

DOCKETED

Docket Number:	18-BUSMTG-01
Project Title:	2018 Business Meeting Transcripts
TN #:	225914
Document Title:	Transcript of 11/7/2018 Business Meeting
Description:	N/A
Filer:	Cody Goldthrite
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	11/16/2018 2:29:44 PM
Docketed Date:	11/16/2018

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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Robert Sarvey, Helping Hand Tools	2
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Margaret Rosegay, Pillsbury, Winthrop, Shaw, Pittman	4
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	a.	Pursuant to Government Code section 11126(e), the Energy Commission may adjourn to closed session with its legal counsel to discuss any of the following matters to which the Energy Commission is a party:
	i.	<i>In the Matter of U.S. Department of Energy (High Level Waste Repository) (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy (9th Cir. Docket No. 09-71014)</i>
	ii.	<i>Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller, (Alameda County Superior Court, Case No. RG13681262)</i>
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	iv.	<i>Natural Resources Defense Council, Inc., et al. v. United States Department of Energy (Federal District Court, Northern District of California, #17-cv03404).</i>
	v.	<i>City of Los Angeles, acting by and through, its Department of Water and Power v. Energy Commission (Los Angeles Superior Court, Case No. BS171477).</i>
	vi.	<i>State Energy Resources Conservation and Development Commission v. City of San Jose, JUM Global, L.L.C. (Sacramento Superior Court, Case No. 34-2018-00230652).</i>

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b. Pursuant to Government Code section 11126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the Commission.	
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P R O C E E D I N G S

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

1 with the Chief Counsel's Office and I'm very pleased to be
2 standing before you today to present the Committee Proposed
3 Decision for the Small Power Plant Exemption for the
4 McLaren Backup Generating Facility.

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

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

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

22 The Small Power Plant Exemption does not approve
23 the data center nor does it approve the proposed backup
24 generating facility. If granted a Small Power Plant
25 Exemption requires the project proponent to obtain further

1 permits and licenses from other local agencies, in this
2 case the City of Santa Clara and the Bay Area Air Quality
3 Management District.

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

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

14 Regarding generating capacity, this was one of
15 the contested issues in this proceeding. Neither the
16 Warren-Alquist Act, nor the Energy Commission's regulations
17 dictate the manner of calculating generating capacity for a
18 Small Power Plant Exemption. Intervenor
19 Helping Hand Tools argue for application of Section 2003 of
20 the regulations. But that applies to turbine generators
21 and not the generators proposed for the data center.
22 Accordingly, the Committee determined that under these
23 circumstances that the power generated would be used
24 exclusively for the McLaren Data Center and will not be
25 distributed to the grid. That capacity should be

1 calculated by reference to the demand of the servers to be
2 housed in the data center and the cooling and lighting load
3 for the buildings.

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

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

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

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

24 The Initial Study and Proposed Mitigated
25 Declaration proposed certain mitigation measures for

1 cultural resources and tribal cultural resources. The City
2 of Santa Clara has agreed to impose the mitigation measures
3 as proposed. With the imposition and implementation of the
4 mitigation measures the backup generating facility will not
5 have any adverse impact on the environment.

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

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

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

21 Comments on the Proposed Decision were received
22 from the Energy Commission staff and Intervenor Helping
23 Hand Tools. The errata that was prepared and filed
24 yesterday makes some of the requested edits from staff.
25 Late yesterday, Intervenor Helping Hand Tools filed

1 comments on the Proposed Decision. These comments do not
2 propose any changes to the Proposed Decision, but instead
3 make claims of certain errors.

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

11 The document was submitted to the clearinghouse
12 on June 22nd and the public comment period ended on July
13 24, 2018. In fact, Intervenor Helping Hand Tools made
14 comments on that document during the comment period.

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

24 Substantively, Intervenor reiterates its
25 arguments about the correct calculation of generating

1 capacity for the Data Center Project. As discussed above,
2 there is no specific statute or regulation that applies to
3 the calculation of generating capacity for a Small Power
4 Plant Exemption.

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

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

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

22 MR. GALATI: Scott Galati representing Vantage
23 Data Centers.

24 MR. MYERS: Spencer Myers with Vantage Data
25 Centers.

1 MR. GALATI: Thank you very much for the
2 opportunity to speak. We have reviewed the Errata. We
3 have also reviewed the comments. We believe that very much
4 what Hearing Officer Cochran just said about the Commission
5 and the Committee following CEQA's rules. We don't believe
6 that there's been any procedural error here. We support
7 the Proposed Decision with the Errata. And we urge the
8 Commission to grant the Small Power Plant Exemption for
9 this project.

10 CHAIRMAN WEISENMILLER: Okay. Staff?

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

15 CHAIRMAN WEISENMILLER: Thank you.
16 Intervenors?

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

20 On October 26th the Committee for the backup
21 generating facility published this Proposed Decision. Now,
22 13 days later this decision is before you. That's not even
23 two weeks of notice for the public to respond and I believe
24 that it's too short of a time period for a decision of this
25 magnitude.

15

1 But this isn't surprising that we only got 13
2 days, because in this proceeding the Energy Commission has
3 failed to engage the public entirely. The Commission's
4 held no site visit informational hearing for the public to
5 inform the public of the project and summarize it. The
6 Commission did not provide the public with the staff that
7 issue identification report. No notice that the documents
8 were available to the public at the library was ever
9 issued. No hearings or workshops were held in the affected
10 environmental justice community. Staff's never held a
11 hearing in Santa Clara for the Initial Study. In short,
12 all of the Energy Commission procedures that are normally
13 held, even in SPPE proceedings, were not followed.

14 Now imagine for a moment that a developer was to
15 site within 400 feet of your home, 47 2.75 megawatt diesel
16 generators. And then imagine again that across the street
17 from that project is the Santa Clara Data Center with its
18 32 2.25 megawatt backup diesel generators. In addition,
19 directly across from the MBGF is the Silicon Valley Power
20 Cogen Project with 50 tons of NOx a year and substantial
21 amounts of particulate matter.

22 So if this was your home I believe you would
23 expect a notice. You would want a letter letting you know
24 that this was happening and it never happened. I think the
25 Energy Commission has not followed its procedures,

1 environmental procedures or its procedures for engaging the
2 public that it normally does. I've been in quite a few
3 proceedings. I've never seen any proceeding, including the
4 SPPE proceedings, where these methods were not followed.

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

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

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

20 As I said, the Proposed Decision mistakenly
21 concludes that the project has been modeled for NO2 and
22 particulate matter impacts with all 47 generators operating
23 at once. Only CO emissions have been modeled in emergency
24 operation with all 47 generators operating. So we have no
25 idea what will happen when even just two of these

1 generators are operating for eight hours. We could have a
2 violation of the NO2 standards. That's what your Proposed
3 Decision states on 5.3-11 at the bottom of the page.

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

14 2HT has consistently argued in this proceeding
15 that the Energy Commission has always used Section 2003 to
16 compute generating capacity. The only other data center
17 the Commission has processed rejected the Santa Clara Data
18 Center's maximum data center load of 49.1 megawatts as the
19 generating capacity of the data center, which would exclude
20 the project from Energy Commission jurisdiction. Instead,
21 in the Santa Clara Data Center proceeding the Commission
22 rejected the load of the data center as maximum generating
23 capacity. And instead used name plate capacity of the 32
24 2.5 megawatt diesel generators as maximum generating
25 capacity, making the project subject to Energy Commission

1 jurisdiction.

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

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

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

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

15 First of all under the rules for an SPPE within
16 21 days of the issuance of the Proposed Decision this
17 Commission is required to consider the Proposed Decision
18 and whether to follow it. So by giving 13 days we are
19 within the requirements of the SPPE regulations that do
20 exist.

21 Second, as it relates to notice to the community,
22 the Initial Study and Proposed Mitigated Negative
23 Declaration were mailed to the neighboring property owners
24 at the time that it was issued in June. In addition, as
25 required by the Commission's own CEQA regulations, notice

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1 of availability of this document was published in the *San*
2 *Jose Mercury News* right after publication on October 26th.

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

15 So again, the question is whether consistent with
16 25213 of the Warren-Alquist Act, have we done a reasonable
17 thing in order to effectuate the processes and the
18 requirements that the Commission must meet in order to
19 grant a Small Power Plant Exemption? I believe the
20 Proposed Decision does in fact reflect that analysis and
21 does in fact meet the terms and conditions of providing
22 appropriate public outreach and the substantive
23 requirements to approve a Small Power Plant Exemption.

24 CHAIRMAN WEISENMILLER: Thank you.

25 Staff?

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

14 That's all of the response I have. Thanks.

15 CHAIRMAN WEISENMILLER: Applicant?

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

24 How should we calculate generating capacity? And
25 we explored lots of different ways to look at generating

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1 capacity with staff. And we did this in the context of
2 both this project and another one that was being expanded.

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

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

20 So I just wanted to make sure that there has been
21 this impression that somehow this Applicant is trying to
22 get out of Energy Commission jurisdiction. It is not. It
23 did exactly what it was supposed to do under the
24 regulations and then followed those rules. We agree
25 that the impacts have been evaluated. That there's been a

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1 lot of public outreach. That just because you don't see
2 comments in the record doesn't mean people weren't asked to
3 comment. So we ask that you approve this Small Power Plant
4 Exemption and let Vantage go on and build this project,
5 which is important to them. Thank you very much.

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

9 (No audible response.)

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

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

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

22 The City of Santa Clara pursuant to the SPPE is
23 the entity that reviews the land use and other entitlements
24 needed to construct and that includes the CEQA analysis.
25 The Bay Area Air Quality Management District issues a

1 permit to construct and to test the generators after
2 construction.

3 To grant an SPPE we have to find the following
4 three things. First, is the facility will generate between
5 50 and 100 megawatts and we have made that finding.

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

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

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

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

24 So those are some of my comments. You can see if
25 Commissioner Scott would like to add anything.

1 COMMISSIONER SCOTT: Thank you. I would like to
2 echo Commissioner Douglas's comments to you. As others
3 have mentioned, some questions were raised throughout this
4 process, particularly relating to whether the project's
5 generating capacity exceeded the exemption limit.

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

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

22 I'd like to just thank our staff and the
23 Applicant and the Intervenor for their thoughtful
24 engagement here. The more input and participation we have
25 the more robust our process is. And so I think that always

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1 makes for a good discussion, good process. And thank
2 Hearing Officer Cochran for her good work and also as
3 always thank the Presiding Member, Commissioner Douglas and
4 her team. She and I have worked on a number of siting
5 cases together now and I continue to learn from her
6 expertise and I appreciate her leadership in this space.
7 Those are my comments.

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

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

26

1 this load could grow to be -- that's my second question --
2 greater than 100 megawatts?

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

10 Second of all, the design basis that is less than
11 100 megawatts again is assuming that we have rented out all
12 of the possible space and use that we can. Vantage's
13 history is we only are able to capable -- even though we
14 rent out all the space, people are only able to make use of
15 60 percent of what's allocated to them. We assumed 100
16 percent was being used. And then we designed the facility
17 with the backup generators to serve that facility on the
18 hottest hour in the last 50 years, assuming that's the
19 cooling load for that 100 percent.

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

24 In addition, to address any concern that the
25 Commission had that somehow the project could be expanded

1 to serve, if we did build a bigger project we would have to
2 put in more generators to have the same backup generating
3 capacity using these criteria. But what we did is we asked
4 and we went to Silicon Valley Power. Silicon Valley Power
5 will ensure that the City of Santa Clara puts a condition
6 on the date center that it cannot use more than 100
7 megawatts. So since a backup generating facility just
8 supplies the data center, we thought that was a belt-and-
9 suspenders approach, so the Commission could feel very
10 comfortable.

11 If, in the future Vantage wanted to build another
12 building, they wanted to put another story on the building
13 and wanted to increase, they would have to come back to the
14 City and that condition would also have us come back to the
15 Commission. And Vantage has a history of doing that.
16 That's how we got here in the first place. We have another
17 campus and they were expanding that campus that they bought
18 in I think 2008. They were expanding that campus. And it
19 was that that started the discussion with the Commission.
20 We're going to add more generators, what does that mean?

21 So we have a history of coming back to the
22 Commission and that's what it would take. But there are no
23 plans whatsoever to make that building need any more
24 megawatts than 100.

25 MR. MYERS: Just in addition to that there's no

1 more physical space on this location. There's no ability
2 to build anything else beyond what we've planned. It's
3 physically impossible.

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

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

10 MR. BABULA: Sorry, nothing further. Thanks.

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

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

25 COMMISSIONER SCOTT: Second.

1 CHAIRMAN WEISENMILLER: Okay. All those in
2 favor?

3 (Ayes.)

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

6 Let's go on to Item 3.

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

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

21 The project itself would be a nominal 98 megawatt
22 hybrid enhanced gas-fired facility consisting of two 49-
23 megawatt General Electric LM6000-PC natural gas-fired
24 combustion turbine generators in a simple-cycle
25 configuration with spray intercooled technology, coupled

1 with two 10-megawatt, 4.3 megawatt hour battery energy
2 storage systems with synchronous condensing capability.
3 The battery energy storage system can be operated in
4 conjunction with the combustion turbine generators or
5 separately.

6 The project will be constructed on a brownfield
7 site located at 10711 Dale Avenue in the City of Stanton in
8 Orange County, California. The approximate 3.9 acre site
9 is located in the northeastern portion of Stanton, the City
10 of Stanton, which is zoned industrial. As you can see on
11 your computer screen, the project will be constructed on a
12 rectangular-shaped site approximately 1,300 feet long by
13 135 feet wide, and is bisected by the Orange County Flood
14 Control District stormwater channel separating the two
15 legal parcels, with one parcel to the west and the other
16 parcel to the east of the channel. The two combustion
17 turbine generators will be constructed on the eastern
18 parcel and the battery energy storage system will be
19 located on the western parcel. The site is bounded by Dale
20 Avenue to the east, an electrical transmission line
21 corridor to the north, the Union Pacific Railroad to the
22 south, and by the intersection of Pacific Street and Fern
23 Avenue to the west.

24 The Stanton Energy Reliability Center will
25 connect to Southern California Edison's Barre Substation

1 which is located directly across the street on Dale Avenue
2 via an underground generator tie-line that is about a third
3 of a mile long.

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

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

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

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

21 The Committee received evidence and closed the
22 record at the August 2nd, 2018 evidentiary hearing. But
23 the Committee reopened the record on September 6, 2018 for
24 the limited purpose of receiving updated maps to perfect
25 the record.

1 There were three Intervenors in this proceeding:
2 Robert Sarvey, Helping Hand Tools and Clean Coalition.
3 Neither Mr. Sarvey nor Helping Hand Tools participated in
4 any of the hearings or offered comments on the project.
5 The Clean Coalition participated in the July 25th
6 Prehearing Conference, but then withdrew as an Intervenor
7 on July 31st. In its Notification of Withdrawal the Clean
8 Coalition requested that their proffered evidence be
9 treated as comment. Since all of the Clean Coalition's
10 evidence was directed to the subject area of alternatives
11 the PMPD addressed Clean Coalition's comments in the
12 Alternatives section.

13 As usual, the public was presented a full
14 opportunity to participate at every stage of these
15 proceedings. The Committee received a number of public
16 comments and the PMPD considered and addressed all timely-
17 filed public comments. And I might just say that the
18 comments were overwhelmingly in favor of the project.

19 The Committee recommends that the Commission
20 adopt the PMPD on the Stanton Energy Reliability Center
21 along with the Committee Errata, which was docketed on
22 November 6, 2018. The Errata addresses comments on the
23 PMPD and includes corrections and clarifications.

24 With that the matter is submitted and I'm happy
25 to answer any questions on procedural matters or the PMPD.

1 Otherwise the parties can address the Commission. Thank
2 you.

3 CHAIRMAN WEISENMILLER: Thank you.
4 Applicant?

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

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

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

19 MR. GALATI: I would just say for the record that
20 we've read the Errata to the PMPD. We support it. As you
21 know, this project was -- as you may not know -- when we
22 went to evidentiary hearing we had 100 percent agreement
23 with staff. I don't think I've done a project where we
24 didn't even need to change a comma in a condition. We had
25 100 percent agreement with staff and I think it shows how

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1 you can collaborate and really get through a process and do
2 a great project. So we're really proud of that and then
3 staff should be as well

4 CHAIRMAN WEISENMILLER: Thank you.
5 Staff?

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

19 CHAIRMAN WEISENMILLER: Okay. Thank you.
20 Intervenors?

21 MR. SARVEY: Yeah, my name is Robert Sarvey. I
22 intervened in this as an individual. Early on, the
23 Applicant met with me and we discussed the project.

24 As you know, I've been a supporter of synchronous
25 condensers on all projects for the last probably six years.

1 This Applicant is doing it, so I'm proud to see that. I've
2 also been a supporter of backup energy battery systems on
3 these projects. The Applicant did that. I've also
4 proposed a 1 ppm VOC limit for the last ten projects. It's
5 never happened. This Applicant's done it.

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

12 CHAIRMAN WEISENMILLER: Thank you.

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

15 MR. CELLI: Nothing further. Thank you.

16 CHAIRMAN WEISENMILLER: Thank you.

17 Applicant?

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

20 CHAIRMAN WEISENMILLER: Okay, staff?

21 MS. DECARLO: Nothing further from staff.

22 CHAIRMAN WEISENMILLER: Any comments from any
23 public parties? Any public comment? Anyone in the room?
24 Anyone on the line.

25 (No audible response.)

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

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

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

17 The proposed project combines a combustion gas
18 turbine with an integrated battery storage system and a
19 clutch to operate as a synchronous condenser. In addition
20 to providing energy, the proposed project is also capable
21 of providing spinning reserve, high-speed regulation,
22 primary frequency response and voltage support. It's
23 designed to start and ramp up to full capacity within ten
24 minutes, giving it the fast start's capability to serve the
25 grid with increasing amounts of renewable generation.

1 So the Committee, as you heard, held two public
2 hearings in the City of Stanton where we received multiple
3 comments from the public. The lion's share of those were
4 in support of the project. We have additionally received
5 support letters from our local and elected officials,
6 including California Assemblywoman Sharon Quirk-Silva and
7 Orange County Board of Supervisors Member Michelle Steele.

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

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

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

22 COMMISSIONER MCALLISTER: I'll just say I'm
23 really excited to see these technologies incorporated. I
24 think we have made a template for future applications as
25 well. But also I want to just back up and point out that

1 the landscape, as Commissioner Scott pointed out, the
2 landscape is changing and has changed and our statutory
3 obligation is to do thermal power plants above 50
4 megawatts. But the landscape is much, much broader than it
5 and this piece is actually shrinking over time.

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

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

1 anyway the other pieces of it.

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

10 COMMISSIONER SCOTT: Okay. I just want to make
11 sure that I did say thank you to our Hearing Officer Ken
12 Celli as well. And with that, I will move approval of Item
13 3 including the Errata.

14 COMMISSIONER DOUGLAS: Second.

15 CHAIRMAN WEISENMILLER: All those in favor?

16 (Ayes.)

17 CHAIRMAN WEISENMILLER: This has been approved 4-
18 0. Thank you. Thanks everyone.

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

20 MS. ROOT: Good morning, Commissioners. My name
21 is Christine Root and I am the Compliance Office Manager in
22 the Siting, Transmission, and Environmental Protection
23 Division and with me today is Staff Attorney Kirk Oliver.

24 Today staff is seeking 1) approval of a
25 Settlement Agreement with Dynegy Moss Landing, LLC, to

1 resolve alleged violations to the reporting requirement
2 included in the General Conditions of the project's
3 Commission Decision. And 2) to delegate the Energy
4 Commission's Executive Director authority to sign the
5 Agreement.

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

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

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

19 The certification for the Moss Landing facility
20 requires Dynegy to notify the Energy Commission within ten
21 days of receiving a notice of violation and to list notices
22 of violation in their Annual Compliance Report. Dynegy
23 failed to notify the Energy Commission of Notices of
24 Violation issued by the Monterey Bay Unified Air Pollution
25 Control District between October 19, 2013 and September 30,

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1 2016.

2 The Energy Commission staff was notified by the
3 California Air Resources Board of a settlement agreement
4 between Dynegy and the District.

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

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

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

23 The proposed Settlement Agreement provides that
24 the Energy Commission agrees to close this matter without
25 further action or litigation. And I'm available to answer

1 any questions that you might have.

2 CHAIRMAN WEISENMILLER: Thank you.

3 Applicant? Dynegy?

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

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

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

21 The discussions around these violations occurred
22 over a period of many, many months. I will confess, as a
23 lawyer I could barely keep up with the conversations. They
24 were incredibly technical around how data comes out of the
25 DOS handling system and some of the migration of one SIMS

1 system to another SIMS system. But at the end of the day,
2 we would request that the Commission approve the Settlement
3 Agreement.

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

12 CHAIRMAN WEISENMILLER: Thank you.

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

15 (No audible response.)

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

18 COMMISSIONER DOUGLAS: Just as a brief response
19 to the comment from Dynegy, I completely -- I'm very happy
20 to hear that the real takeaway from this is that we have
21 clarity about reporting requirements and certainly I heard
22 loud and clear that that has been internalized, in terms of
23 the company. And so when things come up that under the
24 conditions the Energy Commission is to be notified, we be
25 notified. And that's the most important thing, I think, to

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1 us. And I recommend the settlement to the Commission's
2 approval. Any other comments? No. I move approval of
3 this item.

4 COMMISSIONER MCALLISTER: I second.

5 CHAIRMAN WEISENMILLER: All those in favor?

6 (Ayes.)

7 CHAIRMAN WEISENMILLER: This item passes 4-0.

8 Thank you.

9 MS. ROSEGAY: Thank you.

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

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

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

1 greenhouse gas emissions.

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

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

19 We developed the Draft Implementation Guidelines
20 through the public process including multiple workshops and
21 the public comments received through this process in
22 meetings with relevant State agencies and industry
23 associations addressing the needs of the agricultural
24 community including the California Department of Food and
25 Agriculture, the California Farm Bureau Federation and with

1 the California Air Resources Board's Funding Guidelines for
2 Agencies that Administer California Climate Investments.
3 Multiple drafts of the program guidelines were released
4 with revisions in response to public comments that we
5 received.

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

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

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

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

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

23 MS. MILLS: Good morning, Commissioners. Thank
24 you very much. I'm Karen Mills, Senior Attorney for Energy
25 Policy with the California Farm Bureau Federation and very

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1 much appreciate the opportunity to comment on the important
2 program and I do so at somewhat of a high level for the
3 program.

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

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

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

18 So as part of that, I would support quick action
19 to announce the parameters of the grant program to
20 appropriate audiences. One consideration might be to work
21 with CDFA as they have done many of these types of grant
22 programs in the past and I assume that they have a pathway
23 for interacting with the agricultural community to get them
24 the information out to them. And perhaps they have a
25 workable model about how to reach those intended audiences.

1 So I very much support the program. I support
2 flexibility with it as you move forward in consideration of
3 the complexities and the timeframe and the process in order
4 to maximize the reach to our state's farms and ranches.

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

7 CHAIRMAN WEISENMILLER: Great. Thanks for being
8 here.

9 MS. MILLS: Yeah.

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

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

17 I think it would be great to brainstorm with you
18 separately as well or to have staff do that to just think
19 about what we can do to get the word out. This is a new
20 kind of program for us. It's exciting. I think that
21 there's huge potential here. And I'd love to have a very
22 successful program that is something that the state looks
23 at and says let's do this again. And so doing this
24 outreach well and quickly will be important to that. So
25 anyway, I really appreciate your being here.

1 MS. MILLS: Yes, absolutely and to the extent
2 that I can work with your staff and offer any suggestions.
3 It's always a challenge to reach out to the community and
4 make sure that you're targeting the right audiences. We
5 look at that on many aspects. And it's a short timeframe,
6 but this is a better timeframe. Everybody's pretty much
7 finished with harvest now and so they can turn to these
8 types of interests. Thank you.

9 COMMISSIONER DOUGLAS: Thank you.

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

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

21 And so we have a lot of work to do on doubling
22 efficiency and on a number of other fronts that we have to
23 engage with stakeholders. You know, industry comes to
24 mind, right? There's an overlap between ag and industry,
25 so hopefully we can again use this program to build a

1 foundation that we can utilize going forward to create new
2 programs that hit these other segments, the additional
3 segments of the economy and reduce carbon, so high hopes
4 for this.

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

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

24 But so certainly flexibility is going to be
25 important on these. And yeah, I think to stay on top of

1 them to make sure the money goes out, but also that it's
2 well spent for the ratepayers.

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

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

8 COMMISSIONER MCALLISTER: I'll second.

9 CHAIRMAN WEISENMILLER: All those in favor?

10 (Ayes.)

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

13 Let's go on to back in a more regular flow, Item
14 5.

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

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

1 since the inception.

2 The fund is fed from a surcharge on retail
3 electricity rates. It is currently set at 29 hundredths of
4 a mil. And the cost to the average household is about
5 \$1.87 a year on this fund.

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

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

20 Also, our Appliance Efficiency and Building
21 Efficiency Standards do what they're supposed to do and
22 dampen the use of energy in the state. And our aggressive
23 implementation of behind-the-meter renewable energy has led
24 to reductions in our revenue. All great policy goals, but
25 they have consequences for our funding source.

1 As I mentioned before, the peak funding we
2 received on this fund occurred about three years ago at
3 about 75.5 million. It has subsequently dropped in the
4 subsequent years down to about \$68.9 million, a reduction
5 of almost 10 percent of year-over-year.

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

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

23 Now, this proposal has been well vetted through
24 the Governor's Office, through the Legislature and just as
25 part of the overall solution that we're seeking here. I

1 will note from the Assembly Floor Report of the Budget that
2 was published in June, reporting out on our budget, the
3 Budget Act itself approved a series of actions to reduce
4 the program deficit by 10.6 million in this current year
5 and 11.8 million next year.

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

10 With that, I am available for any questions?

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

14 (No audible response.)

15 CHAIRMAN WEISENMILLER: Transitioning to our
16 Commissioners.

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

25 COMMISSIONER MCALLISTER: I wanted to make a

1 comment actually and just quickly thanks, Rob, for that.
2 And I wanted to just acknowledge Drew's efforts and the
3 whole team really, but led by Drew to really figure out
4 where we can tighten our belt and where we can help
5 optimize processes and really get our budgeting and
6 expenditures under control.

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

19 COMMISSIONER DOUGLAS: I'll move approval of Item
20 5.

21 COMMISSIONER SCOTT: Second.

22 COMMISSIONER MCALLISTER: Second.

23 COMMISSIONER SCOTT: Oh.

24 COMMISSIONER MCALLISTER: Go ahead.

25 COMMISSIONER SCOTT: Second.

1 CHAIRMAN WEISENMILLER: All those in favor?

2 (Ayes.)

3 CHAIRMAN WEISENMILLER: This item passes 4-0.

4 Thank you.

5 Let's go on to Item 6.

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

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

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

23 The multi-family housing stock is aging. And on
24 these bars, you will see the illustration relative to size,
25 the age of these buildings. On the top bar are five or

1 more units. And on the bottom bar, those that contain two
2 to four units. And you'll notice on the far left colors,
3 that they actually reflect the age. And combined, at least
4 60 percent of the multi-family buildings are older than
5 1974. Why is this important? Because 47 percent of low-
6 income households live in multi-family rental housing
7 pursuant to our Barriers Study.

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

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

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

25 The good news is that a strong vision exists

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

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

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

24 Mother Teresa once said, "I can do things you
25 cannot. You can do things I cannot. But together we can

1 do great things." That really is the premise of this
2 interagency collaboration.

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

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

22 The Commission is not exempt as it shouldn't be
23 and there are 27 strategies led by us. And this is a
24 sampling again of the diversity of strategies represented
25 from different divisions here you will note from

1 Renewables, Efficiency And Fuels and Transportation and
2 Research And Development, all working together to put
3 together this Action Plan and to move forward.

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

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

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

25 CHAIRMAN WEISENMILLER: Thank you.

1 Let's see if there are any public comments from
2 anyone in the room. Then let's go to the telephones. I
3 believe we have two public comments there. Let's start
4 with the fellow state agency, the Department of Public
5 Health.

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

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

14 Let's go to NRDC.

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

22 Over 3 million Californians and nearly half of
23 low-income Californians live in low-income multi-family
24 buildings. These households face disproportionate energy
25 burdens and also face unique barriers to realizing the

1 benefits and opportunities presented by clean energy
2 resources, including improved household health and safety,
3 more affordable housing and participation in the clean
4 energy economy.

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

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

15 CHAIRMAN WEISENMILLER: Thank you.

16 Any other public comments from anyone on the
17 line? Okay, let's transition to the Commissioners.
18 Commissioner McAllister?

19 COMMISSIONER MCALLISTER: Thanks, Chair
20 Weisenmiller. Thank you, Eugene, for being largely the
21 fearless leader of this effort. I want to also acknowledge
22 Mike Sokol who really did a huge part and played a huge
23 part in getting everything rolling and interfacing with the
24 Governor's Office. And certainly the Governor's Office, as
25 you said Eugene, deserves a lot of credit for this as they

1 really kind of got the ball rolling and realized a
2 highlight of this is a real key component of our overall
3 strategy under SB 350 and really saw the urgency here. So
4 Alice and so I think primarily (indiscernible) was at the
5 Governor's Office and Alice is still at the Governor's
6 Office. I want to make just a few comments to put this in
7 context. And at the end I actually want to acknowledge all
8 the individual staff, because I think they deserve that as
9 well.

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

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

24 Getting it into our existing buildings is still a
25 nut that nobody has fully cracked. I think we're making

1 incremental gains and really more than anywhere else you
2 might look, I think the Energy Commission really is a key
3 player in this that's helping to solve these problems and
4 there's a lot of promise here. And this work really
5 highlights both the challenges and the opportunities and I
6 think there's just a lot.

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

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

21 And I'm hopeful that that'll spur some
22 legislative engagement and hopefully identify some
23 resources and bring those to bear on this sector. Because
24 multi-family, particularly the subsidized and the deed
25 restricted universe, those were built with subsidy.

1 They're not going to get deep retrofits without a subsidy.
2 But we've got to figure out ways to make that happen. And
3 I think just getting this on the table in an honest and
4 transparent way is a huge first step.

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

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

25 So I think we're firing on all cylinders here

1 going forward and I'm really encouraged.

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

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

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

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

1 agencies.

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

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

19 CHAIRMAN WEISENMILLER: Yeah. I guess one part
20 of the conversation I was going to start was that SB 350
21 obviously set up the Barriers Study and this grew out of
22 the Barriers Study. And at the same time it set up this
23 Disadvantaged Community Advisory Group. And they've had,
24 we'll say there's a term of what is it the third time of
25 whether it's the third meeting or fourth, but I'll say

68

1 third. And you know one of the questions as they were
2 getting organized is role and focus and activities. And so
3 we need a way to bring them into this. You know, some way
4 of briefing them on it, trying to their engagement in this
5 process.

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

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

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

24 I had thoughts on SB 350 here as well back to our
25 Barriers Report, which kind of feels maybe like it was a

1 long while back that we put that report together, but you
2 know I've been reflecting on that. We had 12
3 recommendations. We identified what the barriers where we
4 put in place 12 recommendations for solutions to think
5 about how do we overcome those barriers? And it's kind of
6 a living, breathing report. I mean maybe it's not one of
7 those wonky reports that just got put up on a shelf and
8 nothing happened from it.

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

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

20 I want to say thanks to you, Gene and his team
21 for a great briefing on the final version. I love the
22 adjective "silo adverse," so I'm going to have to start
23 using that more often in my conversations. And I
24 appreciate the partnership of the other state agencies that
25 have really helped us to put this all together and turn the

1 sort of an identification of barriers into an Action Plan
2 that we're poised to implement. And I heard the excitement
3 in your voice for getting ready to go on that, Eugene. So
4 I think that that's great. And thank you Commissioner
5 McAllister for your leadership in this space as well.

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

11 CHAIRMAN WEISENMILLER: Yeah.

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

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

23 CHAIRMAN WEISENMILLER: Yeah.

24 COMMISSIONER MCALLISTER: And so I'll move Item
25 6.

1 COMMISSIONER SCOTT: Second.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes.)

4 CHAIRMAN WEISENMILLER: This item passes 4-0.

5 Thank you.

6 MR. LEE: Thank you.

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

8 MR. NYBERG: Good Morning Chair, Commissioners.

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

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

20 The first Emission Performance Standard
21 Compliance Filing is from the Los Angeles Department of
22 Water and Power. The Emission Performance Standard was
23 established under Senate Bill 1368 by Senator Perata,
24 Chapter 598 of the 2006 Statutes. The EPS established a
25 public process for determining the compliance of proposed

1 utility investments. The EPS limits long-term investments
2 in baseload generation by the state's utilities to power
3 plants that meet an emission performance standard for
4 carbon dioxide. The standard was jointly established by the
5 Energy Commission and the Public Utilities Commission and
6 is set at 1,100 pounds per megawatt-hour.

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

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

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

23 A Second Amendatory Power Sales Contract signed
24 on March 16th, 2016 allows for the repowering of the
25 Intermountain Power Project's coal-fired generating units

1 with up to 1,200 megawatts from two natural gas-fired two-
2 on-one combined cycle power blocks. The expected
3 commercial online date of the project is July 1, 2025. The
4 Second Amendatory Power Sales Contract begins on July 1,
5 2027 and expires on June 15th, 2077.

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

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

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

21 LADWP staff provided three vendor specifications
22 for the proposed new combined cycle facility. They
23 submitted three designs: one each from General Electric,
24 Mitsubishi, and Siemens as they have yet to select the
25 final vendor for the project.

1 The Siting Division's engineering office staff
2 calculated the expected CO2 emission rates at various
3 loads, using the heat inputs and associated capacities
4 associated with the vendors. Engineering staff confirmed
5 that each of the proposed gas turbines will meet the EPS
6 even if operated at their least efficient, highest
7 greenhouse-gas-emitting load of 50 percent.

8 Energy Commission staff completed a review of the
9 compliance filing and determined that it is compliant with
10 the Emission Performance Standard pursuant to Section
11 2902(a). Specifically, that the proposed one-on-one
12 natural gas combined cycle power plant design in the
13 compliance filing will fall below the EPS limit of 1,100
14 pounds per megawatt-hour.

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

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

22 Thank you.

23 MR. SCHULTZ: Good morning, Commissioners.
24 Again, my name is Paul Schultz. I'm the Operating Agent
25 for Intermountain Power Project.

1 MS. MORRISH: And good morning. My name is Lori
2 Morrish. I am the Project Manager of the project.

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

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

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

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

1 in the future.

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

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

16 So after about 15 months of negotiations
17 internally, the participants voted in late September for an
18 840 Megawatt Alternative Power Project at the Intermountain
19 Power site.

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

1 variability of renewables out at the facility.

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

4 CHAIRMAN WEISENMILLER: Thank you.

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

7 (No audible response.)

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

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

17 And one of the options we specifically spelled
18 out was looking at the DC ties and trying to figure out how
19 to get the inter-hour scheduling on that line. And I guess
20 one of the things I wanted to encourage you to think about
21 is inter-hour scheduling on this DC tie. That obviously
22 the realities of the grid are much different than when IPPC
23 started. And certainly there would be advantages of
24 whatever resource you'd have on the other side if you can
25 go from manually scheduling on an hourly basis to something

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1 that's more inter-hour.

2 MR. SCHULTZ: So there is consideration for that
3 and Los Angeles has committed to entering the EIM market in
4 April of 2020. So hopefully that alleviates some of that
5 concern. As well as the interconnection between Northern
6 California and that area, the connection is extremely weak.
7 There's only a single transmission line out of the facility
8 headed west. There has been no discussion of upgrading
9 that line at this time.

10 CHAIRMAN WEISENMILLER: Thank you.

11 Anyone else? Okay.

12 COMMISSIONER DOUGLAS: I'll move approval.

13 COMMISSIONER MCALLISTER: Yes. I'll second.

14 CHAIRMAN WEISENMILLER: All those in favor?

15 (Ayes.)

16 CHAIRMAN WEISENMILLER: Thank you.

17 MR. SCHULTZ: Thank you very much.

18 CHAIRMAN WEISENMILLER: Thank you.

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

23 MR. NYBERG: Okay. Thank you, Chair

24 Weisenmiller.

25 The next agenda item is an EPS compliance filing

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

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

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

24 After a review of Glendale's compliance filing
25 staff recommends the Energy Commission find that the

1 covered procurement described in Glendale's compliance
2 filing complies with the Energy Commission's Emission
3 Performance Standard.

4 CHAIRMAN WEISENMILLER: Please go ahead.

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

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

18 CHAIRMAN WEISENMILLER: Thank you.

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

21 (No audible response.)

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

24 COMMISSIONER MCALLISTER: Yeah, I guess it
25 probably should have happened in the last item, but I mean

1 this is pretty amazing right, that we're really going to
2 hit our coal goals two years earlier than planned. And
3 that's just all around a good thing. And so I want to
4 commend all the publicly owned utilities that are in on
5 this project for helping to make that happen and for having
6 the discussion and really making the decisions to commit to
7 that path forward. So positive movement in terms of our
8 long term carbon goals, so I'll move this item.

9 COMMISSIONER SCOTT: Second.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.)

12 CHAIRMAN WEISENMILLER: This passes 4-0 again.

13 Thank you.

14 MR. NYBERG: Thank you.

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

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

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

1 approved in December of 2016.

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

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

13 CHAIRMAN WEISENMILLER: All right. Thank you.

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

16 (No audible response.)

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

19 COMMISSIONER SCOTT: Move approval of Item 9.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in favor?

22 (Ayes.)

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

25 MR. NYBERG: Thank you. All right, here we go.

1 The following agenda item, the fourth of five, is an EPS
2 compliance filing by the City of Pasadena.

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

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

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

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

22 MR. SAMRA: Hi my name is Mandip Samra, Power
23 Resources Planning Manager for the City of Pasadena. I too
24 do not want to belabor this point since we've already heard
25 from a couple of other cities here. But just do overall

1 wanted LADWP and IPA for working closely with the
2 participants to come to an understanding with the needs we
3 have for this resource.

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

6 CHAIRMAN WEISENMILLER: Thank you.

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

9 (No audible response.)

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

12 COMMISSIONER MCALLISTER: I'll move this item.

13 COMMISSIONER DOUGLAS: Second.

14 CHAIRMAN WEISENMILLER: All in favor?

15 (Ayes.)

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

18 MR. NYBERG: Thank you.

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

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

23 On October 3, 2018 the City of Riverside
24 submitted a compliance filing requesting the Energy
25 Commission find that their covered procurement for energy

1 from the IPP Repowering Project be determined to be
2 compliant with the Emission Performance Standard. The City
3 of Riverside had previously submitted a compliance filing
4 in November 2016 and it was approved in December of 2016.

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

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

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

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

1 CHAIRMAN WEISENMILLER: Thank you.

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

4 COMMISSIONER SCOTT: I will move approval of Item
5 11.

6 COMMISSIONER MCALLISTER: Second.

7 CHAIRMAN WEISENMILLER: All those in favor?

8 (Ayes.)

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

11 MR. XU: Thank you.

12 CHAIRMAN WEISENMILLER: Great. Let's move on to
13 12.

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

15 CHAIRMAN WEISENMILLER: It's still morning, yeah.

16 MR. GARCIA: I just have one item, fortunately.

17 I don't have to do five. So I am Cary Garcia. I'm a
18 Demand Forecaster with our Energy Assessments Division. So
19 today I'm submitting a proposed resolution to adopt the
20 forms and instructions for submitting electricity demand
21 forecasts prepared in support of the 2019 IEPR.

22 So our demand forms and instructions are
23 essentially our data requests, requesting demand forecast
24 information from the LSEs that serve load in California.
25 And so they use this information to develop our own --

1 we'll use this for the 2019 Forecast, incorporating that
2 data looking at electric vehicles, just your energy usage
3 by sector, how does distributed generation play into that,
4 how does efficiency play into that? And so we use that to
5 do our comparisons and to make sure when we develop our
6 forecasts to be in line with what some of the folks that
7 are closer to the ground are doing. And sometimes we even
8 take that information and incorporate that directly into
9 our forecast as well. So it's essentially a good -- it's
10 our starting point for getting the Demand Forecast done for
11 2019.

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

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

23 And so on October 2nd we held a workshop where we
24 presented a draft of the forms and instructions and the
25 data templates as well. So no formal comments were

1 submitted to our docket. But we did take some of the
2 suggestions that we received from the workshop itself and
3 incorporated that into our report and templates. And this
4 is basic things about clarifications as far as what we were
5 requesting.

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

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

18 CHAIRMAN WEISENMILLER: Thank you.

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

21 (No audible response.)

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

24 COMMISSIONER MCALLISTER: I just had a quick
25 question. So thanks for that, Cary. This is definitely

1 part of the gears of the machine gearing up for the next
2 forecast, which I'm excited about because we're going to
3 have a lot of really interesting discussions in that time.

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

9 MR. GARCIA: CCAs are treated separately.

10 COMMISSIONER MCALLISTER: Oh, they are. Okay.

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

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

24 MR. GARCIA: Correct. So we won't be able to
25 see, let's say we want to see a breakout by sector. We

1 won't be able to see that type of information unless they
2 reach that threshold.

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

8 MR. GARCIA: Quite possibly. Definitely.

9 COMMISSIONER MCALLISTER: Thanks.

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

19 MR. GARCIA: Yeah, if I can add? So I didn't
20 mention it here, but one of the updates in light of the
21 interval meter data that's going to be coming through, we
22 used to request load shapes and information like that by
23 sector broken out. But in light of that, we no longer
24 require that. So we're actually, like you mentioned Chair,
25 we're adjusting these forms and instructions to really

1 adjust to what data is coming in in the future. And then
2 also trying to expand it potentially to meet areas where
3 the data hasn't been fully -- may not potentially come to
4 us now, but sort of as like a stopgap measure in a way.
5 And so as that data comes in then a request kind of drops
6 off.

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

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

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

25 MR. GARCIA: Exactly.

1 COMMISSIONER MCALLISTER: Let's keep that up.

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

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

16 COMMISSIONER MCALLISTER: Great.

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

18 COMMISSIONER SCOTT: Second.

19 CHAIRMAN WEISENMILLER: All those in favor?

20 (Ayes.)

21 CHAIRMAN WEISENMILLER: This item passes 4-0.

22 Thanks.

23 MR. GARCIA: All right. Thank you.

24 CHAIRMAN WEISENMILLER: Let's go on to 13. It
25 seems like if we go through these items and stay focused

1 going through these items, we can then go into Executive
2 Session and not have people have to come back after lunch.
3 But obviously if any of these items grow up to be quite
4 lengthy then we'll take a break.

5 Anyway, go ahead.

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

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

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

24 Staff prepared draft reporting forms and
25 instructions and presented them during a public webinar on

1 October 2nd. The comment period was opened through October
2 12th and no feedback was received throughout the process.

3 The supply forms will be due April of 2019.
4 Approval of the supply forms and instructions will result
5 in the timely collection of resource data for incorporation
6 into the 2019 Integrated Energy Policy Report. Thank you.

7 CHAIRMAN WEISENMILLER: Thank you.

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

10 (No audible response.)

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

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

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

1 previous item and this item, both kind of mirrors of each
2 other in a way.

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

6 All right, so I'll move Item 13.

7 COMMISSIONER DOUGLAS: Second.

8 CHAIRMAN WEISENMILLER: All those in favor?

9 (Ayes.)

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

11 Thank you.

12 MR. KENNEDY: All right, yeah.

13 CHAIRMAN WEISENMILLER: Let's go on to 14.

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

17 Today, staff is requesting adoption of the RPS
18 2014 through 2016 Retail Sellers Procurement Verification
19 Report, which presents findings on the amount of eligible
20 renewable energy procured by retail sellers and reported
21 towards RPS targets for Compliance Period 2.

22 California's RPS is one of the most ambitious
23 renewable energy policies in the nation, and a key driver
24 for achieving decarbonization of the energy sector. The
25 RPS requires the state's retail sellers and local publicly

1 owned electric utilities or POUs, to procure increasing
2 amounts of renewable energy.

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

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

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

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

22 The Retail Sellers Report provides information on
23 procurement for the years 2014 through 2016 including the
24 total RPS claims reported, claims determined to be
25 ineligible, claims withdrawn by the reporting entity, and

1 claims deemed eligible to count toward retail sellers' RPS
2 targets.

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

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

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

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

21 As such, Energy Commission staff finds that the
22 procurement claims detailed in the RPS 2014-2016 Retail
23 Sellers Procurement Verification Report are eligible to
24 count toward meeting retail sellers' RPS procurement
25 requirements for Compliance Period 2.

1 We request that the Energy Commission adopt the
2 RPS 2014-2016 Retail Sellers Procurement Verification
3 Report with minor edits made to correct typographical
4 errors.

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

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

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

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

25 I see a thread through this of data handling and

1 situations where the tools that you're using are extremely
2 crude even though some of these tools have existed since
3 before you came about. People used to run things on system
4 threes that used punch cards.

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

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

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

23 Anyways, that's my basic point is data handling
24 could be improved. Costs could be reduced to do that.
25 You've had some staff who believe that you don't have staff

1 or funds to do some of this stuff. So please consider that
2 in your deciding to vote on this. Thank you.

3 CHAIRMAN WEISENMILLER: Thank you.

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

5 MR. SOKOL: Good afternoon, Commissioners.

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

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

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

25 I also just wanted to note that as part of the

1 verification methodology there is a cross reference with
2 RPS reported claims with other programs such as the Green-e
3 Program that was mentioned, as well as other state agency
4 administered programs where RECs may be retired.

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

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

19 And then lastly, I just want to mention with this
20 retail seller's report the full detailed information is
21 included in the report that's published on the website.
22 And that includes all the detailed claims numbers and
23 tables at the back of the document. There is a link on the
24 website as a place holder for translating those into an
25 Excel format that we will publish along with the publically

1 owned utility claims figures at a later date. But for now,
2 the same information is all available and has all been
3 posted with the retail seller's report.

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

6 (No audible response.)

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

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

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

22 Those of us who went through the Energy Crisis
23 are pretty aware that it's sort of trust but verify. And
24 certainly this program is responsible to verify,
25 particularly the renewables which we have generally

1 provided some degree of favorable treatment and that means
2 it's really got to be there. The numbers have to be real
3 to make sure that we're compensating for something, which
4 is not really renewable.

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

10 COMMISSIONER MCALLISTER: Yeah, just to expand on
11 that a little bit. I mean we're -- so thanks Michael for
12 the explanation of all those issues. And I think it is
13 complicated and I think transparency really has to be our
14 friend here, because as we move towards 100 percent
15 renewables or whatever renewables are defined to be going
16 forward, there's going to be an evolution. There's going
17 to be a change. And we're going to have a lot of
18 stakeholders interested in the details. So it's good to be
19 transparent. I think we really only benefit from that, to
20 the extent that we can put information out there that isn't
21 protected in any way or that doesn't have intellectual
22 property associated with it. I think it's maybe a little
23 painful sometimes to do that, but then once you work
24 through the kinks it actually ends up being a much better
25 place.

1 So not that you're not doing that, but I think
2 just when doubt I think we ought to kind of decide on
3 transparency in just making sure the public has what it
4 needs to comment. But yeah this, as the Chair said, this
5 is a core program for us that I think you all are really
6 stepping up to the plate to evolve with the times. So
7 thanks for that.

8 And I'll move Item 14.

9 COMMISSIONER DOUGLAS: Second.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.)

12 CHAIRMAN WEISENMILLER: This item passes 4-0.

13 Thanks.

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

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

23 Initially, the total cost of installing 440 kW
24 in-conduit pelton turbine at the water transfer pipeline
25 between two reservoirs was estimated as little over \$2.2

1 million. After \$750,000 EPIC Grant, the net cost of the
2 project was \$1.5 million. However, non-construction costs
3 including consultant fee and PG&E connection fee has
4 increased the project cost by almost \$550,000.

5 Further, Amador Water Agency has encountered
6 delays in the project due to the need for PG&E to conduct
7 site visits, determine the interconnection costs, provide
8 construction requirements and lead equipment time of about
9 36 weeks. Therefore, staff is also requesting your
10 approval for a one-year extension to the Agreement Number
11 004-16-ECD with the Amador Water Agency extending the
12 agreement period to December 31, 2019.

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

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

24 The loan amendment request is in compliance with
25 the requirements of the ECAA Loan Program. I therefore

1 recommend and request your approval of this item.

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

4 CHAIRMAN WEISENMILLER: Thank you.

5 MR. CHAUDHRY: Thank you

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

8 (No audible response.)

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

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

22 So but it's always concerning right, when a
23 project goes slower and costs more. And so I guess a
24 couple of questions along those lines, I mean how
25 anticipatable were some of these delays? You know, PG&E or

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1 connection and that sort of thing. And then, sort of the
2 flipside of that, do you have confidence that this year
3 extension is going to give them enough time to actually
4 complete the project?

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

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

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

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

20 All right, anyone else? Okay. I will move Item
21 16.

22 COMMISSIONER SCOTT: Second.

23 CHAIRMAN WEISENMILLER: All those in favor?

24 (Ayes.)

25 CHAIRMAN WEISENMILLER: This item passes 4-0.

1 Thank you.

2 MR. CHAUDHRY: Thank you, Commissioners.

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

4 MR. CAZEL: Good afternoon. My name is Phil
5 Cazel and I'm with the Energy Commission's Zero-Emission
6 Vehicle and Infrastructure Office. I'm presenting a
7 \$400,000 contract for possible approval with the Regents of
8 the University of California to expand and upgrade the
9 existing publicly accessible hydrogen refueling station
10 located on the UC Irvine campus.

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

17 The UC Irvine station has been open to the public
18 since 2015 as a result of Alternative and Renewable Fuel
19 and Vehicle Technology Program funding. The current
20 nameplate capacity is 180 kilograms per day with one
21 refueling position, and that's enough to refuel about 40 to
22 45 fuel cell electric vehicles per day. A hydrogen powered
23 bus operated by the campus also refills at the station, and
24 that usually happen after 10 p.m., so as not to interfere
25 with refueling of light-duty vehicles.

1 Due to its location and the increasing number of
2 fuel cell electric vehicles deployed in the Irvine area, it
3 is one of the busiest stations in the state. In fact, it's
4 one of the highest throughput stations. During the 3rd
5 quarter of this year, there were 30 days that the station
6 dispensed over 225 kilograms per day, and 3 of those days
7 were over 300. And those days required extra deliveries of
8 hydrogen due to the limited size of the station.

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

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

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

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

25 CHAIRMAN WEISENMILLER: Thank you.

1 So let's start with public comments in the room.
2 Please, South Coast?

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

15 CHAIRMAN WEISENMILLER: Great, thank you for
16 being here.

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

18 MR. SAMUELSEN: Thank you, I just wanted to
19 express appreciation to comment. The station is in very
20 heavy demand today, representing the ever-increasing
21 interest in hydrogen vehicles and hydrogen infrastructure.
22 We're also fueling an addition to a UCI Anteater Express
23 Bus every evening, very often a hydrogen fuel cell bus from
24 the Orange County Transit Authority. It's giving the
25 Transit Authority the opportunity to evaluate the

1 technology in their particular transit district. I'm
2 available to answer any questions that you might have and
3 appreciate your consideration.

4 COMMISSIONER SCOTT: No other public comments?

5 (No audible response.)

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

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

18 So I would --

19 CHAIRMAN WEISENMILLER: Just one --

20 COMMISSIONER SCOTT: Yes, go ahead.

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

24 MR. SAMUELSEN: So is at the break even on the
25 cost side. At the design capacity of 180 programs

1 (phonetic) a day we were able to break even with the
2 station. And now that we're going over that we're able to
3 provide additional funds for the research that we're
4 conducting for the station as well in White Mill.

5 (phonetic)

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

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

10 COMMISSIONER DOUGLAS: Second.

11 CHAIRMAN WEISENMILLER: All those in favor?

12 (Ayes.)

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

15 Let's go on to 18.

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

21 This project will design, construct, and
22 demonstrate a hydrogen fueling station at the Port of Long
23 Beach. The station will serve ten large Class 8 fuel cell
24 electric drayage trucks at the Toyota facility at the Port.

25 Using 100 percent renewable biogas from dairy

1 manure, delivered via the natural gas pipeline system, and
2 using a carbonate fuel cell Tri-gen system developed by
3 FuelCell Energy, the station will produce 1,000 kg/day of
4 renewable hydrogen as well as over two megawatts of
5 renewable electricity for the facility.

6 This \$8 million agreement is proposed for funding
7 under the solicitation titled "Advanced Freight Vehicle
8 Infrastructure Deployment," which was released in December
9 2017. Two other projects from the solicitation were
10 approved at a previous Business Meeting.

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

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

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

22 The agreement I present today stands out because
23 of its use of hydrogen technology, a promising approach for
24 heavy-duty applications in areas that have suffered
25 pollution from fossil fuel-burning engines.

1 During the demonstration, the hydrogen station is
2 expected to reduce greenhouse gas emissions by over 2,300
3 metric tons per year, or the equivalent of taking more than
4 520 cars off the road.

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

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

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

18 Thank you for your consideration of this item.

19 Wayne Leighty from Shell is and also Lisa
20 Mirisola from the South Coast Air Quality Management
21 District are here today and would like to say a few words.
22 And we are here to answer any questions you may have.

23 CHAIRMAN WEISENMILLER: Great, thank you.

24 So let's start with public comment from those in
25 the room. Let's start with the public agency, Lisa?

1 MS. MIRISOLA: Good afternoon again, Lisa
2 Mirisola, South Coast AQMD and just wanting to express
3 support for your consideration of this project as well as
4 note that our AQMD Governing Board approved 1.2 million in
5 cofounding for this project as well, to accommodate low-
6 pressure fueling at one of the positions. In order to
7 provide kind of a redundancy for the network we're early in
8 the deployment of our heavy-duty vehicles in demonstration,
9 so we have two trucks, prototypes, that have been deployed
10 but are undergoing further optimization.

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

19 CHAIRMAN WEISENMILLER: Okay. Thanks again for
20 being here.

21 Please, come on up.

22 MR. LEIGHTY: Hello. Good afternoon,
23 Commissioners. My name is Wayne Leighty. I'm Hydrogen
24 Business Development Manager for Shell, responsible for our
25 activities in North America.

1 We're very grateful to the Energy Commission for
2 your consideration of this grant funding, which will
3 support hydrogen fuel cell electric trucks becoming a
4 viable option for zero emission freight movement supplied
5 in this case, as you've heard, with zero carbon hydrogen
6 produced from 100 percent biogas.

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

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

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

25 Shell is today investing in lower carbon fuels

1 and diversifying the range of energy choices that we
2 provide to customers. Hydrogen is one of those options and
3 we believe it can play an important role in the future
4 transport sector.

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

17 CHAIRMAN WEISENMILLER: Thank you.

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

20 (No audible response.)

21 Then again we'll transition to Commissioners.
22 Commissioner Scott?

23 COMMISSIONER SCOTT: Okay, this is another
24 exciting project in the hydrogen refueling space. It's got
25 a lot of great benefits to it as you have heard, both from

1 our partners at South Coast, from Lisa and from Shell from
2 Wayne. You know, it's part of the Governor's sustainable
3 freight, so looking into what kind of technologies can we
4 have in our freight sector. It's borne out of the
5 partnership that the Energy Commission has formed with six
6 ports around California over the last four or five years.
7 So Port of San Diego, Long Beach, L.A., Hueneme, Stockton
8 and Oakland and so we're just delighted to have the ports
9 to help us partner with these types, of demonstrating these
10 types of technologies.

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

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

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

25 COMMISSIONER MCALLISTER: I just would say

1 congrats on everybody's part of getting the renewable piece
2 of this in. I mean, that seems pretty huge. I mean LCSF is
3 a big piece of that, but that's kind of a watershed. I
4 mean, we really need to get there and that seems like a
5 really high value carbon reduction and so congrats on all
6 your leadership on this. It looks like a great project.

7 So I'll second.

8 CHAIRMAN WEISENMILLER: Okay. Good, did you
9 move?

10 COMMISSIONER MCALLISTER: I moved, he seconded
11 it.

12 COMMISSIONER MCALLISTER: So I second it.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 (Ayes.)

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

17 So let's go to the minutes.

18 COMMISSIONER SCOTT: Move approval of the
19 minutes.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in favor?

22 (Ayes.)

23 CHAIRMAN WEISENMILLER: So the minutes are passed
24 4-0. Let's go to Lead Commissioner and Presiding Members
25 Reports, Commissioner Scott?

1 COMMISSIONER SCOTT: Great. So I just have two
2 or three updates for you all today. Chair Weisenmiller
3 already mentioned we had our third Disadvantaged
4 Communities Advisory Group Meeting a couple of weeks ago
5 and that was great. It's great to really have the group
6 coming together thinking about what topics they want to
7 talk about, what they really want to dig into and help
8 provide advice.

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

15 I am the Chair of the Western Interconnection
16 Regional Advisory Body. That is a western group made up of
17 three Canadian provinces, eleven western states and Mexico
18 and so it's WIRAB CREPC. It's quite the acronyms, but that
19 meeting was a few weeks ago in Mesa, Arizona. One thing
20 that I thought was interesting is Arizona made some
21 presentations, I'm trying to remember or the utility or the
22 state, but they are beginning to experience -- they didn't
23 call it this, but they're beginning to experience the duck
24 curve in Arizona. So many of the questions that California
25 has been thinking through in terms of ramping, time of use,

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1 how to soak the additional solar that you might have in the
2 middle of the day are questions that are starting to make
3 their way to our western neighbors. So that was great to
4 hear about. Many other intriguing western issues including
5 a deep discussion on PURPA and some other things like, but
6 a good meeting and nice chance to connect with all of our
7 friends out west.

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

17 And then I just wanted to end, I had a chance to
18 go visit some high schools in Southern California a few
19 weeks ago. One of the things that we do through the
20 Alternative and Renewable Fuel and Vehicle Technology
21 Program, ARFVTP, is some workforce training components.
22 And we are working with Cerritos Community College and
23 others. And one of the things that they do is partner with
24 local high schools to make sure that they have the
25 opportunity, it's a pipeline from the local high schools

1 into the community colleges. And so we were visiting the
2 various auto shops at three different high schools: Schurr
3 High School in Montebello, Artesia high school in Lakewood
4 and Valley High School in Santa Ana.

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

19 You know, one thing even though it was on an
20 internal combustion engine, the students have a competition
21 where they have to dismantle and put back together a V8
22 engine in under 32 minutes. And they were able to do it in
23 28, which is just exciting. And then many of the high
24 schools are also competing at levels where they're going to
25 like the Shell Eco-marathon and coming in in the top 25 or

1 top 30. People from all around the world, from
2 universities are competing in this. And high school
3 students in California are competitive as well and so it's
4 just great to be a part of that. It was just a wonderful
5 day.

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

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

23 And on decarbonization, you know, I think the
24 Energy Commission is seen appropriately as the institution
25 or the agency that's really going to have to work through a

1 lot of these tough issues. And so I'm excited to do that,
2 but I also think we shouldn't underestimate how big of a
3 lift that is, because we have a lot of big infrastructure
4 in the state that has long-term investments behind it. And
5 we've got to sort of figure out how to transition. You
6 know, it's a big ship to steer and Chair Weisenmiller's
7 more in the middle of this than any of the rest of us, but
8 particularly on 3232. The AB 3232, we need to come up with
9 a Building Decarbonization Plan by 2021 and that's not a
10 trivial thing. It's going to beg all sorts of questions
11 about our infrastructure evolution.

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

19 And so just to give an example, last time I think
20 Commissioner Hochschild mentioned the kickoff of this
21 Decarbonization Collaborative that both of us spoke at the
22 kickoff of. And it's gathering steam, it's definitely got
23 a lot of legs. And one of the first things it's done is
24 organize or co-organize a heat pump, a retrofit ready heat
25 pump water heater effort. You know, so if we're going to

1 figure out how to get rid of combustion and heat pumps we
2 need to have electric heat pumps. But a lot of electric
3 service panels don't support that and so what's the market
4 move there that's going to get that done?

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

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

1 of hopefully see change in that. That they're actually
2 getting the kind of skill they need.

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

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

25 And one final item or two items, along those

1 lines NASEO and NARUC are actually kicking off a
2 collaborative effort around distribution system planning.
3 And so it's an issue who -- the duck curve is popping up as
4 you said a lot of different places. And I think the
5 distribution system is a focus of planning effort and
6 investment and is becoming obvious in more and more places.
7 And so this effort to underscore the relationships of
8 policy to regulation, sort of PUCs and Public Service
9 Commissions across the country and the state energy offices
10 and the Governor's Office (indiscernible) policy really
11 need to get on the same page in terms of where we're
12 transiting our electricity system. And so there's a
13 collaboration.

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

22 Let's see, so finally I want to make a couple of
23 acknowledgements. This is Dave Ashuckian's last Business
24 Meeting as Deputy of the Efficiency Division. And I want
25 to just thank him for all of his -- not just here at the

1 Energy Commission, but his just long, long career of state
2 and public service, really phenomenal. And I don't know
3 what your "retirement" looks like, but I imagine there's a
4 lot of fuel left in the tank. But a really well-deserved
5 retirement from the Energy Commission and I want to just
6 thank you for all of your effort and leadership. And we've
7 accomplished a lot at the Energy Commission in I guess six
8 or seven years since you've been Deputy, so I wanted to
9 just acknowledge that and say thanks. And maybe put you on
10 the spot if you want to say anything, I don't know.

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

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

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

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

20 MR. ASHUCKIAN: Thank you so much. Yeah, it's
21 been a great experience. My whole career has been a great
22 experience. I've seen a lot of things that I have worked
23 on over the years come to fruition. My very first project
24 when I came to the state was working the Research and
25 Development Division of Caltrans developing automated

1 vehicles that drove by themselves. Today, they're on the
2 streets, so that was quite an accomplishment.

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

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

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

1 that many jobs --

2 COMMISSIONER MCALLISTER: There's still time.

3 (Laughter)

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

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

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

22 (Applause.)

23 COMMISSIONER MCALLISTER: End of the Business
24 Meeting is the applause isn't quite so robust, but thanks
25 again, Dave.

1 And I have one other thank you, actually. I
2 wanted to just acknowledge my Executive Assistant who
3 retired, Donna Parrow. I don't think I did last meeting
4 and Laura Castaneda has stepped into her big shoes and
5 obviously done spectacularly. But Donna was really a
6 fixture in my office and everybody knew her and she really
7 set the tone for really an open door and just a very
8 welcoming office. And just got along great along the row,
9 just with everybody in the Commission, treated people with
10 tremendous respect. So we all miss her every day.

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

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

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

25 And secondly, I will mention and I imagine the

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

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

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

18 COMMISSIONER MCALLISTER: Say that five times in
19 Japanese.

20 CHAIRMAN WEISENMILLER: Exactly, well once in
21 Japanese would be beyond my skills. But anyway, they're
22 very focused on what I'd characterize as futuristic
23 technology although they had an interesting split. They
24 went through and had a list of technologies in two buckets.
25 Bucket One were things that could have an impact by 2030

1 and then there was a much larger list on things that might
2 have an impact by 2050. And they had everyone vote on
3 which of those were at the top of their list and it ranged
4 from Philips providing lighting services now instead of
5 VOLTs (phonetic) or Proterra providing leases for the
6 batteries on buses to cement -- absorb CO2 from the air or,
7 you know, other. Maybe even a cardigas (phonetic) system
8 that would be cost effective. They thought it might be
9 possible by 2050, so anyway and this would tend to push
10 more on the technology side.

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

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

24 And it turns out for Japan in the '70s they were
25 totally dependent upon oil, so when the price spikes

1 occurred they were just hammered. And they have a very
2 conscious strategy coming out of that to push energy
3 efficiency, but also have the diverse resource mix. And
4 coal is seen as one of those elements along with nuclear,
5 along with LNG, along with renewables.

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

12 And then I went to the --

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

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

22 There was a really neat video on autonomous
23 vehicles, following up on Dave where some guy is like on
24 his fourth generation. So the video goes, well this is the
25 first model, which rolled over going down the hillside.

1 This is the second model, which was hit by another vehicle
2 as we're going into the test run, so marching through the
3 various trials and tribulations of trying to get these
4 things to work. But anyway, so that was all interesting.

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

7 CHAIRMAN WEISENMILLER: Sure.

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

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

20 CHAIRMAN WEISENMILLER: So that's a very
21 interesting question, because they -- actually when you
22 look at what NATO has done they have a booklet on their
23 accomplishments. It's really all healthcare. You know,
24 you can tell they're really dealing with sort of an aging
25 society. A certain amount of robotics, you know? And I

1 guess the bad news is, at least what I'd heard, was the
2 heat pump force costs would not really come down that much
3 in Japan. And they're feeling like it's now really
4 reliable, but they haven't whatever, scaled it to really
5 drive costs down.

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

11 Great. So Chief Counsel's Report?

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

15 CHAIRMAN WEISENMILLER: Right.

16 Executive Director's Report?

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

24 (Laughter.)

25 Okay. Well, I was going to call on one of them

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

13 CHAIRMAN WEISENMILLER: Okay. Public Adviser's
14 Report?

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

17 CHAIRMAN WEISENMILLER: Okay.

18 And public comment? Please come up, yes.

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

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

25 I have this marketing promotional item that I

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

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

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

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

25 I talked to SMUD about that. They say, "Oh well,

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

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

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

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

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

1 information.

2 Go ahead.

3 MS. LEE: Absolutely, thank you Commissioner.
4 Natalie Lee, the Deputy Director of the Renewable Energy
5 Division. And again, I do want to thank Mr. Uhler for
6 bringing his concerns here.

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

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

21 Effective this year, we did ask them to report
22 separately for every product offering. So for any product
23 provided to a commercial customer, to the State of
24 California, to any specified product marketing they are
25 required to report separately.

1 The Solar Shares Program is a unique program.
2 It's hard for us in working with SMUD. We're trying to
3 make sure the reporting is complete and accurate, but it is
4 a unique program. I think in working with Mr. Uhler we can
5 address some of his concerns and assure him that we do take
6 the dating reporting, the collection and reporting of data
7 very seriously. We do verify the power source disclosure
8 reporting.

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

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

18 I think at this point we're going to go into
19 closed session. After the closed session, which I'm going
20 to guess -- these guesses are never very good, but around
21 2:00 o'clock I'll probably be back to report. So the
22 Commission will now go into closed session as specified in
23 Agenda Item 21.a.vi, which provides notice the Commission
24 will adjourn to closed session with its Legal Counsel
25 pursuant to Government Code Section 11126(e) to discuss the

1 following litigation to which the Energy Commission is a
2 party. State Energy Resources Conservation and Development
3 Commission v. City of San Jose, JUM Global, L.L.C. This is
4 at Sacramento Superior Court, Case No. 34-2018-00230652.

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

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

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

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

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

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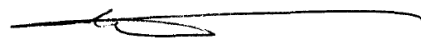
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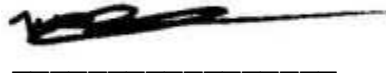
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