're closing is a lot smaller than it would have otherwise been if we hadn't have just put in place a lot of good management practices and been more practical with planning. So I wanted to acknowledge Rob and Drew and really the whole team for what really has been an exhaustive effort over the last few years. So thanks.

COMMISSIONER DOUGLAS: I'll move approval of Item 5.

COMMISSIONER SCOTT: Second.

COMMISSIONER MCALLISTER: Second.

COMMISSIONER SCOTT: Oh.

COMMISSIONER MCALLISTER: Go ahead.

COMMISSIONER SCOTT: Second.
CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 4-0.

Thank you.

Let's go on to Item 6.

MR. LEE: Good morning, Commissioners. My name is Eugene Lee. I'm with the Existing Buildings Office in the Efficiency Division. Today is a good morning, because I'm presenting before you for your adoption the Final Clean Energy and Low Income Multi-family Buildings Action Plan.

Multi-family housing is a critical piece of California's infrastructure and it remains the most difficult to improve due to the challenges related to both the buildings and the behavior. And I'll start with the behavior on this slide.

We have these three segments within the multi-family housing. Those that are deed-restricted serving low-income households and yet those that are also market rate; housed by low and moderate-income households, but they're not necessarily affordable; and those that are market rate where the household's income are actually sufficient to meet those rent levels.

The multi-family housing stock is aging. And on these bars, you will see the illustration relative to size, the age of these buildings. On the top bar are five or...
more units. And on the bottom bar, those that contain two
to four units. And you'll notice on the far left colors,
that they actually reflect the age. And combined, at least
60 percent of the multi-family buildings are older than
1974. Why is this important? Because 47 percent of low-
income households live in multi-family rental housing
pursuant to our Barriers Study.

The genesis of the CLIMB Action Plan begins with
Senate Bill 350 and the Low-Income Barriers Study, which
was adopted in December of 2016. And in that study it had
recommended a comprehensive plan focused on improving clean
energy opportunities for multi-family housing.

Coded in the DNA of the CLIMB Action Plan is the
word "equity." And equity has many definitions. If you
are a citizen it means equal treatment under the law. If
you're an owner or a banker or an investor it means the
actual value of that investment. Well the CLIMB Action
Plan actually fuses both of these definitions together.
It's with the belief that low-income multi-family residents
deserve equality and dignity. And their housing is worth
the investment of clean energy resources and attention.

As we work toward achieving the state's energy
goals, it is important to ensure low-income and
disadvantaged communities are not left behind.

The good news is that a strong vision exists
among the participating state departments that created this Action Plan. And we embrace this vision that we should collectively increase the access of distributed energy resources to owners and low-income residents and that this is right. How? The Action Plan reinforces connections, combinations of the array of distributed energy resources. It recognizes they are all are important and must work together to promote a strong, comprehensive clean energy economy.

The CLIMB Action Plan has five goals. They relate to coordination of programs and understanding what is this multi-family market? Are we using common definitions? How do we change program design? What are those resources? And how can we deploy those resources? How can we improve the outreach and awareness? Translated it is a calling to be more adept and to be more forward thinking in improving and recalibrating our current program delivery. It's the use "and" statements and make connections of the disassociated.

With the CLIMB Action Plan, I am convinced it is possible for housing and environmental health and energy professionals to work together to improve the lives of our low-income population.

Mother Teresa once said, "I can do things you cannot. You can do things I cannot. But together we can
do great things." That really is the premise of this
interagency collaboration.

And under the leadership of the Governor's Office
through the Senate Bill 350 Interagency Task Force, these
participating State Departments successfully collaborated
and shared information just as we did here within the
Commission talking to staff and from other divisions to
create this plan. We incorporated substantive comments and
recommendations on the Action Plan throughout the
development process. And during the one-on-one meetings
we've showed and we've heard great enthusiasm in providing
a holistic approach to improving state programs and to be
silhouette adverse.

There are a total of 49 sub-strategies within
these strategies and this slide reflects the collaborative
content from other state departments. This content came
from them and they come from departments of public health,
the PUC, CSD and the PUC again. So it's wonderful to see
that strategies have owners. There are leads and partner
agencies identified for each of the strategies for the
implementation.

The Commission is not exempt as it shouldn't be
and there are 27 strategies led by us. And this is a
sampling again of the diversity of strategies represented
from different divisions here you will note from
Renewables, Efficiency And Fuels and Transportation and Research And Development, all working together to put together this Action Plan and to move forward.

Years ago, I was taking a multi-family site tour with a very successful multi-family developer. And I was so impressed with his portfolio and I asked him this question, "How are you so successful and innovative?" Of course, he gave me the academic answer of, "You need to have smart planning, financing and strong local government support."

But he also answered my question in this way. He always asked himself when he was building a multi-family development, "Is this project good enough for my low-income mother?" Essentially, this answer crystallized his business strategy to me. I see this as also this philosophy identified in the Action Plan. Because it advances the belief and vision that multi-family housing and the lives of low-income seniors, families and children can and should be improved. It positions us to ask and work as public agency government stewards to collectively envision what could clean communities look like?

Staff recommends adoption of the CLIMB Action Plan. The task is before us and we want to work. I welcome your comments and questions.

CHAIRMAN WEISENMILLER: Thank you.
Let's see if there are any public comments from anyone in the room. Then let's go to the telephones. I believe we have two public comments there. Let's start with the fellow state agency, the Department of Public Health.

MS. MILET: (indiscernible) Program at the California Department of Public Health and I just wanted to reiterate that we have been a partner and working on collaborating and giving a lot of suggestions. And are part of this holistic approach in keeping health as one of the co-benefits. Thanks you.

CHAIRMAN WEISENMILLER: Thank you. Thanks for being part of this process.

Let's go to NRDC.

MR. MULLER: Commissioners, my name Miles Muller speaking on behalf of the Natural Resources Defense Council. NRDC would like to thank the Commission and Commission staff for its leadership in developing such a forward thinking and comprehensive plan to address equitable access to clean energy resources for the low-income, multi-family building sector.

Over 3 million Californians and nearly half of low-income Californians live in low-income multi-family buildings. These households face disproportionate energy burdens and also face unique barriers to realizing the
benefits and opportunities presented by clean energy resources, including improved household health and safety, more affordable housing and participation in the clean energy economy.

The CLIMB Action Plan will take major strides in meeting the goals set out by the Low-Income Barriers Study in SB 350 to address the limitations to deploying clean energy technology in the multi-family building sector and to help ensure that all Californians have access to, and benefit from these clean energy opportunities.

NRDC along with its partners across energy and housing sectors looks forward to making real progress on these issues and seeing the implementation of the plan.

Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Any other public comments from anyone on the line? Okay, let's transition to the Commissioners.

Commissioner McAllister?

COMMISSIONER McALLISTER: Thanks, Chair Weisenmiller. Thank you, Eugene, for being largely the fearless leader of this effort. I want to also acknowledge Mike Sokol who really did a huge part and played a huge part in getting everything rolling and interfacing with the Governor's Office. And certainly the Governor's Office, as you said Eugene, deserves a lot of credit for this as they
really kind of got the ball rolling and realized a highlight of this is a real key component of our overall strategy under SB 350 and really saw the urgency here. So Alice and so I think primarily (indiscernible) was at the Governor's Office and Alice is still at the Governor's Office. I want to make just a few comments to put this in context. And at the end I actually want to acknowledge all the individual staff, because I think they deserve that as well.

But this is a really key resource for many activities that we have going forward and that other agencies are doing, and that actually partners out there in the world are doing. And I just want to highlight those.

We have our existing Building Energy Efficiency Action Plan, of which this really will form an integral part functionally, and the SB 350 doubling goal. Again, along with the barriers and low-income focus, disadvantaged community focus of those, so there really is a nice kind of package of activities that all complement each other. And I think a similar step and a lot of overlap on staff and really there's -- a got real nice forward inertia developing around these issues and these are hard issues, right?

Getting it into our existing buildings is still a nut that nobody has fully cracked. I think we're making
incremental gains and really more than anywhere else you might look, I think the Energy Commission really is a key player in this that's helping to solve these problems and there's a lot of promise here. And this work really highlights both the challenges and the opportunities and I think there's just a lot.

And it's clear that Eugene, with your background in multi-family and instate and agency, activity around multi-family is really glad to have you and your team on this.

Also, I wanted to just highlight that there is a lot of private sector, non-agency involvement here in this activity. We've been partnering with UC Berkeley, UCLA, the Center for Law, Energy and the Environment, who is doing a very promising set of -- got two workshops now. They're going to come out with a report with policy recommendations and they can say things that we might not in a state agency context. They can pick a -- in different ways that complement the way that we approach some of these issues.

And I'm hopeful that that'll spur some legislative engagement and hopefully identify some resources and bring those to bear on this sector. Because multi-family, particularly the subsidized and the deed restricted universe, those were built with subsidy.
They're not going to get deep retrofits without a subsidy. But we've got to figure out ways to make that happen. And I think just getting this on the table in an honest and transparent way is a huge first step.

And then we highlight a local government. I think absolutely that's critical as well. You know again it means that we have to get out of this building and go out into the world and figure out who to partner with and how to get stuff done, practically speaking. And the team is really moving in that direction, so I'm very encouraged really by this document and all the other effort that's going around it.

And I'll mention also another complementary piece of this, which is always kind of the last five or six years has been part of the puzzle is AB 802, right? We're going to have better data. You all hear me talk about data all the time, but we're going have mandatory benchmarking as of the middle of the year, next year, for multi-family properties above a certain square footage. And so that will be a big chunk of the universe of the low-income properties that we're talking about in this Action Plan. And the Skinner bill actually, this year it became law, is making that universe of buildings that are covered by AB 02 even larger.

So I think we're firing on all cylinders here...
going forward and I'm really encouraged.

So finally I just wanted to acknowledge all the staff who worked on this, because there are a number of them and they deserve some more kudos. So Eugene, your expertise and leadership here definitely shows through. And Tiffany as well, on your team, Tiffany Mateo. Mike, thanks again for that. Courtney Smith, I actually wanted to acknowledge her as well. She has played a really kind of strategic role in this as well.

And a few additional staff, Mikhail Haramati over in RDD; Brian McCollough; Shaun Ransom, Robert Ridgley and Joseph Sit and Natalie Lee as a reviewer as well and then Dave Ashuckian over the whole division really was supportive all along with this. And it took some resources that we hadn't necessarily planned for, so I really appreciate all the flexibility to make that happen.

And then my staff, Martha Brook and Bryan Early, I think also helped and really pitched in periodically as review and as encouragement and some connection with other actors.

So with that I think I'll just -- oh I guess we should acknowledge specifically other agencies that were involved, because again I always want to take the opportunity to highlight the positivity of just the real productivity that comes from partnering with our sister

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agencies.

And so there were many of them: the Air Resources Board; Department of Community Services and Development was a key actor in this space; Housing and Community Development, HCD, they own a lot of the sort of public and agency conversation about this, about multi-family housing; and of course the Department of Public Health who we heard from, thanks very much; and the PUC and the Water Resources Control Board.

All of these agencies have a role in multi-family housing and it's not simple. So it does take some unpacking and some demystification and even across staff in those agencies sharing knowledge and expertise is really a key part of the solution. So anyway thanks for quarterbacking that. I think we've done a great job. The challenge is not over. We've got to now implement, which you know requires a lot of horsepower as well. So but this is a big step forward. So thanks very much.

CHAIRMAN WEISENMILLER: Yeah. I guess one part of the conversation I was going to start was that SB 350 obviously set up the Barriers Study and this grew out of the Barriers Study. And at the same time it set up this Disadvantaged Community Advisory Group. And they've had, we'll say there's a term of what is it the third time of whether it's the third meeting or fourth, but I'll say
third. And you know one of the questions as they were getting organized is role and focus and activities. And so we need a way to bring them into this. You know, some way of briefing them on it, trying to their engagement in this process.

And certainly Commissioner Scott and I, the Public Adviser can help you with that. I mean Kristy Chew and Galen are both sort of our leads on that, but sort of scheduling an opportunity to present this to them, getting their feedback and participation would make sense.

And I think probably the basic message generally is as we're working in the Barriers area, trying to get ways engage with them. And again, I think probably a year from now they're going to be much more on their feet in terms of operating as a group and having an understanding of roles as will the rest of us. But it's important to pull them in.

COMMISSIONER SCOTT: Yeah, I underscore that. We will be delighted to make sure that the Disadvantaged Communities Advisory Group has this information in, and a great way to engage and work with the Energy Commission as we put this together and the other agencies that are part of this as well.

I had thoughts on SB 350 here as well back to our Barriers Report, which kind of feels maybe like it was a
long while back that we put that report together, but you
know I've been reflecting on that. We had 12
recommendations. We identified what the barriers where we
put in place 12 recommendations for solutions to think
about how do we overcome those barriers? And it's kind of
a living, breathing report. I mean maybe it's not one of
those wonky reports that just got put up on a shelf and
nothing happened from it.

And the CLIMB Action Plan is one thing that fits
right into the recommendations that we identified there.
And so to me it's really exciting. We're just on this
trajectory that the Legislature and others put us on with
SB 350. So this is really great to see.

And multi-family buildings, I think you and I,
Commissioner McAllister, have a lot of overlap in thinking
about how do we really get into multi-family buildings? We
need that for the same on the charging infrastructure side
and all of the clean energy revolution things that we're
talking about. This area is critical within the state.

I want to say thanks to you, Gene and his team
for a great briefing on the final version. I love the
adjective "silo adverse," so I'm going to have to start
using that more often in my conversations. And I
appreciate the partnership of the other state agencies that
have really helped us to put this all together and turn the
sort of an identification of barriers into an Action Plan that we're poised to implement. And I heard the excitement in your voice for getting ready to go on that, Eugene. So I think that that's great. And thank you Commissioner McAllister for your leadership in this space as well.

COMMISSIONER DOUGLAS: I just wanted to thank Eugene for the briefing that I got earlier this week. And the entire Energy Commission and interagency team for their hard work on this report and Commissioner McAllister as well.

CHAIRMAN WEISENMILLER: Yeah.

MR. LEE: And a final comment if I may, Commissioners? Commissioner McAllister, you mentioned about AB 802 and the benchmarking. That is Strategy 2.21 in the Action Plan, so yes it is seamless. It is part of the solution to use that data to pivot energy efficiency efforts.

COMMISSIONER MCALLISTER: Great. And we will be having a multi-family discussion in the next Code Update as well. So a lot of themes are really tied into this I think in a way that's going to be really productive, so thanks again, Eugene.

CHAIRMAN WEISENMILLER: Yeah.

COMMISSIONER MCALLISTER: And so I'll move Item 6.
COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 4-0.

Thank you.

MR. LEE: Thank you.

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

MR. NYBERG: Good Morning Chair, Commissioners.

My name is Michael Nyberg and I am the Program Manager for the Emission Performance Standard in the Energy Assessments Division.

Before you today are five interrelated compliance filings by the following publicly-owned utilities: The Los Angeles Department of Water and Power, the City of Glendale, the City of Burbank, the City of Pasadena, and the City of Riverside. I will present each of their compliance filings as separate agenda items and do my best to limit the overlapping information common to all five filings as we move forward in the agenda.

The first Emission Performance Standard Compliance Filing is from the Los Angeles Department of Water and Power. The Emission Performance Standard was established under Senate Bill 1368 by Senator Perata, Chapter 598 of the 2006 Statutes. The EPS established a public process for determining the compliance of proposed
utility investments. The EPS limits long-term investments in baseload generation by the state's utilities to power plants that meet an emission performance standard for carbon dioxide. The standard was jointly established by the Energy Commission and the Public Utilities Commission and is set at 1,100 pounds per megawatt-hour.

On October 3, 2018 LADWP submitted a compliance filing requesting the Energy Commission find that their covered procurement for energy from the Intermountain Power Project's Natural Gas Combined Cycle Repowering Project be determined to be compliant with the Emission Performance Standard, pursuant to Title 20 of the California Code of Regulations beginning with Section 2900.

LADWP is the operating agent for the Intermountain Power Project, an 1,800 megawatt coal-fired power plant located near Delta, Utah. Along with LADWP other purchasers of IPP's energy include 23 municipalities in Utah, 6 rural electric cooperatives, and 5 other California municipalities: Anaheim, Burbank, Glendale, Pasadena, and Riverside.

The original power sales contract was signed on July 11th, 1980 and expires on June 15th, 2027.

A Second Amendatory Power Sales Contract signed on March 16th, 2016 allows for the repowering of the Intermountain Power Project's coal-fired generating units
with up to 1,200 megawatts from two natural gas-fired two-
on-one combined cycle power blocks. The expected
commercial online date of the project is July 1, 2025. The
Second Amendatory Power Sales Contract begins on July 1,
2027 and expires on June 15th, 2077.

A compliance filing by LADWP for the 1,200
megawatt repowering project was submitted to the Energy
Commission in September 2016 and approved in October 2016.

Since that time participants have reevaluated
their long-term power needs and have determined that newer
technology combined cycle power blocks with a reduced
combined total output of 840 megawatts will allow
additional capacity of renewable energy on the transmission
lines associated with IPP.

LADWP's share of the proposed facility is 544
megawatts, about 65 percent of total capacity. This change
from 1,200 megawatts to 840 megawatts in name plate
capacity will still result in LADWP's complete divestiture
of coal-based generation from their resources portfolio,
two years earlier in 2025 than was originally planned.

LADWP staff provided three vendor specifications
for the proposed new combined cycle facility. They
submitted three designs: one each from General Electric,
Mitsubishi, and Siemens as they have yet to select the
final vendor for the project.
The Siting Division's engineering office staff calculated the expected CO2 emission rates at various loads, using the heat inputs and associated capacities associated with the vendors. Engineering staff confirmed that each of the proposed gas turbines will meet the EPS even if operated at their least efficient, highest greenhouse-gas-emitting load of 50 percent.

Energy Commission staff completed a review of the compliance filing and determined that it is compliant with the Emission Performance Standard pursuant to Section 2902(a). Specifically, that the proposed one-on-one natural gas combined cycle power plant design in the compliance filing will fall below the EPS limit of 1,100 pounds per megawatt-hour.

Therefore, staff recommends the Energy Commission find that the covered procurement described in LADWP's compliance filing complies with the Energy Commission's Emission Performance Standard.

Representatives from LADWP, Paul Schultz and Lori Morrish, are here to provide a brief overview of their compliance filing.

Thank you.

MR. SCHULTZ: Good morning, Commissioners. Again, my name is Paul Schultz. I'm the Operating Agent for Intermountain Power Project.
MS. MORRISH: And good morning. My name is Lori Morrish. I am the Project Manager of the project.

MR. SCHULTZ: So Michael Nyberg was nice enough to go through quite a bit of the history of the project. I'm going to reiterate a little bit of it and give you some background on how we got down from the 1,200 megawatts to the 840 megawatts.

So as he described, the Intermountain Power Project is two coal units of 1,800 megawatts net generation capacity, out of Delta Utah. Delta is a small town in the middle of Western Utah in a very arid area. And the participation is as described, municipalities in Utah, co-ops out of Utah, and six California participants. The six California participants are connected via a 2,400 megawatt high-voltage DC transmission line that has been in operation since 1986.

I don't have to go through the contracts as Michael has already discussed.

So as discussed on the repowering goals we had submitted a compliance filing for a 1,200 megawatt project in 2016. That compliance finally was approved by this Board on October 19th, 2016. But as things change and the landscape has changed in California and is continuing to change, it was decided by the participants that we will look and see if 1,200 megawatts would still meet the need.
in the future.

We did have some additional constraints with the transmission line. Again, the high voltage DC line does require some firm dispatchable generation onsite to operate properly. So we asked the participants to go back to their IRP managers to review their needs based on renewable goals that were being implemented both in the Southern California area and some of the concerns that the Utah participants had.

It was decided based on the study for minimum generation for the transmission and the needs of the participants that 840 megawatts would be the required generation onsite for firm dispatchable energy to meet Utah's needs and the Southern California needs to both energy and to maintain that high voltage DC line.

So after about 15 months of negotiations internally, the participants voted in late September for an 840 Megawatt Alternative Power Project at the Intermountain Power site.

So in summary, what we're coming before you with is new units, a lower megawatt output, but a higher ramping availability, better integration with renewables. The decrease of 360 megawatts in the southern transmission system will allow for more integration of renewables. The new units with the ramping will allow a deal with the
variability of renewables out at the facility.

   And ultimately, a savings of almost 19 billion pounds of CO2 from the current project, so any questions?

   CHAIRMAN WEISENMILLER: Thank you.

   Let's start with are there any public comments from anyone in the room or on the phone?

   (No audible response.)

   CHAIRMAN WEISENMILLER: Okay. So we'll transition to the commissioners. Yeah, I had a question.

   Obviously, in Aliso Canyon context the Governor has asked me to think of ways to eliminate the need for Aliso Canyon. And one of the results of that request was President Picker and I sent letter to the ISO monitored through (phonetic) LADWP to look at the intertie system between California and the northwest and look at some options.

   And one of the options we specifically spelled out was looking at the DC ties and trying to figure out how to get the inter-hour scheduling on that line. And I guess one of the things I wanted to encourage you to think about is inter-hour scheduling on this DC tie. That obviously the realities of the grid are much different than when IPPC started. And certainly there would be advantages of whatever resource you'd have on the other side if you can go from manually scheduling on an hourly basis to something
MR. SCHULTZ: So there is consideration for that and Los Angeles has committed to entering the EIM market in April of 2020. So hopefully that alleviates some of that concern. As well as the interconnection between Northern California and that area, the connection is extremely weak. There's only a single transmission line out of the facility headed west. There has been no discussion of upgrading that line at this time.

CHAIRMAN WEISENMILLER: Thank you.

Anyone else? Okay.

COMMISSIONER DOUGLAS: I'll move approval.

COMMISSIONER MCALLISTER: Yes. I'll second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: Thank you.

MR. SCHULTZ: Thank you very much.

CHAIRMAN WEISENMILLER: Thank you.

Now, Commissioners, we're going through a series of similar issues, but the notion was putting Michael and LADWP providing enough context up front that the rest of these will become shorter, simpler.

MR. NYBERG: Okay. Thank you, Chair Weisenmiller.

The next agenda item is an EPS compliance filing
by the City of Glendale. On September 28th, the City of 
Glendale submitted a compliance filing requesting the 
Energy Commission find that their covered procurement for 
energy from the Intermountain Power Project's Natural Gas 
Combined Cycle Repowering Project be determined to be 
compliant with the EPS. A previous compliance filing was 
filed by the City of Glendale for the 1,200 megawatt 
project. That was in October of 2016 and approved in 
November of 2016.

As previously mentioned since that time, 
participants to the repowering have reevaluated their long-
term power needs and have determined that an 840-megawatt 
natural gas combined cycle facility will enable additional 
renewable energy capacity on the transmission lines 
associated with IPP. Glendale's share is 35 megawatts, 
about 4 percent of the total capacity of the facility.

The Siting Division's review of the three 
proposed gas turbines in Glendale's compliance filing 
determined that the project will meet the EPS. The covered 
procurement will still result in Glendale's complete 
divestiture of all coal-based electric generation from 
their resources portfolio two years earlier than was 
originally planned.

After a review of Glendale's compliance filing 
staff recommends the Energy Commission find that the
covered procurement described in Glendale's compliance filing complies with the Energy Commission's Emission Performance Standard.

CHAIRMAN WEISENMILLER: Please go ahead.

MS. GODINEZ: Good morning. My name is Christine Godinez. I'm Principal Assistant City Attorney with the City of Glendale. And thank you for the opportunity to comment today.

Mr. Nyberg and the City of LA already did an excellent job of presenting this project, so I won't belabor the point. As Mr. Nyberg mentioned Glendale's share is very small. It's just 4 percent of the project, but this is a very important component in Glendale's goal with providing reliable, sustainable, affordable, clean energy to our residents. And we urge your support of this SB 1368 compliance filing. Thank you so much for the opportunity to speak today.

CHAIRMAN WEISENMILLER: Thank you.

So are there any public comments from anyone in the room or on the line?

(No audible response.)

CHAIRMAN WEISENMILLER: Okay. Now, so we'll transition to the Commissioners. Commissioner McAllister?

COMMISSIONER MCALLISTER: Yeah, I guess it probably should have happened in the last item, but I mean
this is pretty amazing right, that we're really going to hit our coal goals two years earlier than planned. And that's just all around a good thing. And so I want to commend all the publicly owned utilities that are in on this project for helping to make that happen and for having the discussion and really making the decisions to commit to that path forward. So positive movement in terms of our long term carbon goals, so I'll move this item.

COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This passes 4-0 again.

Thank you.

MR. NYBERG: Thank you.

CHAIRMAN WEISENMILLER: Let's go on to the next item, Burbank.

MR. NYBERG: I don't believe there is a representative from Burbank here today. So the next agenda item is an EPS compliance filing by the City of Burbank.

On October 10, 2018 the City of Burbank submitted a compliance filing requesting the Energy Commission find that their covered procurement for energy from the IPP Repowering Project be determined to be compliant with the EPS. A previous compliance filing by the City of Burbank was submitted to the Energy Commission in October 2016 and
approved in December of 2016.

The City of Burbank's share is 45 megawatts, about 4 percent of the total capacity. This covered procurement will also result in Burbank's complete divestiture of all coal-based electric generation from their resources portfolio in 2025, two years earlier than what was originally planned.

After a review of Burbank's compliance filing, staff recommends the Energy Commission find that the covered procurement described in Burbank's compliance filing complies with the Energy Commission's Greenhouse Gases Emission Performance Standard. Thank you.

CHAIRMAN WEISENMILLER: All right. Thank you.

Let's again say is there any comments from anyone in the room or on the phone?

(No audible response.)

CHAIRMAN WEISENMILLER: Okay. Then again we'll transition over to the Commissioners.

COMMISSIONER SCOTT: Move approval of Item 9.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item also is approved 4-0. So let's go on to Item 10.

MR. NYBERG: Thank you. All right, here we go.
The following agenda item, the fourth of five, is an EPS compliance filing by the City of Pasadena.

On October 1, 2018 the City of Pasadena submitted a compliance filing requesting the Energy Commission find that their covered procurement for energy from the IPP repowering project be determined to be compliant with the EPS. The City of Pasadena previously submitted a compliance filing in October 2016 and it was approved in November of 2016.

The City of Pasadena's share of this 840-megawatt facility is 14 megawatts, about 1.7 percent of the total capacity. This covered procurement will result in Pasadena's complete divestiture of all coal-based electric generation from their resources portfolio in 2025.

After a review of Pasadena's compliance filing, staff recommends the Energy Commission find that the covered procurement described in Pasadena's compliance filing complies with the Energy Commission's Emission Performance Standard.

A representative from Pasadena is here to make a few comments.

MR. SAMRA: Hi my name is Mandip Samra, Power Resources Planning Manager for the City of Pasadena. I too do not want to belabor this point since we've already heard from a couple of other cities here. But just do overall
wanted LADWP and IPA for working closely with the participants to come to an understanding with the needs we have for this resource.

And just really request that you approve the staff filing. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Is there any public comments from anyone in the room or on the line?

(No audible response.)

CHAIRMAN WEISENMILLER: Okay, and again transition to the Commissioners.

COMMISSIONER MCALLISTER: I'll move this item.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This passes 4-0. Again, thank you. Thanks for being here.

MR. NYBERG: Thank you.

CHAIRMAN WEISENMILLER: Let's go on to Item 11.

MR. NYBERG: All right, the fifth and last in the series, so we have an EPS compliance filing by the City of Riverside.

On October 3, 2018 the City of Riverside submitted a compliance filing requesting the Energy Commission find that their covered procurement for energy
from the IPP Repowering Project be determined to be compliant with the Emission Performance Standard. The City of Riverside had previously submitted a compliance filing in November 2016 and it was approved in December of 2016.

The City of Riverside's share of the 840-megawatt facility is 35 megawatts, about 4 percent of the total capacity. Similar to the previous filings, this covered procurement will result in Riverside's complete divestiture of all coal-based electric generation from their resources portfolio in 2025.

After a review of Riverside's compliance filing staff recommends the Energy Commission find that the covered procurement described in Riverside's compliance filing complies with the Energy Commission's Greenhouse Gases Emission Performance Standard.

And Roy is here from Riverside to make a few comments.

MR. XU: Good morning, Commissioners. Roy Xu, Utility Principal Resource Analyst, Riverside Public Utilities. On behalf of the City of Riverside I'd like to thank the commission for considering Riverside's EPS compliance filing for our continued participation in the IPP Repower Project, (indecipherable) repowering and would appreciate the Commissioners' approval on the subject.

Thank you.
CHAIRMAN WEISENMILLER: Thank you.

So again any comments from anyone in the room or on the line? Okay.

COMMISSIONER SCOTT: I will move approval of Item 11.

COMMISSIONER MCALLISTER: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This passes 4-0 again. Thank you.

MR. XU: Thank you.

CHAIRMAN WEISENMILLER: Great. Let's move on to 12.

MR. GARCIA: It's still morning time, so good morning.

CHAIRMAN WEISENMILLER: It's still morning, yeah.

MR. GARCIA: I just have one item, fortunately. I don't have to do five. So I am Cary Garcia. I'm a Demand Forecaster with our Energy Assessments Division. So today I'm submitting a proposed resolution to adopt the forms and instructions for submitting electricity demand forecasts prepared in support of the 2019 IEPR.

So our demand forms and instructions are essentially our data requests, requesting demand forecast information from the LSEs that serve load in California. And so they use this information to develop our own --
we'll use this for the 2019 Forecast, incorporating that data looking at electric vehicles, just your energy usage by sector, how does distributed generation play into that, how does efficiency play into that? And so we use that to do our comparisons and to make sure when we develop our forecasts to be in line with what some of the folks that are closer to the ground are doing. And sometimes we even take that information and incorporate that directly into our forecast as well. So it's essentially a good -- it's our starting point for getting the Demand Forecast done for 2019.

So the major change here in comparison, I mean we typically do this ahead of each odd year IEPR, so we simply just move the forecasting timeline forward. So this year we're looking at 2017-2018 historical information then projections out to 2030 to align with our Demand Forecast that we produce.

I should also note that this data request only applies to LSEs that serve -- that reach 200 megawatts of peak demand in two consecutive years. So any entities that don't meet that threshold won't have to report to us through this mechanism.

And so on October 2nd we held a workshop where we presented a draft of the forms and instructions and the data templates as well. So no formal comments were
submitted to our docket. But we did take some of the
suggestions that we received from the workshop itself and
incorporated that into our report and templates. And this
is basic things about clarifications as far as what we were
requesting.

One example, a good example is actually CCAs, so
now that utility companies or IOUs specifically have more
CCAs. We used to have just one column in our template that
said put this all in aggregate, but now I think we will
really want to see like what that looks like. I think
Edison's territory is an example. There's more CCAs coming
up. What does that look like broken out and how is that
going to change in the future potentially?

So we just made those minor corrections and
updates and in closing, staff recommends that the Energy
Commission adopt this resolution. But if you have any
questions I'm happy to answer them.

CHAIRMAN WEISENMILLER: Thank you.

Is there any public comment or either in the room
or on the line?

(No audible response.)

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

COMMISSIONER MCALLISTER: I just had a quick
question. So thanks for that, Cary. This is definitely
part of the gears of the machine gearing up for the next forecast, which I'm excited about because we're going to have a lot of really interesting discussions in that time.

I wanted, just on CCAs just to be clear, you don't anticipate the carving them out and applying that 200 megawatt limit to them; is that correct? Really we're talking about them as part of an overall service territory of the investor owned utility.

MR. GARCIA: CCAs are treated separately.

COMMISSIONER MCALLISTER: Oh, they are. Okay.

MR. GARCIA: Yeah. But this is kind of a weird situation where say we'll cover Marin, for example, and some of the larger ones, I think Sonoma. And then some CCAs may just submit their information just as a courtesy, so that we have that. But what we're looking at on the IOUs, I guess the benefit that we have is that they actually project what some of that growth is going to be for their CCAs. So we're able to capture that through what the IOUs submit.

COMMISSIONER MCALLISTER: Okay. So a smaller CCA that doesn't reach the 200 megawatts would be included in the overall territory forecast, but not broken out specifically?

MR. GARCIA: Correct. So we won't be able to see, let's say we want to see a breakout by sector. We
won't be able to see that type of information unless they reach that threshold.

COMMISSIONER MCALLISTER: Yeah. That'll be interesting to pay attention to going forward as everything evolves. And maybe we want to change that in the future data requests in rulemaking, because that's going to get more interesting I think over time.

MR. GARCIA: Quite possibly. Definitely.

COMMISSIONER MCALLISTER: Thanks.

CHAIRMAN WEISENMILLER: I was going to say obviously the Demand Forecast is one of the key things we do. And you know, we really need data to do the forecast and certainly the nature of the data we need is changing over time as things have sort of transformed. And so this is one of the steps forward in the development of our next forecast. So we want to thank the staff for really going through it thoughtfully with how to take these forms and how they should evolve.

MR. GARCIA: Yeah, if I can add? So I didn't mention it here, but one of the updates in light of the interval meter data that's going to be coming through, we used to request load shapes and information like that by sector broken out. But in light of that, we no longer require that. So we're actually, like you mentioned Chair, we're adjusting these forms and instructions to really
adjust to what data is coming in in the future. And then also trying to expand it potentially to meet areas where the data hasn't been fully -- may not potentially come to us now, but sort of as like a stopgap measure in a way. And so as that data comes in then a request kind of drops off.

So that's the approach we're trying to take is the new data is necessary, let's try to use the demand forms to capture some of that. And if that gets handled in regs then we can drop it off and kind of do this adjustment as we go further into the future.

CHAIRMAN WEISENMILLER: No, that's very, very good. Normally when I meet with particularly POUs, I think there is this constant refrain of trying to make sure that we consolidate the data collection as much as we can and it's not just random requests coming from somewhere in the building for totally different data, times or shapes or whatever.

COMMISSIONER MCALLISTER: Yeah, I really appreciate the interaction with the POUs, but really everybody who we're asking to submit data. Because any misunderstandings really can be resolved pretty easily if we just maintain good relationships with all these folks. And so I think you're doing a great job of that.

MR. GARCIA: Exactly.
COMMISSIONER MCALLISTER: Let's keep that up.

MR. GARCIA: Yeah, and so that's another point is that we try to make it very clear in the report if you've already reported this data in some fashion to us you don't need to re-report it. Just point us to where you've done it.

A good example is CMUA has a really good report on energy efficiency. We're not asking POUs for that information anymore, because that's basically the most up-to-date information, so we don't want to give them the burden of saying go ahead and re-report again. Just point us to that report. If you have major changes to that then maybe we can talk about that, but like you said it's a discussion that we have with the utilities making it happen.

COMMISSIONER MCALLISTER: Great.

All right, so with that I'll move Item 12.

COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 4-0.

Thanks.

MR. GARCIA: All right. Thank you.

CHAIRMAN WEISENMILLER: Let's go on to 13. It seems like if we go through these items and stay focused
going through these items, we can then go into Executive Session and not have people have to come back after lunch. But obviously if any of these items grow up to be quite lengthy then we'll take a break.

Anyway, go ahead.

MR. KENNEDY: Good afternoon Chair Weisenmiller, Commissioners. My name is Robert Kennedy. I am a Generation Specialist in the Supply Analysis Office in the Energy Assessments Division. Before you today is a proposed resolution to adopt supply forms and instructions to submit electricity resource plans in support of the 2019 Integrated Energy Policy Report.

The Public Resource Code authorizes the Energy Commission to produce assessments and forecasts of energy supply every two years. To conduct these assessments the Energy Commission requires that load serving entities submit resource supply and demand forecast data in the form of an Electricity Resource Plan.

Since the last reporting cycle staff have updated the supply forms and instructions. The main revision was that all LSEs will provide a 12-year electricity resource plan through 2030. The reporting instructions were also updated.

Staff prepared draft reporting forms and instructions and presented them during a public webinar on
October 2nd. The comment period was opened through October 12th and no feedback was received throughout the process. The supply forms will be due April of 2019. Approval of the supply forms and instructions will result in the timely collection of resource data for incorporation into the 2019 Integrated Energy Policy Report. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

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

(No audible response.)

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

Well again, this is sort of important. This is sort of the other side. I mean, we talked about demand earlier and now we're talking about the supply side. And so again this is very foundational information for us. And certainly part of our bread and butter here, this data on both sides, so anyway.

COMMISSIONER MCALLISTER: May I? I guess maybe this next year is going to be quite a learning experience as we try to integrate kind of do justice to 350 you know, so become more data savvy and then compliment the integrated resource planning side with the demand side and sort of make those as seamless as we possibly can. So I'm sure we'll learn a lot actually when we collect the
previous item and this item, both kind of mirrors of each other in a way.

So our processes are going to have to evolve and I'm looking forward to actually doing that and I think we'll end up with a good product, so thanks.

All right, so I'll move Item 13.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: So this also passes 4-0.

Thank you.

MR. KENNEDY: All right, yeah.

CHAIRMAN WEISENMILLER: Let's go on to 14.

MS. DANIELS: Hello Commissioners. I am Theresa Daniels, Lead Staff over Verification Activities for the Renewables Portfolio Standard or RPS Program.

Today, staff is requesting adoption of the RPS 2014 through 2016 Retail Sellers Procurement Verification Report, which presents findings on the amount of eligible renewable energy procured by retail sellers and reported towards RPS targets for Compliance Period 2.

California's RPS is one of the most ambitious renewable energy policies in the nation, and a key driver for achieving decarbonization of the energy sector. The RPS requires the state's retail sellers and local publicly
owned electric utilities or POUs, to procure increasing amounts of renewable energy.

With the passage of Senate Bill 100 earlier this year, retail sellers and POUs are required to serve 60 percent of retail sales with eligible renewable energy resources by 2030 and must plan to procure 100 percent renewable and zero carbon resources by 2045.

For RPS Compliance Period 2, the period covered by this report, the procurement target was 25 percent of retail sales by 2016.

The RPS is administered by the Energy Commission and the California Public Utilities Commission. As part of its responsibilities, the Energy Commission verifies the RPS procurement claims of both retail sellers and POUs.

The RPS 2014-2016 Retail Seller Procurement Verification Report presented for your consideration today provides the findings of the Energy Commission's verification activities, specific to California's 25 retail sellers including 3e large investor-owned utilities, 3 small and multijurisdictional utilities, 15 electric service providers, and 5 community choice aggregators.

The Retail Sellers Report provides information on procurement for the years 2014 through 2016 including the total RPS claims reported, claims determined to be ineligible, claims withdrawn by the reporting entity, and
claims deemed eligible to count toward retail sellers' RPS targets.

Once adopted by the Energy Commission, the Retail Sellers Report will be transmitted to the California Public Utilities Commission to complete the remaining verification and compliance findings for retail sellers.

The Energy Commission will oversee compliance and enforcement activities for POUs. Separate individual compliance period 2 RPS verification results reports for each POU will be presented for your consideration at a future Business Meeting.

In preparing this report, staff followed the methods described in the Energy Commission's Renewables Portfolio Standard Eligibility Guidebook and further detailed in the Renewables Portfolio Standard Verification Methodology Report, Second Edition

Retail sellers reviewed and accepted staff's findings earlier this year. A staff draft Retail Sellers Report was posted for public comment on October 9th and no comments were received.

As such, Energy Commission staff finds that the procurement claims detailed in the RPS 2014-2016 Retail Sellers Procurement Verification Report are eligible to count toward meeting retail sellers' RPS procurement requirements for Compliance Period 2.
We request that the Energy Commission adopt the RPS 2014-2016 Retail Sellers Procurement Verification Report with minor edits made to correct typographical errors.

Thank you for your consideration of this request. I am happy to respond to any questions your may have.

CHAIRMAN WEISENMILLER: Okay. Thank you. So let's start with public comments. Please, come on up.

MR. UHLER: Thank you Commissioners, for the opportunity to address you today. My name is Steve Uhler. That's U-h-l-e-r. In reviewing this verification, which seems to be not too much different than balancing a check book I -- and also that they didn't post the supporting data on this. I didn't even know they had a link. It's a dead link, but they now say that after this is done the public will get to know what that data was.

I scraped the data out of the .pdf, summed it up and compared it against Q for NEIA (phonetic) and found over 70 generating plants that they were claiming more than was generated. So in considering this if you don't provide balances, and since this is in second period, go all the way back to the beginning and show balances all through this and where this generation went. This is not a verification.

I see a thread through this of data handling and
situations where the tools that you're using are extremely
crude even though some of these tools have existed since
before you came about. People used to run things on system
threes that used punch cards.

I was able to point out generating plants in
Solano County and where they were showing there was more.
There are some occasions where some of these generating
plants serve more than one retail seller and it's like they
also may serve offsets. There's no mention to Green-e in
the whole thing.

My concern is that the mechanisms that are used
here, inventory control, which is basically what it is, an
inventory control system doesn't exist here. Numbering in
Qfer (phonetic) is different than numbering in RPS.

And you may have to vote for this and say okay
that's it, but you really should think about analyzing the
data systems that you use, because they are mostly
operating in an analog realm of being able to calculate.
And I really would ask that you not approve this and have
somebody go back and do all of the verification, because
you're going to give these folks the benefit of it, even
though somebody else has claim to it?

Anyways, that's my basic point is data handling
could be improved. Costs could be reduced to do that.
You've had some staff who believe that you don't have staff
or funds to do some of this stuff. So please consider that
in your deciding to vote on this. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

I'd like to give staff a chance to first respond.

MR. SOKOL: Good afternoon, Commissioners.

Michael Sokol with the Renewable Energy Division and we
certainly appreciate the participation, but I want to
respond on a few points where we believe the concerns are
not substantiated.

First, we just wanted to know that there is a
robust accounting system in place for tracking reg
geneneration of RPS eligible and certified facilities with
WREGIS and with the Energy Commission RPS online system.

I also wanted to comment that there is a publicly
available and vetted process laid out in our RPS
Verification Methodology Report Second Edition, as was
mentioned by Teresa Daniels that really lays out the
detailed process that verification undertakes in order to
get to final results. And again this is a process that
complies with all statutes and regulations that apply to
the RPS. And so it's been something that's been vetted
with internal and external stakeholders and is not
anticipating any changes in the near future except for to
comply with any future requirements.

I also just wanted to note that as part of the
verification methodology there is a cross reference with RPS reported claims with other programs such as the Green-e Program that was mentioned, as well as other state agency administered programs where RECs may be retired.

And so there is an over claims analysis with generations coming from facilities to make sure there's no double counting going on there. If there are any issues identified they'll be followed up with facility owners or with reporting entities to make sure that we're shorting out to what the issues are.

There, at times minor differences in some of the numbers that come from other programs such as the EIA dataset or Kiefer dataset. And I would just note that those are due to sort of different program requirements and intents of the programs and different methodologies that are applied and how those calculations are determined, which staff is aware of and again will dig in if there's ever a specific issue.

And then lastly, I just want to mention with this retail seller's report the full detailed information is included in the report that's published on the website. And that includes all the detailed claims numbers and tables at the back of the document. There is a link on the website as a place holder for translating those into an Excel format that we will publish along with the publically
owned utility claims figures at a later date. But for now, the same information is all available and has all been posted with the retail seller's report.

CHAIRMAN WEISENMILLER: Okay. So are there any other public comments or comments on the line?

(No audible response.)

CHAIRMAN WEISENMILLER: Okay. Then let's transition to the Commissioners.

My first comment was just to always encourage people, if there's a problem, let us know. If the link doesn't work call who's ever listed. Call the Executive Director or call. You know, just basically we want to make sure that you can basically track through.

I'd also certainly encourage staff to meet with you and discuss areas where you think there might be errors. The reality is this is a partial compliance. There are other -- it's not 100 percent of all the entities and it's easily conceivable that someone is selling RECs to one of the parties here or sent to one of the other parties. But certainly we have to take it pretty seriously any excess claims.

Those of us who went through the Energy Crisis are pretty aware that it's sort of trust but verify. And certainly this program is responsible to verify, particularly the renewables which we have generally
provided some degree of favorable treatment and that means it's really got to be there. The numbers have to be real to make sure that we're compensating for something, which is not really renewable.

So this talked about the importance of the demand forecasting function here certainly complies and the renewable side is very important to the integrity of these programs. We certainly encourage staff to follow up with you on these issues.

COMMISSIONER McALLISTER: Yeah, just to expand on that a little bit. I mean we're -- so thanks Michael for the explanation of all those issues. And I think it is complicated and I think transparency really has to be our friend here, because as we move towards 100 percent renewables or whatever renewables are defined to be going forward, there's going to be an evolution. There's going to be a change. And we're going to have a lot of stakeholders interested in the details. So it's good to be transparent. I think we really only benefit from that, to the extent that we can put information out there that isn't protected in any way or that doesn't have intellectual property associated with it. I think it's maybe a little painful sometimes to do that, but then once you work through the kinks it actually ends up being a much better place.
So not that you're not doing that, but I think just when doubt I think we ought to kind of decide on transparency in just making sure the public has what it needs to comment. But yeah this, as the Chair said, this is a core program for us that I think you all are really stepping up to the plate to evolve with the times. So thanks for that.

And I'll move Item 14.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 4-0.

Thanks.

Let's go on to -- so we covered 15 earlier, so let's go on to 16.

MR. CHAUDHRY: Good afternoon, Chair and Commissioners. My name is Shahid Chaudhry with the Local Assistance & Financing Office of the Energy Efficiency Division. I'm here to request adoption of CEQA findings and your approval for augmenting almost about $550,000 to an existing ECAA loan of $1,472,000 at 1 percent to the Amador Water Agency for a renewable energy project.

Initially, the total cost of installing 440 kW in-conduit pelton turbine at the water transfer pipeline between two reservoirs was estimated as little over $2.2
million. After $750,000 EPIC Grant, the net cost of the project was $1.5 million. However, non-construction costs including consultant fee and PG&E connection fee has increased the project cost by almost $550,000.

Further, Amador Water Agency has encountered delays in the project due to the need for PG&E to conduct site visits, determine the interconnection costs, provide construction requirements and lead equipment time of about 36 weeks. Therefore, staff is also requesting your approval for a one-year extension to the Agreement Number 004-16-ECD with the Amador Water Agency extending the agreement period to December 31, 2019.

Staff has reviewed Amador Water Agency's Initial Study and Mitigated Negative Declaration and determined that the work to be performed under the proposed loan project, including the one-year extension, presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated.

On completion, the project will reduce about 1.3 million kWh of grid electricity used annually saving the Agency about $129,000 in utility costs as initially estimated. Based on the revised loan amount of $2,021,198, the simple payback is 15.7 years.

The loan amendment request is in compliance with the requirements of the ECAA Loan Program. I therefore
recommend and request your approval of this item.

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

CHAIRMAN WEISENMILLER: Thank you.

MR. CHAUDHRY: Thank you

CHAIRMAN WEISENMILLER: Is there any comments from anyone in the room or on the line?

(No audible response.)

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

COMMISSIONER MCALLISTER: It seems like something that Amador would be interested enough to come in and comment on, but so thanks for that presentation. I'm glad, I mean I like these in-conduit projects. I think they're innovative and they're good and we ought to be doing more of them where possible. And certainly we have a lot of falling water in the state and hopefully will going forward that generates a lot of Southern California power actually. But anyway Edison has the hardest-working water in the world, right? It comes right out of the Sierras and lots of high-en stuff, which this would be one.

So but it's always concerning right, when a project goes slower and costs more. And so I guess a couple of questions along those lines, I mean how anticipatable were some of these delays? You know, PG&E or
connection and that sort of thing. And then, sort of the flipside of that, do you have confidence that this year extension is going to give them enough time to actually complete the project?

MR. CHAUDHRY: Well, I think one of the main reasons is 36 weeks of lead equipment time, so once they deal with that and they are already in the preparation of the site for the project itself and trying to meet with all the PG&E requirements. So I'm very confident that they will be able to finish this project by the end of next year.

COMMISSIONER MCALLISTER: Okay. They've gotten past these hurdles that you described?

MR. CHAUDHRY: Yeah, that's true. They are passing through to us.

COMMISSIONER MCALLISTER: Okay. Got it, great well thanks for that. I mean, it still looks like a good project within all the criteria of the ECCA Loan Program, so I'm supportive.

All right, anyone else? Okay. I will move Item 16.

COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 4-0.
MR. CHAUDHRY: Thank you, Commissioners.

CHAIRMAN WEISENMILLER: Let's go on to Item 17.

MR. CAZEL: Good afternoon. My name is Phil Cazel and I'm with the Energy Commission's Zero-Emission Vehicle and Infrastructure Office. I'm presenting a $400,000 contract for possible approval with the Regents of the University of California to expand and upgrade the existing publicly accessible hydrogen refueling station located on the UC Irvine campus.

If approved, this contract would represent the final funding piece required for the project to move forward and it would leverage $1.4 million in funding already approved by the South Coast Air Quality Management District and their Mobile Source Reduction Review Committee.

The UC Irvine station has been open to the public since 2015 as a result of Alternative and Renewable Fuel and Vehicle Technology Program funding. The current nameplate capacity is 180 kilograms per day with one refueling position, and that's enough to refuel about 40 to 45 fuel cell electric vehicles per day. A hydrogen powered bus operated by the campus also refills at the station, and that usually happen after 10 p.m., so as not to interfere with refueling of light-duty vehicles.
Due to its location and the increasing number of fuel cell electric vehicles deployed in the Irvine area, it is one of the busiest stations in the state. In fact, it's one of the highest throughput stations. During the 3rd quarter of this year, there were 30 days that the station dispensed over 225 kilograms per day, and 3 of those days were over 300. And those days required extra deliveries of hydrogen due to the limited size of the station.

The proposed expansion would allow the station to dispense up to 800 kilograms per day and be using four fueling positions. And this would allow them to service up to 200 fuel cell electric vehicles per day.

The contract will strengthen the state's hydrogen fueling infrastructure network by expanding a well-established location for public refueling and allow more zero emission fuel cell vehicles to use the station.

Staff recommends Commission approval of this proposed contract in the amount of $400,000.

Lisa Mirisola from the South Coast Air Quality Management District is here today and would like to say a few words. And on the phone for questions we have Dr. Scott Samuelsen from the UC Irvine Advanced Power and Energy Program. And we're all happy to answer any questions you have. Thank you.

CHAIRMAN WEISENMILLER: Thank you.
So let's start with public comments in the room.

Please, South Coast?

MS. MIRISOLA: Good afternoon, Commissioners.

I'm Lisa Mirisola. I'm with the Technology Demonstration Group in Science Technology Advancement at South Coast Air Quality Management District. And Phil provided a great overview and staff just wanted to lend our support for your consideration of this project to expand the station, which is a vital part of our hydrogen fueling infrastructure in Southern California. And will increase the ability for us to get those improved air quality and emission reductions in our region, so thank you again. And look for more opportunities to coordinate and work with your staff in the future. Thanks.

CHAIRMAN WEISENMILLER: Great, thank you for being here.

So let's go to Professor Samuelsen on the line.

MR. SAMUELSSEN: Thank you, I just wanted to express appreciation to comment. The station is in very heavy demand today, representing the ever-increasing interest in hydrogen vehicles and hydrogen infrastructure. We're also fueling an addition to a UCI Anteater Express Bus every evening, very often a hydrogen fuel cell bus from the Orange County Transit Authority. It's giving the Transit Authority the opportunity to evaluate the
technology in their particular transit district. I'm available to answer any questions that you might have and appreciate your consideration.

COMMISSIONER SCOTT: No other public comments?
(No audible response.)

All right, so this I think is a great project. It's very exciting. This investment will give all of us the ability to quadruple the size of the station. It's, as Phil mentioned in his comments, one of the busiest stations in Southern California. It fuels both the light-duty fleet and also the bus fleet, so Anteaters. And we're glad about that, so I highly recommend this.

I would also like to say thank you so much to Lisa and our partners at South Coast. We're always looking for great ways to partner with one another and to Dr. Samuelsen at UC Irvine for hosting the station and getting the buses there and then making this happen.

So I would --

CHAIRMAN WEISENMILLER: Just one --

COMMISSIONER SCOTT: Yes, go ahead.

CHAIRMAN WEISENMILLER: -- question for Professor Samuelsen, do you have a sense of where this is in terms of break even on the cost side?

MR. SAMUELSEN: So is at the break even on the cost side. At the design capacity of 180 programs
(phonetic) a day we were able to break even with the station. And now that we're going over that we're able to provide additional funds for the research that we're conducting for the station as well in White Mill.

CHAIRMAN WEISENMILLER: That's very good. That's very good, yeah thank you.

COMMISSIONER SCOTT: Thank you. I move approval of Item 17.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This passes 4-0. Thank you.

Let's go on to 18.

MR. JENKS: Good morning Chair and Commissioners, I am Chris Jenks with the Fuels and Transportation Division. And here I present today for possible approval, a grant agreement with Equilon Enterprises LLC, doing business as Shell Oil Company.

This project will design, construct, and demonstrate a hydrogen fueling station at the Port of Long Beach. The station will serve ten large Class 8 fuel cell electric drayage trucks at the Toyota facility at the Port. Using 100 percent renewable biogas from dairy...
manure, delivered via the natural gas pipeline system, and using a carbonate fuel cell Tri-gen system developed by FuelCell Energy, the station will produce 1,000 kg/day of renewable hydrogen as well as over two megawatts of renewable electricity for the facility.

This $8 million agreement is proposed for funding under the solicitation titled “Advanced Freight Vehicle Infrastructure Deployment,” which was released in December 2017. Two other projects from the solicitation were approved at a previous Business Meeting.

One of these, at the Port of Long Beach, will install advanced battery-electric charging technology for zero-emission yard tractors and forklifts as well as support workforce training.

The other project, at the Port of Los Angeles, will install battery-electric charging technology for a zero-emission yard tractor fleet.

All three projects stemming from this solicitation will reduce petroleum consumption, exhaust, and greenhouse gas emissions, and will benefit nearby disadvantaged communities.

The agreement I present today stands out because of its use of hydrogen technology, a promising approach for heavy-duty applications in areas that have suffered pollution from fossil fuel-burning engines.
During the demonstration, the hydrogen station is expected to reduce greenhouse gas emissions by over 2,300 metric tons per year, or the equivalent of taking more than 520 cars off the road.

At full capacity, the station will reduce greenhouse gas emissions by twice as much.

The station will also reduce the emissions of nitrogen oxides by about 5 metric tons per year at full capacity, or the equivalent of taking over 600 cars off the road.

In addition to approval of the proposed grant award, we also seek your adoption of the CEQA findings that based on the CEQA documents and determinations of the Port of Long Beach as the lead agency, the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated by the lead agency.

Thank you for your consideration of this item.

Wayne Leighty from Shell is and also Lisa Mirisola from the South Coast Air Quality Management District are here today and would like to say a few words. And we are here to answer any questions you may have.
MS. MIRISOLA: Good afternoon again, Lisa Mirisola, South Coast AQMD and just wanting to express support for your consideration of this project as well as note that our AQMD Governing Board approved 1.2 million in cofounding for this project as well, to accommodate low-pressure fueling at one of the positions. In order to provide kind of a redundancy for the network we're early in the deployment of our heavy-duty vehicles in demonstration, so we have two trucks, prototypes, that have been deployed but are undergoing further optimization.

And they're currently using Mobile Fueler, but as you know no station is guaranteed 24/7. And so being able to access this station in the future as we also ramp up and welcome additional prototype trucks in our region for demonstration this will provide a vital backup and additional support for those vehicles as well. And provide a robust set of data for comparing the pressures, so thank you very much and appreciate your consideration.

CHAIRMAN WEISENMILLER: Okay. Thanks again for being here.

Please, come on up.

MR. LEIGHTY: Hello. Good afternoon, Commissioners. My name is Wayne Leighty. I'm Hydrogen Business Development Manager for Shell, responsible for our activities in North America.
We're very grateful to the Energy Commission for your consideration of this grant funding, which will support hydrogen fuel cell electric trucks becoming a viable option for zero emission freight movement supplied in this case, as you've heard, with zero carbon hydrogen produced from 100 percent biogas.

We will collaborate in this project with Toyota to address some technical barriers including the availability of the trucks and of the hydrogen refueling as you've heard and to demonstrate the real-world performance.

The project will also demonstrate onsite renewable hydrogen production to complement centralized approaches at a time when expansions in the hydrogen supply for mobility in California are being planned.

The potential for this project is already enabling an increase in scale with the complementary funding from the South Coast Air Quality Management District that you just heard about to provide fuel at a lower pressure to expand the range of vehicles that can be fueled, and with notice of proposed award from the Air Resources Board for two more hydrogen refueling stations serving the same heavy-duty drayage trucks out of the Ports of L.A. and Long Beach, creating a nascent refueling network for this set of heavy-duty trucks.

Shell is today investing in lower carbon fuels
and diversifying the range of energy choices that we provide to customers. Hydrogen is one of those options and we believe it can play an important role in the future transport sector.

For the success of this project we will apply our worldwide experience of more than 100 years in developing new fuels in collaboration with vehicle manufacturers, always with the customer in focus. So we are grateful for your consideration at the Energy Commission, at the South Coast Air Quality Management District and in the Air Resources Board for the grant funding to help overcome these early barriers in what is a very promising market segment in the heavy-duty application. And to Toyota for this continued collaboration to make significant strides forward for hydrogen mobility in each funded project.

Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Any other public comments from the room or on the phone?

(No audible response.)

Then again we’ll transition to Commissioners.

Commissioner Scott?

COMMISSIONER SCOTT: Okay, this is another exciting project in the hydrogen refueling space. It’s got a lot of great benefits to it as you have heard, both from
our partners at South Coast, from Lisa and from Shell from Wayne. You know, it's part of the Governor's sustainable freight, so looking into what kind of technologies can we have in our freight sector. It's borne out of the partnership that the Energy Commission has formed with six ports around California over the last four or five years. So Port of San Diego, Long Beach, L.A., Hueneme, Stockton and Oakland and so we're just delighted to have the ports to help us partner with these types, of demonstrating these types of technologies.

It's got a heavy-duty component to it, so I know a lot of times when we're looking at zero emission vehicles, vehicles with no tailpipe pollution, a lot of that's in the light-duty space or the medium-duty spaces. So it's really exciting to have some great projects in the heavy-duty space as well.

Cutting edge technologies, we've got fueling that's also 100 percent renewable fuel, so it's all very exciting to see how this comes together. So I'm very much looking forward to it.

And then of course, some good government our regional and local folks in South Coast and us here in at the Energy Commission, so I heartily recommend this. If you don't have questions I will move approval of Item 18.

COMMISSIONER MCALLISTER: I just would say
congrats on everybody's part of getting the renewable piece of this in. I mean, that seems pretty huge. I mean LCSF is a big piece of that, but that's kind of a watershed. I mean, we really need to get there and that seems like a really high value carbon reduction and so congrats on all your leadership on this. It looks like a great project. So I'll second.

CHAIRMAN WEISENMILLER: Okay. Good, did you move?

COMMISSIONER MCALLISTER: I moved, he seconded it.

COMMISSIONER MCALLISTER: So I second it.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This passes 4-0. Thank you.

So let's go to the minutes.

COMMISSIONER SCOTT: Move approval of the minutes.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: So the minutes are passed 4-0. Let's go to Lead Commissioner and Presiding Members Reports, Commissioner Scott?
COMMISSIONER SCOTT: Great. So I just have two
or three updates for you all today. Chair Weisenmiller
already mentioned we had our third Disadvantaged
Communities Advisory Group Meeting a couple of weeks ago
and that was great. It's great to really have the group
coming together thinking about what topics they want to
talk about, what they really want to dig into and help
provide advice.

They have six priorities that they're looking at.
One is an Energy Commission priority. The other five are
over at the PUC, so making sure that they know about CLIMB
Action Plan and other great things that are taking place at
the Commission, and hopefully piquing their interest on
some of those as well would be fantastic.

I am the Chair of the Western Interconnection
Regional Advisory Body. That is a western group made up of
three Canadian provinces, eleven western states and Mexico
and so it's WIRAB CREPC. It's quite the acronyms, but that
meeting was a few weeks ago in Mesa, Arizona. One thing
that I thought was interesting is Arizona made some
presentations, I'm trying to remember or the utility or the
state, but they are beginning to experience -- they didn't
call it this, but they're beginning to experience the duck
curve in Arizona. So many of the questions that California
has been thinking through in terms of ramping, time of use,
how to soak the additional solar that you might have in the
middle of the day are questions that are starting to make
their way to our western neighbors. So that was great to
hear about. Many other intriguing western issues including
a deep discussion on PURPA and some other things like, but
a good meeting and nice chance to connect with all of our
friends out west.

And then I had chance to speak at the CAISO
Symposium, which was also a few weeks ago and talk about
electrification of our transportation sector with Dan
Richard from High-Speed Rail and Adam Langton from BMW. So
we were really looking at electrification of all types of
transportation and what do we see in that space. I
appreciated the opportunity to talk with them and to
participate with our friends at the ISO and their
symposium.

And then I just wanted to end, I had a chance to
go visit some high schools in Southern California a few
weeks ago. One of the things that we do through the
Alternative and Renewable Fuel and Vehicle Technology
Program, ARFVTP, is some workforce training components.
And we are working with Cerritos Community College and
others. And one of the things that they do is partner with
local high schools to make sure that they have the
opportunity, it's a pipeline from the local high schools
into the community colleges. And so we were visiting the various auto shops at three different high schools: Schurr High School in Montebello, Artesia high school in Lakewood and Valley High School in Santa Ana.

And so what they really have are the opportunity not just to work on internal combustion engines now, but also to work on -- right now they don't have any fuel cells, but they do have battery electrics. And that's because of the grants that the Energy Commission provided and so it's really exciting to see the high school students. They're excited about the technology. Their teachers are inspirational and even more excited about these technologies and passing the knowledge along to the students. So it just was really fantastic day to know that we've got folks all around, kids all around California who are going to have the ability to work on the new cleaner transportation that we are bringing. They are excited about it.

You know, one thing even though it was on an internal combustion engine, the students have a competition where they have to dismantle and put back together a V8 engine in under 32 minutes. And they were able to do it in 28, which is just exciting. And then many of the high schools are also competing at levels where they're going to like the Shell Eco-marathon and coming in in the top 25 or
People from all around the world, from universities are competing in this. And high school students in California are competitive as well and so it's just great to be a part of that. It was just a wonderful day.

I wanted to say thank you Janet Malik and Nicole Sherman for putting it together and taking this all around and to Tammy Haus (phonetic) on the Energy Commission staff who is the person who makes sure that this happens all day, every day. That's what she works on, so and I appreciate them inviting me to a part of that.

COMMISSIONER MCALLISTER: All right, so it's been a little while since our last meeting, so a lot of stuff has accumulated. But I won't go through it exhaustively. I will say maybe the rest of you noticed this too, but I'm getting more invites to do talks just about various aspects of the distributed energy world and demand response certainly and decarbonization and with kind of an electrification flavor to it. And I think that reflects just the last leg session just really highlighting a lot of these issues and obviously the 100 percent renewables bill decarbonization emphasis.

And on decarbonization, you know, I think the Energy Commission is seen appropriately as the institution or the agency that's really going to have to work through a
lot of these tough issues. And so I'm excited to do that, but I also think we shouldn't underestimate how big of a lift that is, because we have a lot of big infrastructure in the state that has long-term investments behind it. And we've got to sort of figure out how to transition. You know, it's a big ship to steer and Chair Weisenmiller's more in the middle of this than any of the rest of us, but particularly on 3232. The AB 3232, we need to come up with a Building Decarbonization Plan by 2021 and that's not a trivial thing. It's going to beg all sorts of questions about our infrastructure evolution.

So anyway, I think that's giving rise to at least my stakeholders really wanting to know more. What are you going to do? You know, what's the vision here, what's the long-term vision? Certainly for Building Standards, but for lots of other areas as well, so it's exciting, because there is this kind of volunteerism out there. It's going to inspire, I think a lot of innovation in the marketplace.

And so just to give an example, last time I think Commissioner Hochschild mentioned the kickoff of this Decarbonization Collaborative that both of us spoke at the kickoff of. And it's gathering steam, it's definitely got a lot of legs. And one of the first things it's done is organize or co-organize a heat pump, a retrofit ready heat pump water heater effort. You know, so if we're going to
figure out how to get rid of combustion and heat pumps we need to have electric heat pumps. But a lot of electric service panels don't support that and so what's the market move there that's going to get that done?

So there was a meeting in the Pacific Energy Center in San Francisco a couple of weeks ago that just gathered real powerhouse group that's interested in solving that problem. And so it was real interesting to sort of feel that energy in the room. And that includes manufacturers, you know they want to build these things. They want a policy to support it and they can build it today. And so these are the kinds of problems we need to solve and manage the discussions around. So I think we're in a good spot to do that.

Let's see, I wanted to mention a group of Commission staff including myself went up to visit the Gigafactory a few weeks. So it was quite impressive. Terra helped organize that, so thanks for that. It's a huge, huge facility. I don't know if anybody else has been up there, but it's interesting actually that Panasonic is the partner who's actually making the batteries. And then the assemblage is done by Tesla and actually they're doing a lot of things other than batteries to feed the Model 3 supply chain. And you all saw the news, there was actually a turn of profit last quarter, so it seems to be some sort
of hopefully see change in that. That they're actually
getting the kind of skill they need.

Let's see, I wanted to mention really just one
other thing. I neglected to mention last time that
recently in the Detroit Annual Meeting of the National
Association of State Energy Officials I was voted Chair of
that Board. And it's a great organization. I've extolled
its virtues at previous meetings, but it's really just
terrific. It's similar to the WIRAB CREPC WECC work. That
opportunity to have a platform where you come together with
your counterparts across other states to build discussions
based on a trust interaction that can help everybody solve
the particular problems that they have in their own
context.

So it was really gratifying actually. It's not a
no-brainer that a California representative would be voted
in to head a national association in this day and age. And
so I think just the fact that they trust California to be a
responsible leader of this actually speaks volumes.
Because at the state level we all have to get stuff done
and everybody looks to us as a place where a lot is getting
done. And so I think that kind of put some wind in all of
our sails. I'm looking forward to collaborating with the
rest of the Board on that.

And one final item or two items, along those
lines NASEO and NARUC are actually kicking off a

collaborative effort around distribution system planning.
And so it's an issue who -- the duck curve is popping up as
you said a lot of different places. And I think the
distribution system is a focus of planning effort and
investment and is becoming obvious in more and more places.
And so this effort to underscore the relationships of
policy to regulation, sort of PUCs and Public Service
Commissions across the country and the state energy offices
and the Governor's Office (indiscernible) policy really
need to get on the same page in terms of where we're
transiting our electricity system. And so there's a
collaboration.

We're going to kick it off next week in Orlando
actually. I'm going out to represent NASEO on that. So I
have some high hopes that not just for that topic, but also
building the relationship with NARUC actually can sort of
provide some foundation for future efforts. So I think
integrating the PUCs and the state energy offices is really
long term. It's an imperative and hopefully this will help
move that needle forward or move that needle.

Let's see, so finally I want to make a couple of
acknowledgements. This is Dave Ashuckian's last Business
Meeting as Deputy of the Efficiency Division. And I want
to just thank him for all of his -- not just here at the
Energy Commission, but his just long, long career of state
and public service, really phenomenal. And I don't know
what your "retirement" looks like, but I imagine there's a
lot of fuel left in the tank. But a really well-deserved
retirement from the Energy Commission and I want to just
thank you for all of your effort and leadership. And we've
accomplished a lot at the Energy Commission in I guess six
or seven years since you've been Deputy, so I wanted to
just acknowledge that and say thanks. And maybe put you on
the spot if you want to say anything, I don't know.

CHAIRMAN WEISENMILLER: So the interesting
question is whether he's going to come back every Halloween
and --

COMMISSIONER MCALLISTER: Yeah, really the
longest string of Halloween costume awards, I think ever.

MR. ASHUCKIAN: As they say, have big pumps to
fill. (Laughter.)

COMMISSIONER MCALLISTER: We're all wondering
what you're going to do in your retirement.

MR. ASHUCKIAN: Thank you so much. Yeah, it's
been a great experience. My whole career has been a great
experience. I've seen a lot of things that I have worked
on over the years come to fruition. My very first project
when I came to the state was working the Research and
Development Division of Caltrans developing automated
vehicles that drove by themselves. Today, they're on the streets, so that was quite an accomplishment.

I also was a champion at Air Resources Board for plug-in hybrid vehicles. At the time they were seen as not possible. I was kind of pushed out of the organization like I was a crazy person to believe that plug-in hybrids were a potential technological feat. There were a few people over that believed in them, but not the ones that mattered. Turns out that plug-in hybrids have essentially been much more successful and integrated into the market than what was considered at the time, the piece de resistance, the electric vehicle, the zero emission vehicle.

So it's been a great career. For the last six years, last ten years we've been working on efficiency and trying to achieve the net zero energy goals for homes. We essentially have done that minus the rate structures that have kind of precluded us from going all the way. And again, as the system has evolved to create renewables in every aspect of our infrastructure. The need for zero emission homes has changed and so but again we have achieved those goals.

Twenty-seven years, four different state agencies, I have worked in every division in this Commission except for Admin. And actually I didn't have
that many jobs --

COMMISSIONER MCALLISTER: There's still time.

(Laughter)

MR. ASHUCKIAN: -- but the Admin or the divisions
changed around me, I didn't move as much as the divisions
moved. So it's been a great career. I appreciate all the
support that Commissioner Andrew has provided our division
over the years. When I started it was the Efficiency and
Renewables Division. We were responsible for promulgating
the 33 percent renewables goal. It was clear when I first
started that taking care of both renewables and efficiency
was a bigger job than the one division could handle. That
office became a division on its own.

Efficiency has still been the largest division in
the Commission and I think it is probably time for some of
that to be stripped out again, because it is a big
challenge for one division to handle all the different
things that we handle. About 20 percent of all the staff
in the Commission are in the Efficiency Division.

So again thank you very much. It's been a very
fruitful career and again I appreciate all the support.

(Applause.)

COMMISSIONER MCALLISTER: End of the Business
Meeting is the applause isn't quite so robust, but thanks
again, Dave.
And I have one other thank you, actually. I wanted to just acknowledge my Executive Assistant who retired, Donna Parrow. I don't think I did last meeting and Laura Castaneda has stepped into her big shoes and obviously done spectacularly. But Donna was really a fixture in my office and everybody knew her and she really set the tone for really an open door and just a very welcoming office. And just got along great along the row, just with everybody in the Commission, treated people with tremendous respect. So we all miss her every day.

So hopefully so far she's been coming by to get her paycheck every months, so hopefully we'll continue to see her periodically. But she was a really great person and really Executive Assistant, so I just wanted to acknowledge her.

COMMISSIONER DOUGLAS: Well, you're right. We are all going to miss Donna, so thank you for bringing her up.

And I will be very brief, just to mention the California ISO had their symposium and it was a well-attended event. It was very informative. It was very enjoyable and a great opportunity to be there and see people not only from California Energy, but from many states and many different agencies.

And secondly, I will mention and I imagine the
Chair will say a bit more about the PUC and Energy Commission En Banc on the Greenbook and Customer Choice, which I had the opportunity to attend. Thank you.

CHAIRMAN WEISENMILLER: So in terms of the things I want to cover, as Commissioner Scott there was the Disadvantaged Community Group that we both were at in Los Angeles. They're trying to really meet around the state, which is good. And as you indicated there was the En Banc at -- actually it was in the Legislature -- yeah talking about basically the gaps for potential action next year. So that was pretty interesting.

In addition, I went to the Innovation for Cool Earth Form, which was in Tokyo. This was the fifth one. It's organized by the New Energy Opportunity Industrial Technology Development Organization, which many of you have dealt with down at the (indiscernible) Exchange (indiscernible) --

COMMISSIONER MCALLISTER: Say that five times in Japanese.

CHAIRMAN WEISENMILLER: Exactly, well once in Japanese would be beyond my skills. But anyway, they're very focused on what I'd characterize as futuristic technology although they had an interesting split. They went through and had a list of technologies in two buckets. Bucket One were things that could have an impact by 2030
and then there was a much larger list on things that might have an impact by 2050. And they had everyone vote on which of those were at the top of their list and it ranged from Philips providing lighting services now instead of VOLTs (phonetic) or Proterra providing leases for the batteries on buses to cement -- absorb CO2 from the air or, you know, other. Maybe even a cardigas (phonetic) system that would be cost effective. They thought it might be possible by 2050, so anyway and this would tend to push more on the technology side.

It was good timing. It was right after the IPC had come out with 1.5 degree study and so there was a lot of conversation there. We had one of the coauthors gave a presentation about the pretty stark differences between 1.5 and 2 degrees.

And they did have a road map on direct air capture, which obviously is incredibly expensive, but again something pretty interesting. One of the things they (indiscernible) a little bit, the Governor was very interested on why Japan is as reliant on coal as it is. And it's sort of a mystery, because they import the coal from Australia. So I like my German friends who it's like East Germany, that's jobs. It's like, why?

And it turns out for Japan in the '70s they were totally dependent upon oil, so when the price spikes
occurred they were just hammered. And they have a very conscious strategy coming out of that to push energy efficiency, but also have the diverse resource mix. And coal is seen as one of those elements along with nuclear, along with LNG, along with renewables.

Some progress on renewables, Fukushima's province is now 30 percent renewable, which Japan has problems in terms of land use for solar and wind. And they're split into effectively seven different balancing authorities, so yeah. But anyways, it was certainly interesting to hear their story.

And then I went to the --

COMMISSIONER MCALLISTER: Can I ask you a question or (indiscernible)?

CHAIRMAN WEISENMILLER: Sure, it's the Stanford Global Energy Forum and that may be their first global event. You know, pretty obviously Silicon Valley-ish high tech, but you did have Secretary Schultz, Perry, well Bill Perry and not the other Perry, Rice and ultimately the Governor as speakers. So a pretty high-caliber group talking about energy issues more from a global perspective.

There was a really neat video on autonomous vehicles, following up on Dave where some guy is like on his fourth generation. So the video goes, well this is the first model, which rolled over going down the hillside.
This is the second model, which was hit by another vehicle as we're going into the test run, so marching through the various trials and tribulations of trying to get these things to work. But anyway, so that was all interesting.

COMMISSIONER MCALLISTER: Can I ask a question just about the Japan trip?

CHAIRMAN WEISENMILLER: Sure.

COMMISSIONER MCALLISTER: So yeah I'm always astonished at just the level of high performance of the penetration of high-performance equipment like with respect to HVAC and appliances and they have 95 percent penetration of advanced heat pumps. And we are just at the minuscule 1 percent or just a few percent.

And do you have a sense, first of all does anybody know how far behind we are in terms of adoption of some of these efficient technologies and is it suggested that policy maybe is driving it on that end. But what is it about Japan that embraces technology so quickly and pervasively?

CHAIRMAN WEISENMILLER: So that's a very interesting question, because they -- actually when you look at what NATO has done they have a booklet on their accomplishments. It's really all healthcare. You know, you can tell they're really dealing with sort of an aging society. A certain amount of robotics, you know? And I
guess the bad news is, at least what I'd heard, was the heat pump force costs would not really come down that much in Japan. And they're feeling like it's now really reliable, but they haven't whatever, scaled it to really drive costs down.

But yeah, it's an interesting mixture of a very traditional society in many respects and also the sort of high-tech elements at the same time. But definitely facing an aging population and what that might mean for more autonomous stuff, shall we say. Yeah.

Great. So Chief Counsel's Report?

MS. VACCARO: So I have no general report today other than to tee up that the Chair will be disclosing that we are going into closed session today.

CHAIRMAN WEISENMILLER: Right.

Executive Director's Report?

MR. BOHAN: I've got a few things, but in light of time I'm just going to focus on one and push the others over until December. And that is to acknowledge we've got a whole division, the Admin Division, you heard from Rob today. And a lot of the folks down there do incredible work. They toil in relative obscurity, because they're not doing policy work, but I wanted to -- she left.

(Laughter.)

Okay. Well, I was going to call on one of them.
and acknowledge here and I'll just give you her name. Her name's Adrianne Winuk. You might've seen her, she was sitting in the first back row, but in the first seat there. And she is going to be the new Contracts, Grants and Loans Manager and it's just such a critical position for this organization with all the contracts and grants that we move. She's got big shoes to fill with Rachel having moved on. And I know you all know Rachel, but I just think she's got a tremendous experience coupled with a real can-do attitude. So I wanted to call her out, put a name to a face. If she comes back again, I'll point her out. But thank you.

CHAIRMAN WEISENMILLER: Okay. Public Adviser's Report?

MS. MURIMI: Nothing to report for the Public Adviser.

CHAIRMAN WEISENMILLER: Okay.

And public comment? Please come up, yes.

MR. UHLER: Thank you Commissioners for this opportunity to speak. Perhaps you have a power content label that's powering this building 19 percent, I think that's the lowest in ten years.

Let's see, did I say my name? Steve Uhler, U-h-l-e-r.

I have this marketing promotional item that I
picked up at the lobby at SMUD and no power content label. It's supposed to have last year's power content label with these. After 40 minutes, customer service, talked to security, talk on the phone that I later find out is recorded, somebody brings down the power content label printed from the website.

Title 20 1393 says, "U.S. mail," (indiscernible) U.S. mail, email at the least. It's not happening. I was in the lobby, because I had gone to the Board Meeting for the RRP, which they don't have an RPS and a plan to go with that. I also asked for a power content label, nobody did anything.

This is to me a very valuable tool. This also could completely replace any of the calculations that are done for your RPS verification. You have all these separate data systems. Something needs to be done, so that the public can see what's actually happening here. What we're actually getting.

This is the first time I've seen the solar shares. Now, supposedly 1394 references 1393. You should actually have, since the beginning of solar shares you should have power content labels for solar shares. They're not on your website. I did repeatedly adjusting questions to public records, no solar shares power content labels.

I talked to SMUD about that. They say, "Oh well,
our contract says that they will retain those recs from that." Now, that same wording is in LEED Certification type documents that say you have to retain it if you're going to stick a sticker on your window and say, "You are LEED certified," or SMUD actually sent me a sticker saying my house was solar powered. They now say that they can sell those, so please see that all Sacramento County has this and has all the predecessor labels. It's been missing.

You talk about transparency. You talk about reporting, $50,000 for the Moss Landing folks, is there nothing to make sure that we get the power content label? Thanks.

CHAIRMAN WEISENMILLER: Thank you. Thank you for the information.

A couple of things I was going to say, obviously we don't have dialogues as part of public comment. But I think certainly I'll encourage the appropriate staff here to sort of take action on this. I would also point out on the Power Source Disclosure we do have a proceeding. We have a proposal out on the street, lots of comments. I certainly encourage you to participate in that.

Legally, they're different in terms of what the requirements are for RPS and Power Source Disclosure, but we're very concerned that the public get accurate
information.

Go ahead.

MS. LEE: Absolutely, thank you Commissioner.

Natalie Lee, the Deputy Director of the Renewable Energy Division. And again, I do want to thank Mr. Uhler for bringing his concerns here.

I do want to first note that the RPS and the Power Source Disclosure programs are very distinct programs. The structure of the RPS allowing multi-year compliance periods and flexibility as to how procurement is claimed distinguishes it from the Power Source Disclosure, so that the two cannot represent each other. Power Source Disclosure is an annual disclosure of procurements within a calendar year.

If there are concerns about SMUD's reporting we absolutely will follow up with Mr. Uhler. We have looked into his questions previously. SMUD was allowed to aggregate its reporting for multiple programs previously and we have provided all of the previously submitted power content labels.

Effective this year, we did ask them to report separately for every product offering. So for any product provided to a commercial customer, to the State of California, to any specified product marketing they are required to report separately.
The Solar Shares Program is a unique program. It's hard for us in working with SMUD. We're trying to make sure the reporting is complete and accurate, but it is a unique program. I think in working with Mr. Uhler we can address some of his concerns and assure him that we do take the dating reporting, the collection and reporting of data very seriously. We do verify the power source disclosure reporting.

The power content labels for last year will go on the Energy Commission's website in the next couple of weeks. We do validate them and ask for corrections before we post them, so they will be posted in the next couple of weeks. I'm sorry, I can't give you a specific date.

CHAIRMAN WEISENMILLER: Okay, thank you. I would encourage staff to talk to Mr. Uhler on this and also point out that we do have an Enforcement Office but anyway, that could pursue some of these questions.

I think at this point we're going to go into closed session. After the closed session, which I'm going to guess -- these guesses are never very good, but around 2:00 o'clock I'll probably be back to report. So the Commission will now go into closed session as specified in Agenda Item 21.a.vi, which provides notice the Commission will adjourn to closed session with its Legal Counsel pursuant to Government Code Section 11126(e) to discuss the
following litigation to which the Energy Commission is a party. State Energy Resources Conservation and Development Commission v. City of San Jose, JUM Global, L.L.C. This is at Sacramento Superior Court, Case No. 34-2018-00230652.

And as I said, we anticipate returning to open session at about 2:00 o'clock.

(Off the Record at 1:13 p.m.)

(On the record at 2:11 p.m.)

CHAIRMAN WEISENMILLER: Good afternoon, the Executive Session is over. This meeting is adjourned.

(Adjourned the Business Meeting at 2:11 p.m.)

--oOo--
REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November, 2018.

[Signature]

PETER PETTY
CER**D-493
Notary Public
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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of November, 2018.

_________________
Myra Severtson
Certified Transcriber
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