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1 ENERGY COMMISSION

2 TRANSCRIPTION OF RECORDED BUSINESS MEETING

3 APRIL 10, 2019

4 SACRAMENTO, CALIFORNIA

5
6 Present: DAVID HOCHSCHILD, CEC Chair
7 JANEA SCOTT, CEC Vice Chair
8 KAREN DOUGLAS, CEC Commissioner
9 J. ANDREW MCALLISTER, CEC Commissioner
10 DENNIS BALAKIAN, California West Coast
11 WAYNE LEIGHTY, Shell
12 JOE CAPPELLO, Iwatani Corporation
13 ERIK NEANDROSS, Gladstein, Neandross &
14 Associates
15 NED MCKINLEY, U.S. Marine Corps
16 MICHELLE CHESTER, Somach Simmons & Dunn
17 BRIAN PROBST, Edgecore
18 SAMANTHA G. NEUMYER, Ellison,
19 Schneider, Harris & Dolan
20 JUSTIN WYNNE, Braun Blaising Smith
21 Wynne
22 JUAN G. VILLANUEVA, Port of Stockton
23 JEFFERY WELCH, Aemtis
24 MICHAEL BROWN, California Grinding Inc

22 Transcribed by: Hannah Stowe,
23 eScribers, LLC
24 Phoenix, Arizona

25 --o0o--

1 The SPP option is available for thermal power plants
2 between fifty and a hundred megawatts, and pursuant to
3 Public Resources Code Section 25541, the exemption can
4 only be granted if -- and I'm quoting here -- "no
5 substantial adverse impact on the environment or energy
6 resources will result from the construction or operation
7 of the proposed facility".

8 Applicant MECPl Santa Clara 1, LLC, which of course
9 just rolls right off the tongue, is represented here
10 today by Brian Probst. And they filed their application
11 for an SPP on March 5th, 2019, seeking the exemption from
12 the Commission's power plant licensing requirements.

13 The Laurelwood Data Center consists of two server
14 buildings, fifty-six diesel fuel backup generators, and
15 associated equipment and connections proposed for
16 construction in the city of Santa Clara.

17 Thank you, and we'd be happy to answer any questions
18 you have.

19 **MR. HOCHSCHILD:** Any questions from the committee?

20 (No audible response)

21 **MR. HOCHSCHILD:** Any additional comments from the
22 public on this item?

23 (indiscernible) for Laurelwood. Sorry, go ahead.

24 Yeah.

25 **UNIDENTIFIED SPEAKER:** Thank you, commissioners. We

1 won't take up too much of your time. We know you're busy
2 today, but we just wanted to thank you for the
3 opportunity to be here before you today. And we just
4 wanted to introduce the project team very quickly.

5 **MR. PROBST:** Hey, I'm Brian Probst. I'm the senior
6 project manager who'll be handling the construction and
7 permitting process for EdgeCore data centers, which is
8 the long LLC name that you heard earlier. I just wanted
9 to second the thank you for allowing us to be here today
10 and for working with us on this project.

11 **MR. HOCHSCHILD:** Okay. Thank you, both, for
12 joining.

13 Any comments from the public on this?

14 (No audible response)

15 **MR. HOCHSCHILD:** All right. Hearing none, is there
16 a motion?

17 Do we need (indiscernible)?

18 **UNIDENTIFIED SPEAKER:** I think we should suggest a
19 committee.

20 **MR. HOCHSCHILD:** Yep. Okay. Sorry. So actually
21 this is on you, Commissioner Douglas, correct?

22 **MS. DOUGLAS:** Yes. And a second -- I think
23 Commissioner Scott might be willing to volunteer, too.

24 **MR. HOCHSCHILD:** Okay.

25 **MS. DOUGLAS:** All right.

1 **MR. HOCHSCHILD:** You've been volunteered.

2 **MS. DOUGLAS:** All right. And so with that settled,
3 then it would be Commissioner Douglas presiding,
4 Commissioner Scott associate member on this committee.
5 And I move approval.

6 **MR. HOCHSCHILD:** Second?

7 **DR. MCALLISTER:** I'll second that.

8 **MR. HOCHSCHILD:** All in favor, say aye.

9 **IN UNISON:** Aye.

10 **MR. HOCHSCHILD:** All right. That passes
11 unanimately. Thank you.

12 Thank you for joining us.

13 All right. Let's move on to item 3.

14 **MS. MARTIN-GALLARDO:** Good morning, Chair Hochschild
15 and commissioners. I'm Jennifer Martin-Gallardo of the
16 Chief Counsel's Office. I served as a hearing advisor
17 for this matter, which involves California's Renewable
18 Portfolio Standard (sic) or RPS.

19 Beginning in 2011, the RPS required each local,
20 publicly-owned electric utility to adopt and implement a
21 renewable resources procurement plan that requires the
22 utility to procure a minimum quantity of electricity
23 products from eligible renewable energy resources,
24 including renewable energy credits, a specified
25 percentage of total kilowatt hours sold to the utility's

1 retail end-use customers.

2 For compliance period one, which was January 1st,
3 2011 to December 31st, 2013, the governing board of a POU
4 was required to procure quantities of eligible renewable
5 energy resources equal to an average of twenty percent of
6 retail sales. That procurement was to be balanced
7 between three distinct portfolio content categories.

8 The RPS allowed the governing board of each POU to
9 adopt certain measures commonly referred to as "optional
10 compliance measures". If adopted in conformance with
11 legal requirements, these optional compliance measures
12 would allow a POU to comply with the RPS program, even if
13 it was unable to procure the required quantity of
14 eligible renewable energy resources.

15 On January 8th, 2018, the Energy Commission
16 executive director filed a complaint against the Stockton
17 Port District for noncompliance with the RPS for
18 compliance period one. In February of 2018, the
19 Commission appointed a committee of Chair Hochschild,
20 associate member, and Commissioner Douglas, presiding
21 member, to consider the complaint.

22 The complaint alleges that the Port failed to meet
23 its procurement target requirement and its portfolio
24 balance requirement. The complaint also alleges that the
25 Port was not excused from satisfying these requirements

1 by the application of optional compliance measures,
2 because the Port failed to adopt optional compliance
3 measures and describe these measures in an adopted RPS
4 procurement plan before the end of compliance period one.

5 The Port admits that it failed to meet its
6 procurement target and portfolio balance requirement but
7 disputes the allegation that it failed to adopt optional
8 compliance measures. The Port asserts that its actions
9 either directly or substantially met the relevant
10 statutory and regulatory requirements to adopt optional
11 compliance measures.

12 Staff in the Port briefed the legal and factual
13 issues and stipulated to a set of agreed-upon facts. The
14 Port provided additional evidence to support its claim
15 that it directly or substantially met the relevant
16 statutory and regulatory requirements to adopt optional
17 compliance measures.

18 Staff has argued that, despite the Port's
19 noncompliance with the RPS program, the Energy Commission
20 may excuse the noncompliance based on mitigating
21 circumstances and does not need to refer the matter to
22 the California Air Resources Board for penalties. Staff
23 has urged that, if the matter is forwarded to the ARB,
24 that no penalties should be imposed.

25 The committee filed a proposed decision on March

1 29th, 2019. After considering the RPS program legal
2 requirements and the evidence presented, the committee
3 issued a proposed decision which came to the following
4 conclusions.

5 One, the Port governing board did not comply or
6 substantially comply with the requirement to adopt
7 optional compliance measures. Had it done so, the
8 optional compliance measures the Port submitted to the
9 Energy Commission would have excused the noncompliance
10 with its procurement obligations.

11 Two, significant mitigating factors do exist, but
12 under the RPS program, mitigating factors do not as a
13 matter of law operate to excuse the Port's noncompliance.
14 Instead, they are properly considered by the California
15 Air Resources Board at the penalty phase. And three, the
16 committee suggests that no penalty be imposed by the ARB.

17 The Port filed comments on the committee proposed
18 decision on April 5th, 2019, which you have before you.
19 No other written comments on the proposed decision have
20 been received. The Port and staff are here today, and
21 there may also be public comment. I am happy to provide
22 responses to the Port's comments and any other comments
23 after the parties have spoken.

24 We prepared the agenda to afford the opportunity for
25 you to deliberate in closed session if you desire.

1 The committee recommends that you approve the
2 adoption order, which by its terms adopts the committee
3 proposed decision as modified to accurately reflect
4 determinations made today.

5 I am available for questions.

6 **MR. HOCHSCHILD:** Thank you, Jennifer.

7 Any questions of Jennifer before we move on to
8 Stockton?

9 (No audible response)

10 **MR. HOCHSCHILD:** Okay, Justin?

11 **MR. WYNNE:** Good morning. Justin Wynne here on
12 behalf of the Port of Stockton. And thank you for the
13 opportunity to speak before you this morning.

14 So the Port of Stockton serves an area of the state
15 that faces high unemployment and poverty, and they were
16 particularly hard hit by the most recent economic
17 downturn, one of the slower areas to recover. And one of
18 the key purposes for the Port of Stockton is to serve as
19 an economic driver for its region to attract jobs to the
20 Port. And they have to compete against other regions of
21 the western coast of North America.

22 Sorry.

23 And the main reason that the Port began providing
24 electric service was to provide an added economic
25 incentive to attract additional businesses to locate in

1 the Port of Stockton's area. And consistent with this
2 purpose, its early RPS development efforts were focused
3 on developing solar in its service territory so that it
4 could keep its RPS dollars and the benefits and job
5 benefits of that local.

6 And it wasn't until late in the first compliance
7 period that, due to circumstances that were outside the
8 control of the Port, that it became clear that the two
9 different solar projects that it was focusing on
10 developing would not be completed in time to meet its RPS
11 procurement requirements in the first compliance period.

12 And at that point, the Port had expended significant
13 funds towards those projects. And the additional funds
14 that would have been necessary to meet its RPS compliance
15 requirements in the first compliance period would have
16 likely resulted in a rate spike, and it could have
17 threatened the very viability of the Port's utility.

18 So there's two RPS offramps that are relevant to the
19 Port's circumstance. There's delay of timely compliance
20 and cost limitation. And the committee proposed decision
21 acknowledges that the Port met all of the requirements
22 for both of those elements, except for the express
23 reference to those offramps in an adopted RPS procurement
24 plan.

25 And the Port acknowledges that it didn't take that

1 specific action, but it has argued that its actions in
2 total substantially comply with the RPS requirements and
3 with the intent of the overall RPS program, including the
4 development of new additional RPS resources, particularly
5 those located in disadvantaged communities.

6 And applying the RPS offramps is also consistent
7 with the purpose of those provisions, one for the cost
8 limitation preventing disproportionate rate impacts, and
9 then for the intent of the delay of timely compliance,
10 protecting a utility and its customers from penalty where
11 their actions have been in good faith and they've taken
12 reasonable planning efforts and the result of a project's
13 failure is outside of their control.

14 In this situation, the Port's board and its
15 customers were well aware of and deeply involved in the
16 efforts to develop these solar resources. The customers
17 and board were also well aware of and briefed of the
18 financial situation for the Port's utility and the
19 consequences of a rate increase.

20 And it's not clear how the overall purpose of the
21 RPS program would be further advanced by a simple
22 adoption or how the purpose of the RPS program would be
23 advanced if a financial penalty was imposed on the Port,
24 which would ultimately flow through to its customers.

25 Because of that, the Port has urged that the

1 Commission should dismiss the complaint on the basis of
2 substantial compliance. Alternatively, the Port has
3 supported the recommendation from the executive director
4 that the Commission has the authority to dismiss a
5 complaint on the basis of mitigating circumstances, and
6 in this case that would be justified.

7 The Commission has broad discretion in setting its
8 regulations, particularly for the RPS, and that would
9 necessarily include the ability to put reasonable limits
10 on what would be referred from the Commission to ARB.
11 And the ARB has a much more limited role in this process.
12 Their role is limited to determining the penalty amount
13 within the range that aligns with what would be
14 comparable to a CPUC penalty for a retail seller and also
15 collecting those funds.

16 If the Commission determines that, due to mitigating
17 circumstances or as in this case where the applicable
18 penalty imposed by the CPC would be a waiver, there would
19 be essentially no penalties, and in that case it doesn't
20 make sense to refer this to ARB.

21 Doing so would be an unnecessary burden. It would
22 waste resources, and it also exposes the utility to a
23 situation where the primary trier of fact, the overseer
24 of the hearing, has determined that no penalty is
25 necessary, yet they're still exposed to significant

1 penalties through the ARB's process.

2 We don't believe that that creates a fair or
3 reasonable process, and we urge the Commission to
4 reconsider this and determine that it does have the
5 discretion to dismiss the complaint on the basis of
6 mitigating circumstances.

7 And then finally, the Port included in its
8 recommendations that, if the Commission does approve the
9 committee proposed decision, there are certain findings
10 of fact and conclusions of law that we would recommend
11 amendments.

12 One of the primary ones is the committee proposed
13 decision's determination that the Port would have met the
14 requirements for waiver under the CPUC's process. That's
15 clearly a legal determination, and it is very relevant to
16 ARB's role in determining what a comparable penalty would
17 be under their process.

18 **MR. HOCHSCHILD:** Great, thank you.

19 Are there any public comments before we turn it over
20 to commissioner discussion?

21 So staff, you want to respond to that? Yeah.

22 **MS. SMITH:** Sure. It'll be --

23 **MR. HOCHSCHILD:** Yeah.

24 **MS. SMITH:** -- short and sweet. Courtney Smith,
25 chief deputy. I'm joined by Gabe Herrera from our Chief

1 Counsel's Office. Staff don't have any additional
2 arguments or facts to present to you that have not
3 already been discussed in the matter. Staff support the
4 committee's proposed decision, and we're happy to answer
5 any questions.

6 **MR. HOCHSCHILD:** Great, thank you.

7 Okay, Jennifer, would you respond to what you -- if
8 you'd like to make a response -- what you heard?

9 **MS. MARTIN-GALLARDO:** Sure. I'm happy to.

10 Thank you. The Port did file comments in the
11 proposed decision, and I will respond to each comment in
12 turn. First, the Port asserts its arguments that the
13 Port substantially complied with requirements to claim
14 optional compliance measures. The committee disagreed
15 with the Port on this point.

16 At pages 8 and 9 of the proposed decision, the
17 committee explained that the legal doctrine of
18 substantial compliance is not available when a statute's
19 requirements are mandatory.

20 The legislature explicitly imposed a duty on POU
21 governing boards to adopt optional compliance measures if
22 a POU wanted them available to excuse noncompliance with
23 procurement requirements. The committee found this
24 statutory requirement to be essential to the promotion of
25 the RPS program's overall design and goals.

1 The Port's governing body never took a vote or
2 passed a resolution to adopt optional compliance
3 measures. Because the committee found that this type of
4 formal action by the governing board is a mandatory
5 requirement to comply with the RPS program statutes, the
6 committee found that the doctrine of substantial
7 compliance is not available here.

8 I recommend that the Commission uphold the
9 determination made in the proposed decision.

10 **MR. HOCHSCHILD:** Okay, thank you.

11 **MS. MARTIN-GALLARDO:** I --

12 **MR. HOCHSCHILD:** Any public comments --

13 **MS. MARTIN-GALLARDO:** I had -- there's a few more.

14 **MR. HOCHSCHILD:** You're still going. There's more,
15 okay.

16 **MS. MARTIN-GALLARDO:** Sorry, a few more.

17 **MR. HOCHSCHILD:** Sorry.

18 **MS. MARTIN-GALLARDO:** All right. Second, the Port
19 reasserts its argument that the Commission has broad
20 authority to dismiss a complaint based on mitigating
21 circumstances.

22 The committee disagreed. As explained in the
23 proposed decision at pages 12 and 13, the committee found
24 that mitigating circumstances do not waive or excuse
25 noncompliance. Rather, they are properly considered by

1 the Air Resources Board at the penalty phase, should a
2 matter be referred to the ARB.

3 In this matter, the committee determined that the
4 Port did not meet its procurement obligations, and its
5 governing board did not adopt optional compliance
6 measures to excuse that noncompliance. The committee
7 further determined that significant mitigating factors
8 exist, and because of them, recommended that no penalty
9 be imposed by the Port (sic) because of its
10 noncompliance.

11 The committee's actions in this regard are entirely
12 consistent with the requirements set forth in the
13 Commission's regulations for adjudicating alleged RPS
14 noncompliance. Also, Section 399.30 states in pertinent
15 part, "Upon a determination by the Energy Commission that
16 a local, publicly-owned electric utility has failed to
17 comply with this article, the Energy Commission shall
18 refer the failure to comply with this article to the
19 state Air Resources Board, which may impose penalties."

20 While the executive director has discretion whether
21 the facts of a particular situation warrant a complaint,
22 once a complaint is submitted to the Commission and the
23 Commission finds that there was noncompliance, the
24 statute leaves no discretion. The Energy Commission
25 shall refer the failure to comply to the ARB.

1 Furthermore, the Public Utilities Code does not
2 indicate that the Energy Commission can dismiss a
3 complaint based on mitigating circumstances. In fact,
4 there is no mention of mitigating circumstances in the
5 RPS program statutes.

6 Mitigating circumstances are mentioned in Title 20
7 Section 1240 subsection (g), which states that "the
8 decision may also include findings regarding mitigating
9 and aggravating factors, upon which the California Air
10 Resources Board may rely in assessing a penalty."

11 For these reasons, I recommend the Commission uphold
12 the determination made in the proposed decision.

13 Third, the Port requests that the findings of fact
14 should be amended to accurately reflect the financial
15 burden to the Port and its communities. The proposed
16 decision at finding of fact (e) states, "A financial
17 penalty would reduce the Port's ability to procure
18 renewable energy resources in future compliance periods."

19 The Port requests the Commission add more to this
20 finding to include the statement, "and would increase
21 costs to the Port's customers in an area of the state
22 that faces disproportionately higher rates of
23 unemployment and poverty". The Port's request is largely
24 consistent with the language contained in the body of the
25 proposed decision at page 16.

1 The Port's request the language state that the area
2 in which the Port is located "faces disproportionately
3 higher rates of unemployment and poverty", but there is
4 insufficient evidence in the record on proportionality to
5 support the specific language requested.

6 But it would be appropriate if the Commission so
7 chooses to amend finding of fact 5(e) to read in full, "A
8 financial penalty would reduce the Port's ability to
9 procure renewable energy resources in future compliance
10 periods and would increase cost to the Port's customers
11 in an area of the state that faces high levels of
12 unemployment and poverty."

13 Finally, the Port requests the addition of three
14 conclusions of law regarding comparable penalties. The
15 first is the regulatory requirement that suggests
16 penalties be comparable to penalties adopted by the
17 California Public Utilities Commission for noncompliance
18 with an RPS requirement for retail sellers. The second
19 is a statutory requirement that specifies the mandatory
20 reasons that the CPUC may grant a waiver to a retail
21 seller.

22 And the third is a request to add a conclusion that
23 the Port met all requirements for the Section 399.15
24 subdivision (b)5(B) standard for waiver under the
25 California Public Utilities Commission's adopted waiver

1 process, and therefore a comparable penalty is a full
2 waiver.

3 The first two requests are reasonable and entirely
4 consistent with the language of the proposed decision.
5 The third, however, is not supported by the decision or
6 law. Under Energy Commission regulations, the
7 Commission's decision to suggest no penalties must be
8 comparable to penalties adopted by the CPUC for
9 noncompliance by retail sellers.

10 To comply with that requirement, the committee's
11 proposed decision generally compared the requirements of
12 the delay of timely compliance optional compliance
13 measures to the CPUC's waiver requirements for a retail
14 seller. The decision noted that the CPUC has not yet
15 issued a decision on the waiver request that it has
16 before it for compliance period one.

17 Because the CPUC's process has never been completed,
18 a thorough comparison between the Energy Commission's
19 delay of timely compliance optional compliance measures
20 and the CPUC's waiver requirements cannot be made.
21 Moreover, the CPUC's waiver process for retail sellers is
22 not identical to or fully aligned with the requirements
23 imposed by the RPS program for POUs.

24 Thus, neither the committee nor the Commission can
25 find as a matter of law that, because a POU such as the

1 Port would arguably satisfy inapplicable waiver
2 provisions upon which retail sellers might rely, that
3 such satisfaction excuses or waives POU's noncompliance
4 with clearly applicable RPS program requirements.

5 The RPS imposed different obligations on retail
6 sellers and POUs and provided them different compliance
7 opportunities. Thus, the proposed decision finds
8 noncompliance but recommends no penalty for the Port
9 based on mitigating factors. It properly does not go so
10 far as to state the Port's noncompliance is waived.

11 In addition to the comments from the Port, I want to
12 point out that the proposed decision includes an improper
13 reference to Title 2 at conclusions of law number 7 and
14 9. Those need to be changed to Title 20.

15 That concludes my responses to comments.

16 **MR. HOCHSCHILD:** Thank you.

17 Would you like to respond to any of that, Justin?

18 **MR. WYNNE:** Yes, thank you. So on the final point,
19 between the ARB and the CEC, we've argued that the CEC's
20 in a much better position to evaluate both the statutory
21 RPS requirements because of their experience with the POU
22 regulations and their broader role in the RPS, but also
23 in understanding what the CPUC requirements would be
24 because of their coordination throughout the last ten
25 years in implementing RPS regulations.

1 And so I believe that it is more appropriate for the
2 CEC to weigh in on whether or not the Port would have met
3 the RPS requirements as applicable to a retail seller
4 than for ARB to determine that, and that this would be
5 the appropriate process because we could comment on that
6 as compared to the ARB's process, which is more along the
7 lines of settlement negotiations, as I understand what it
8 was intended to be.

9 And so leaving that as an unconfirmed issue I think
10 is a concern for the Port, particularly because ARB has
11 not adopted any specific regulations for RPS penalties,
12 and so we don't have a clear view right now of what that
13 process will look like.

14 It's our understanding that there was an effort in
15 2016 to develop those regulations. Those were never
16 adopted. It's our understanding now that there might be
17 guidance provided, but essentially we're having to go
18 through this process and finalize what the Commission's
19 decision looks like before we understand what ARB will
20 do.

21 **MR. HOCHSCHILD:** Thank you.

22 For the record, that was Justin Wynne speaking on
23 behalf of Stockton. Because we don't have a court
24 reporter, our public advisor reminds me everyone needs to
25 say their name before they speak for the record.

1 Is there any public comment on this item before we
2 do committee discussion?

3 (No audible response)

4 **MR. HOCHSCHILD:** Hearing none, Commissioner Douglas?

5 **MS. DOUGLAS:** Thank you, Chair Hochschild. So I do
6 have a number of comments on this item, and of course the
7 committee on this item -- the chair and myself -- have
8 been through a number of proceedings and listened
9 carefully to all of the parties and the materials that
10 they submitted to the committee.

11 And I will say that for my part I have some sympathy
12 with what the Port is saying in terms of its position of
13 being a small utility whose primary business model is not
14 providing electricity -- it's running a port -- and which
15 made a very clear effort to comply with the RPS in
16 compliance period one by building renewable energy in its
17 service territory and bringing projects online. And I
18 don't think there's any doubt in the committee's mind
19 that that effort was real and sustained and serious.

20 And in addition, we see that the Port is in
21 compliance as we look at compliance period two, and we
22 have every reason to expect that the Port will continue
23 to implement the RPS in compliance with state
24 requirements. And that's something that we are happy to
25 see.

1 So in terms of the committee's decision, though, we
2 have to be very mindful of what our role is and what role
3 the legislature provided to other agencies. And we have
4 to be very mindful of the difference between words like
5 "may" and "shall" in the statute.

6 And when the committee looked at the legal
7 requirements in the statute and considered our discretion
8 to apply mitigating circumstances in the way that was
9 requested, our determination was that the statute really,
10 really directed us to send this matter to ARB, and that
11 the statute gave us the option, should we choose, of
12 recommending a penalty amount, which we proceeded to do.
13 And we recommended no penalty.

14 It's a new program. It was the first compliance
15 period of a new program, and there were a number of
16 factors that we went through and we laid out better in
17 the decision than I will orally right now. But we made
18 that recommendation based on the record that we had and
19 that the Port and staff helped us develop.

20 I recognize that ARB does not have regulations in
21 place to address matters for enforcement from the RPS
22 that we send to them. And we did look closely because we
23 knew that the ARB would have to consider what level of
24 penalty would be imposed by the PUC. So we did look
25 closely at what the PUC has set out in that area.

1 But the PUC has not implemented its procurement
2 expenditure limitation program. And while we have a
3 general idea of the way that the PUC has set out to
4 structure its program, we do not have nearly enough
5 information on how they would implement it, given that it
6 hasn't been implemented, nor can we as a matter of law
7 stand in the PUC's shoes to say that they absolutely
8 would have found this or that under their program.

9 We did what I think is what we could do -- to look
10 at the general operation of their program and say, based
11 upon what we know today, it seems to us that the Port of
12 Stockton would have fallen into the category that would
13 have allowed it to be granted a waiver. And that
14 supports our recommendation of no penalty.

15 **MR. HOCHSCHILD:** Thanks.

16 I have nothing to add to that, except that I think
17 this strikes the right balance. The legislature cares
18 very much about POU compliance with the RPS, and I think
19 our recommendation of no penalty was sufficient.

20 Are there other comments?

21 **MS. DOUGLAS:** Chair Hochschild, let me make one
22 more --

23 **MR. HOCHSCHILD:** Yeah.

24 **MS. DOUGLAS:** -- comment, and then --

25 **MR. HOCHSCHILD:** Sure.

1 **MS. DOUGLAS:** -- we'll go to other commissioners.
2 And I realize that I didn't address the question of the
3 importance of the POU board actually adopting the RPS
4 plan, which, as we note in the decision, if they had gone
5 through the step of actual adoption, we wouldn't be here
6 today.

7 And part of this is looking at the statute and
8 seeing that, from the words on paper, it certainly looks
9 like the legislature placed great importance on the role
10 of the POU governing boards as governing boards, as
11 entities that make these decisions and make them on the
12 record and through official processes, and that taking
13 these matters up to that level is, in my view, an
14 inherent part of the RPS construct.

15 And that's why, while the arguments for substantial
16 compliance -- while there were arguments for substantial
17 compliance and we looked closely at those arguments, when
18 it came to the question of whether that was enough in the
19 absence of the governing board taking this up at a
20 meeting as intended by the statute, it was our conclusion
21 that it wasn't quite there.

22 **MR. HOCHSCHILD:** Okay, thank you.

23 Commissioner McAllister?

24 **DR. MCALLISTER:** Yeah. I just wanted to say I do
25 support keeping this in the deliberative realm. I think

1 that's critical, and it's part of the RPS -- of having
2 everybody up their game in maintaining transparency. And
3 that's, I think, a valuable outcome of the RPS, right?
4 And so the decision to refer to ARB is, I think, sending
5 that signal that we're taking that seriously.

6 I guess I had a question for the committee. Is
7 there any -- so I want to just acknowledge that we are in
8 some way experts in these issues, and we do run the
9 program, and so I would hope that ARB would rely on us
10 and our record and our expertise to understand the
11 situation in a substantive way and come to a conclusion
12 and at least listen to our recommendation and make their
13 decision.

14 So I guess I won't ask you to speculate on whether
15 you think that'll happen, but I think, from what I know
16 about the collaborative nature of the agencies, I don't
17 have any reason to expect that that would not happen,
18 right?

19 **MS. DOUGLAS:** I think that obviously in the
20 adjudicative framework when we are actually hearing a
21 complaint, we cannot call ARB and say --

22 **DR. MCALLISTER:** Yeah.

23 **MS. DOUGLAS:** -- what would you think, and we did
24 not. And what we did do is we laid out -- in our role as
25 finders of fact, we laid out the facts and applied them

1 to the law as clearly as we could in order to create a
2 record that the Commission will vote on and that will go
3 to ARB.

4 And I do think that there is a realm of interagency
5 collaboration in terms of how this program works, and
6 what ARB does when we are past the adjudicative stage, we
7 may wish to pay some attention to. But we really focused
8 on the role that was given to us, and within our realm it
9 was to hear these issues and write a decision that laid
10 them out as clearly as we could.

11 **MR. HOCHSCHILD:** Great. Commissioner Scott?

12 **MS. SCOTT:** Sure. I just wanted to weigh in. I
13 received an excellent briefing on this matter and
14 reviewed the materials, and I think, given the
15 complexities of the statute and what's required and when
16 and where in the sequencing, that you've struck the best
17 balance that you can here. So I just wanted to add that.

18 **MR. HOCHSCHILD:** Thanks.

19 Is there a motion?

20 **MS. DOUGLAS:** I will make a motion -- I will make a
21 recommendation, actually, that we make not all but a
22 couple of the changes to the decision suggested by the
23 Port. And that would be -- and I'll just read it in the
24 form of a motion.

25 So I will move to approve and adopt the committee

1 proposed decision with the following changes. Change
2 number 1: Modify finding of fact 5(e) to read in full,
3 "A financial penalty would reduce the Port's ability to
4 procure renewable energy resources in future compliance
5 periods" -- that's there already, and here's the
6 change -- "and would increase cost to the Port's
7 customers in an area of the state that faces high levels
8 of unemployment and poverty". So that statement, which
9 the Port asked us to add is in our record and supported
10 by our record.

11 Modification number 2: Add conclusion of law number
12 10 to read, "Title 20, California Code of Regulations
13 Section 1240 subdivision (g) requires that any suggested
14 penalties shall be comparable to the penalties adopted by
15 the California Public Utilities Commission for
16 noncompliance with an RPS requirement for retail
17 sellers." That's suggested by the Port, and we think
18 that's supported.

19 Modification number 3: Add conclusion of law number
20 11 to read, "Section 399.15 subdivision b(5) specifies
21 the mandatory reasons that the CPUC may grant a waiver to
22 the retail seller."

23 And then the only other modifications are to correct
24 typographical errors. Modification number 4: Correct
25 typographical errors in conclusions of law numbers 7 and

1 9 to properly reflect that the reference is to Title 20.

2 So with those modifications, I move to approve and
3 adopt the committee proposed decision.

4 **MR. HOCHSCHILD:** Thank you, Commissioner.

5 Is there a second?

6 **MS. SCOTT:** Second.

7 **MR. HOCHSCHILD:** All in favor, say aye.

8 **IN UNISON:** Aye.

9 **MR. HOCHSCHILD:** This motion passes unanimously.

10 Thank you to the parties.

11 Let's move on to item 4.

12 Southern California Public Power Authority, Michael
13 Nyberg.

14 **MR. NYBERG:** Good morning, Chair Hochschild,
15 commissioners. My name is Michael Nyberg, and I am the
16 program manager for the Emission Performance Standard in
17 the Energy Assessments Division.

18 The Emission Performance Standards limits long-term
19 investments and baseload generation by the state's
20 utilities to power plants that meet a carbon dioxide
21 emission limit of 1,100 pounds per megawatt hour.

22 On March 18th, the Southern California Public Power
23 Authority submitted a compliance filing requesting a
24 determination that their power purchase agreement for
25 geothermal energy is compliant with the Emission

1 Performance Standard.

2 This compliance filing is for the procurement of up
3 to sixteen megawatts of capacity from the Mammoth Casa
4 Diablo IV geothermal facility in Mono County. The
5 facility is currently pre-certified under the Renewable
6 Portfolio Standard.

7 Staff has evaluated SCPPA's compliance filing and
8 concludes that their power purchase agreement is
9 compliant with the EPS, as Casa Diablo IV meets the
10 criteria of renewable electric generation facility.
11 Staff recommends the Energy Commission find that the
12 covered procurement complies with the Energy Commission's
13 Emission Performance Standard. Thank you.

14 **MR. HOCHSCHILD:** All right. Is there any public
15 comments on this item in the room or on the phone?

16 (No audible response)

17 **MR. HOCHSCHILD:** Okay. Commissioner discussion?

18 (No audible response)

19 **MR. HOCHSCHILD:** Then hearing none, is there a
20 motion?

21 **UNIDENTIFIED SPEAKER:** Move approval.

22 **DR. MCALLISTER:** I'll second.

23 **MR. HOCHSCHILD:** All in favor, say aye.

24 **IN UNISON:** Aye.

25 **MR. HOCHSCHILD:** Motion passes unanimously.

1 Let's move on to item 5.

2 This is on me, sorry.

3 Petition to request a rulemaking hearing: The
4 Commission will now consider an act to approve or deny
5 the petition submitted by Atlas Copco North America and
6 Quincy Compressors for a rulemaking hearing to amend or
7 repeal portions of the commercial and industrial air
8 compressor regulations adopted by the Energy Commission
9 on January 9th, 2019.

10 Because commissioners are the moving parties, they
11 will present their arguments first. Commission staff may
12 then respond, and petitioners will have the final say in
13 reply to staff's argument. So let's begin with the
14 petitioners.

15 **MS. CHESTER:** Good morning. My name is Michelle
16 Chester with Somach Simmons & Dunn, and I'm here today on
17 behalf of Atlas Copco North America and Quincy
18 Compressors. With me on the phone are Russ Randall (ph.)
19 and Dave Prator with Atlas Copco. We do appreciate the
20 opportunity to bring the petition before you today.

21 Commission staff and Commission counsel's comments
22 regarding the implementation of air compressor efficiency
23 regulations adopted by the Commission at the January 9th
24 business meeting -- it addressed several points of
25 uncertainty for Atlas Copco, Quincy Compressors, and

1 other market participants.

2 Specifically, these comments were regarding
3 manufacturers' ability to rely on prior test results in
4 certifying compliance with new compressor efficiency
5 standards, to use a single machine in certifying
6 compliance, and to rely on past results of ISO 1217:2009
7 testing to certify compliance.

8 These clarifications provided at the business
9 meeting were responsive to Atlas Copco's comments made
10 prior in the proceeding, but they are not reflected in
11 the plain language of the regulations. And for this
12 reason, Atlas Copco submitted a requested to staff to
13 issue a regulatory advisory and subsequently filed this
14 petition to request a rulemaking hearing.

15 But prior to today, staff did issue a proposed order
16 containing findings that addressed both three points of
17 uncertainty that I noted. And while unusual, we are here
18 today to request that the Commission deny the petition
19 and enter the order as proposed by staff, because it does
20 contain the findings with clarity to all of our concerns.

21 **MR. HOCHSCHILD:** Great.

22 **MS. CHESTER:** I would note that while the Department
23 of Energy's model rulemaking does have some points of
24 uncertainty in it and ambiguity, to the extent that the
25 Energy Commission can clarify within its jurisdiction the

1 rulemaking as it exists today, it has done so through
2 staff's recommended order.

3 So for that reason, we don't have anything further.
4 We do recommend that you enter staff's proposed order
5 that was posted before the business meeting today.

6 **MR. HOCHSCHILD:** Thank you, Michelle, and good to
7 see you back at the Energy Commission.

8 **MS. CHESTER:** Thank you.

9 **MR. HOCHSCHILD:** Staff?

10 **MR. BABULA:** Hello. This is Jared Babula, staff
11 counsel. Staff affirms the content of its memo and
12 continues to recommend adoption of the proposed order
13 denying the petition. Technical staff is here to answer
14 any questions you may have. Thanks.

15 **MR. HOCHSCHILD:** Okay. Are there any comments from
16 the public on this item?

17 (No audible response)

18 **MR. HOCHSCHILD:** If not, let's turn it over to
19 commissioner discussion.

20 **DR. MCALLISTER:** So this is a terrific outcome.
21 Nobody wants to sort of go through a process that turns
22 out not to be necessary, and I'm a strong believer in
23 getting consensus where possible. So I really want to
24 thank you and Atlas Copco and Jared (ph.), certainly Alex
25 (ph.), just -- and staff -- Kristin (ph.) and her team

1 led by Alex.

2 So I think this is a good outcome. Certainly agree
3 with the persistent kind of vagueness at the federal
4 level, and we'll kind of have to wrestle with that going
5 forward. But I think we're doing what we can do at the
6 State.

7 And we do need clear rules. We do need testing that
8 matters. That does matter. And we do need consistency
9 in that, and so I think we've gotten to a point where
10 we've essentially gotten to the finish line that we can
11 for now. So I support dismissing the petition.

12 **MR. HOCHSCHILD:** Any other comments?

13 (No audible response)

14 **MR. HOCHSCHILD:** Okay. Is there a motion?

15 **DR. MCALLISTER:** Great. I'll move this item.

16 **MR. HOCHSCHILD:** Is there a second?

17 **UNIDENTIFIED SPEAKER:** Just for the -- excuse me --
18 actually you can't just move the item.

19 **MR. HOCHSCHILD:** Oh.

20 **UNIDENTIFIED SPEAKER:** Because the way that it's
21 framed --

22 **DR. MCALLISTER:** Gotcha.

23 **UNIDENTIFIED SPEAKER:** -- needs you to make a
24 declarative statement that you are in fact denying the
25 petition and --

1 **DR. MCALLISTER:** Oh, right.

2 **UNIDENTIFIED SPEAKER:** -- recommending adoption of
3 the proposed order presented by staff.

4 **MR. HOCHSCHILD:** Okay. Can you do that?

5 **DR. MCALLISTER:** Okay. So I move that we deny the
6 petition and adopt the order as proposed by staff.

7 **UNIDENTIFIED SPEAKER:** Second.

8 **MR. HOCHSCHILD:** All in favor, say aye.

9 **IN UNISON:** Aye.

10 **MR. HOCHSCHILD:** This motion passes unanimously.

11 Thank you.

12 **DR. MCALLISTER:** Thank you, counsel.

13 **MR. HOCHSCHILD:** Let's move on to item 6, diversity
14 update regarding the implementation of the Energy
15 Commission diversity commitment.

16 Alana Matthews.

17 **MS. MATTHEWS:** Good afternoon, commissioners. I am
18 pleased to present as an informational item the 2018
19 diversity update, along with each deputy director whose
20 divisions have programs that are actively engaged in
21 implementing our diversity initiative and commitment,
22 which broadens opportunities in clean energy funding,
23 programs, and policy.

24 As you may recall, in 2015 the Energy Commission
25 adopted the diversity resolution, which recognized that

1 California's promise, successes, and innovation stem from
2 the rich and diverse qualities and abilities of its
3 people.

4 Accordingly, through this resolution, the Energy
5 Commission formally committed to increase participation
6 of diverse business enterprises in our funding programs,
7 which includes minority-owned, women-owned, disabled-
8 veteran-owned and LGBTQ-owned businesses; increase Energy
9 Commission program benefits to all Californians,
10 including those in disadvantaged and low-income
11 communities; and additionally, in recognizing the value
12 and benefits of diversity of thought, talent, and
13 perspective, we also committed to increase the diversity
14 of the workforce and procurement opportunities to ensure
15 our energy planning and policy efforts reflect the rich
16 diversity of our state.

17 This commitment was put into action by establishing
18 the formerly Diversity Working Group, now the Diversity
19 Steering Group, which served as the platform for each
20 division to coordinate diversity efforts, share ideas and
21 information, and establish metrics for tracking and
22 measuring our performance.

23 The metrics for our performance are captured in
24 three areas: number one, funding program opportunities,
25 which includes amounts awarded to diverse business

1 enterprises and for projects that are awarded that
2 benefit disadvantaged and low-income communities; two,
3 outreach activities, which includes how many outreach
4 activities did each division sponsor or how many did they
5 attend which may have been hosted by an external
6 organization; and thirdly, what are the program or policy
7 changes that have been put in place to ensure that our
8 programs and policy benefit disadvantaged and low-income
9 communities, either target disadvantaged communities or
10 our targeted inclusion of diverse different entities.

11 Accordingly, each division's 2018 diversity update
12 will present on their performance in the following areas:
13 first, the program funding opportunities; second, the
14 outreach activities if applicable; and third, any program
15 or policy changes.

16 This is just a brief overview of what the Commission
17 has done in 2018, which includes investments of over 337
18 million dollars in disadvantaged communities and low-
19 income communities.

20 Outreach activities include community meetings,
21 stakeholder workshops focused on disadvantaged
22 communities, monthly communication such as an eblast or
23 newsletter, interagency collaborations with other
24 agencies such as the CPUC or ARB that focus on
25 disadvantaged communities, and then also making sure that

1 we include our tribal communities.

2 And lastly, our program policy changes as an
3 overview includes targeted investments, expanding program
4 benefits, and having diversity-focused tracking or
5 metrics within different programs.

6 So we will start first with the Fuels and
7 Transportation department with Kevin Barker.

8 **MR. BARKER:** Thanks, Alana.

9 Good morning, chair, vice chair, commissioners. I'm
10 Kevin Barker with the Fuels and Transportation Division.

11 Oh, next slide, please. Oh, thank you.

12 This slide captures at a high level our funding of
13 key activities in 2018. As you can see, we roughly
14 funded about forty-five million of 2018 funds in
15 disadvantaged communities. These funding come from the
16 Alternative and Renewable Fuel and Vehicle Technology
17 Program or ARFVTP.

18 We also had major outreach efforts throughout the
19 state, both for ARFVTP and -- a subset of that -- for the
20 California Electric Vehicle Infrastructure Program or
21 CALeVIP.

22 In 2018, the Fuels and Transportation Division
23 released a solicitation to identify and replace the
24 oldest, dirtiest diesel school buses in California.
25 Buses were selected based on the combination of bus age,

1 the district's disadvantaged community score, and the
2 number of students in free or reduced meal plans. Based
3 on the strong interest we received, we believe that we
4 had the opportunity to replace old diesels with new
5 electric school buses in the locations where we need them
6 the most.

7 This includes, for instance, ten buses at the
8 Fontana Unified School District in San Bernardino County.
9 It also has five buses in Lynwood-Inglewood area in L.A.
10 County. Both of these areas have more than eighty
11 percent of the students enrolled in free or reduced meal
12 plans.

13 While most of the funding available will be for
14 electric school buses as well as infrastructure,
15 compressed natural gas replacement buses are also awarded
16 to districts where route profiles are not suited for
17 electric school buses.

18 CALeVIP provides the Energy Commission the ability
19 to target disadvantaged and other communities to ensure
20 access and benefits for electric vehicle charging to
21 accrue to all Californians. The program includes a
22 twenty-five percent carveout for disadvantaged
23 communities.

24 In 2018, CALeVIP's first infrastructure project, the
25 Fresno project, continued to grow with funding reserved

1 for over 200 connection ports. Last year, we also
2 released the Southern California Incentive Program, an
3 infrastructure program including chargers in Los Angeles,
4 Orange County, Riverside, and San Bernardino.

5 Approximately, of those two projects, forty percent
6 of all funds went to disadvantaged communities, beating
7 our requirement of twenty-five percent.

8 In 2018, staff participated in career fairs
9 statewide to raise awareness of career opportunities in
10 the advanced transportation arena. Under a contract with
11 ARFVTP, Cerritos Community College District kicked off a
12 project for twelve California high schools to introduce
13 electric vehicle technologies to the existing automotive
14 programs. And a side note -- we've increased the funding
15 this year to include twelve more high schools.

16 Similarly, an agreement with the California
17 Community College has provided funds to fifteen colleges,
18 many serving underrepresented communities, to train
19 automotive technicians.

20 In 2018, we also implemented awards for zero-
21 emission vehicle mobility projects, including 750,000
22 dollars awarded to a project to provide ride hailing
23 services to students traveling to Fresno City College
24 from nearby rural areas. The participation cost is very
25 affordable for students in this area at a flat rate of

1 forty-two dollars per student each semester.

2 Additionally, the project educates and demonstrates
3 electric vehicle technology in underrepresented
4 communities.

5 The last thing I'll mention -- in 2018, we began a
6 process to identify the amount of ARFVTP funding that has
7 gone to diverse business entities, such as businesses
8 that are women-owned, minority-owned, or disabled-
9 veteran-owned. We've collected ARFVTP budgets for more
10 than 250 primary funding recipients and more than 250
11 unique subcontractors.

12 Knowing our current funding levels can help us
13 identify how to improve our outreach and also will set a
14 baseline for measuring diversity engagements going
15 forward in the future. Thank you.

16 Next, we have Energy Research and Development
17 Division.

18 Laurie.

19 **MS. TEN HOPE:** Good morning. I'm Laurie ten Hope,
20 and I'll be providing the overview for Energy Research
21 and Development.

22 Here on the first slide is an outline of the
23 investments, the outreach meetings that we've conducted,
24 and the policy and program changes that have been
25 incorporated into the program and that I'll go through

1 one by one in the following slides.

2 So first, our strategy for outreach is really three-
3 pronged. The first is really to increase the engagement
4 with communities through face-to-face meetings. We've
5 been to multiple communities around the state to really
6 get a better understanding of what the needs are in
7 disadvantaged communities and then incorporate those into
8 our solicitation opportunities.

9 And we've incorporated input into our solicitations
10 in a couple of ways. On some of our solicitations, we've
11 designed preference points or set-asides, where the
12 certain amount of the funding would be set aside for
13 projects in disadvantaged communities or low-income. And
14 in others, we've taken the input to design a solicitation
15 specifically around the needs of the community, for
16 example, looking at what the efficiency opportunities
17 would be for retrofitting multi-family, low-income rental
18 units.

19 The first part of our strategy is really to make
20 sure that we comply with Assembly Bill 523, and that bill
21 requires that twenty-five percent of our demonstration
22 projects be in underserved communities and that ten
23 percent of the projects be in low-income communities, and
24 that we also take into consideration to the greatest
25 extent possible what the health impacts of the projects

1 would be to the community.

2 So that's a new element, in addition to the goals
3 that the Energy Commission set for itself, that we needed
4 to really think about and engage with the communities on
5 how to incorporate that.

6 We've done our outreach through a couple of
7 different strategies. First was to engage with workshops
8 in Fresno, in Diamond-Bar, specifically to take input on
9 the criteria that we would consider as we're scoring
10 proposals in compliance with 523. So like, what are the
11 definitions for low-income, what are the definitions for
12 disadvantaged communities? How would we evaluate health
13 impacts or health benefits, plus or minus, in our
14 proposals?

15 We also partnered with a public advisor to do
16 outreach and really hear from communities what are the
17 community needs and how might they best want to
18 participate in our programs and increase the awareness of
19 this opportunity and the opportunity to be part of these
20 projects in a significant way. Those workshops in 2018
21 were held in Fresno, Diamond-Bar, San Diego, Bakersfield,
22 and Madera.

23 To provide just a couple of examples of projects
24 that have provided some benefit in these communities, the
25 first one I want to highlight is OhmConnect. And

1 OhmConnect is a software platform that allows customers
2 to participate in demand response events. They've
3 developed a very engaging platform, and they have
4 hundreds of thousands of participants in their platform.

5 But for our particular EPIC project, they
6 specifically did outreach to engage representatives from
7 disadvantaged communities, and about fifteen percent of
8 the participants in our projects represent those groups.
9 And on average, the energy savings has been about
10 fourteen percent when a demand response event is called.
11 And then the participants are compensated for their
12 reduction.

13 The second project to highlight is Build It Green.
14 And Build It Green is evaluating several different low-
15 income, multi-family projects that are incorporating
16 electric water heaters and electric space heating and
17 then building in displays that provide real-time
18 information on how much energy is being used by the
19 customers, and providing it in a very visible
20 green/yellow/red way that provides a really clear, quick
21 assessment of energy use.

22 And they'll be evaluating customers -- whether this
23 is effective in changing behavior, how customers feel
24 about it, and what the savings are.

25 The last project I wanted to highlight is a project

1 that represents the diversity that we really want to
2 incorporate into our awards (indiscernible), which is a
3 women-owned business that was funded by EPIC. And now
4 many other people have recognized the kind of brilliance
5 of their technology, and it's been recognized by
6 industrial awards, significant multi-million-dollar
7 federal awards, and recently an award from Bloomberg
8 Pioneers in New Energy Finance.

9 They have an air tracker that really reduces the
10 materials that are required in the tracking system and
11 significantly lowers the installation and operation cost.

12 In summary, we've exceeded our legislative goals,
13 and over a third of our demonstration projects in EPIC
14 are in disadvantaged communities. We have 104
15 demonstration sites, and we're continuing -- I mean,
16 we're not really resting on our laurels. We're pleased
17 with what we've done so far, but there's a lot more
18 really to do to hear from each community. Each community
19 has unique needs and really wants to be part of the
20 dialogue of research projects in their community.

21 And finally, I just wanted to highlight a project
22 that we're building that's a platform that allows
23 engagement between communities, researchers, technology
24 developers, and investors and allows for future
25 collaboration that would allow communities to be part of

1 the dialogue and then the submittal of proposals to the
2 Energy Commission.

3 Thank you. And next is Siting -- Shawn.

4 **MR. PITTARD:** Thank you, Laurie.

5 Good morning. My name's Shawn Pittard. I'm here
6 for STEP today, the Siting, Transmission, and
7 Environmental Protection Division. And as you know, it's
8 our responsibility to encourage meaningful public
9 participation when we conduct our CEQA reviews, propose
10 new generating facilities, changes to existing
11 facilities, and exemptions to the Commission's process.

12 So we coordinate closely with the Public Advisor's
13 Office, reach out to local elected officials, community
14 groups, and tribal governments. We conduct tribal
15 consultations through our tribal liaison in accordance
16 with our own CEC policy and with CEQA requirements. We
17 identify disadvantaged communities using the
18 CalEnviroScreen model, and we use this model as part of
19 our screening level analysis when performing human health
20 risk assessments.

21 We use U.S. Census data to identify environmental
22 justice communities, which include minority populations
23 and low-income populations. We also use U.S. Census data
24 to identify populations experiencing linguistic
25 isolation. These are people who self-identify as

1 speaking English less than very well. If five percent or
2 more of the population self-identify as speaking English
3 less than very well, multilingual notices and newspaper
4 ads are published, and interpreters are made available at
5 workshops and hearings.

6 Two quick examples. In 2018, we completed our CEQA
7 review of the Stanton Energy Reliability Center
8 application for certification. Key documents were
9 translated into Spanish, Korean, and Vietnamese.
10 Interpreters were made available at public meetings.

11 And now, today we assigned a committee for the
12 Laurelwood Small Power Plant Exemption. We're reaching
13 out to the local environmental justice groups, and we've
14 identified populations for whom we will be translating
15 documents into Mandarin Chinese. Thank you.

16 Energy Efficiency.

17 **MS. DRISKELL:** Good morning, commissioners. Kristen
18 Driskell for the Efficiency Division.

19 The Efficiency Division is responsible for
20 investments in disadvantaged communities primarily
21 through its Proposition 39 K through 12 program,
22 resulting in 247 million dollars in approved energy
23 expenditure plans in 2018. We also recently adopted the
24 Clean Energy in Low-Income Multi-Family Buildings or
25 CLIMB Action Plan in November 2018, and I'll talk a

1 little bit more about each of these programs.

2 Of the one and a half billion dollars approved in
3 energy projects under the Proposition 39 program, about
4 sixty-nine percent of those projects or a little over one
5 billion dollar -- sixty-nine percent of the funding or a
6 little over one billion dollars went to disadvantaged
7 local education agencies or LEAs.

8 The Proposition 39 program defines disadvantaged
9 communities based on participation in the free and
10 reduced meal program, similar to the school bus
11 replacement program.

12 This program is winding down, and remaining funds in
13 the program are being rolled over to the school bus
14 replacement program that Mr. Barker described earlier, as
15 well as to a competitive Energy Conservation Assistance
16 Act education no-interest loan program.

17 In November 2018, the Energy Commission adopted the
18 CLIMB Action Plan. Forty-seven percent of low-income
19 residents of California live in multi-family housing, the
20 majority of which is aged predating modern energy codes,
21 meaning they're pretty energy inefficient.

22 These communities lack access to distributed energy
23 resources, such as energy efficiency, renewable energy,
24 and an electric vehicle infrastructure. And a lack of
25 coordination across the state's programs that target

1 these communities make it more difficult to get these
2 distributed energy resources to low-income multi-family
3 buildings.

4 To address this inequity, the CLIMB Action Plan
5 established five goals that are designed to increase
6 access to clean energy resources for the owners and
7 residents of multi-family buildings. And we are now in
8 the implementation phase of this plan, so hopefully at
9 next year's update I'll have something to update you on.
10 Thanks.

11 Next, we'll have Natalie from the Renewable Energy
12 Division.

13 **MS. LEE:** Good morning, chair, vice chair,
14 commissioners. Natalie Lee with the Renewable Energy
15 Division, and I have the pleasure of providing you a
16 brief summary of some of our programs that seek to ensure
17 that we're addressing all Californians and California's
18 most vulnerable communities.

19 The Renewable Energy Division strives to address
20 diverse communities in all programs. Among our programs,
21 we administer three funding opportunities where we can
22 track our impact to reach these communities. These are
23 the New Solar Homes Partnership or NSHP program, the
24 Renewable Energy for Agriculture Program or REAP, and the
25 Geothermal Grant and Loan Program.

1 As you see in this summary, each of these programs
2 has provided funding that benefited disadvantaged and
3 low-income communities in 2018. Our outreach activities
4 across all three programs also supported participation
5 and communication with our program stakeholders. And in
6 one case, the REAP program, the outreach conducted led to
7 specific program design changes to facilitate increased
8 participation.

9 I'd like to talk about each of these with just a bit
10 more detail. The New Solar Homes Partnership program,
11 which has been providing funding for a decade now,
12 reached its encumbrance deadline in early 2018. We saw a
13 large increase in reservations in advance of the
14 deadline, and NSHP staff conducted specific outreach to
15 affordable housing project developers and solar
16 installers to encourage their participation in advance of
17 the deadline.

18 And these efforts paid off. Coupled with our
19 earlier program changes to minimize and streamline
20 participation for affordable housing and to provide
21 additional incentives for disadvantaged communities, we
22 were able in the first five months of 2018 to encumber
23 over sixteen million dollars in funding for affordable
24 housing projects.

25 Eight million of this funding was in disadvantaged

1 communities. This represented a 200-percent increase in
2 a five-month period as compared to twelve months in 2017.

3 Over the life of the NSHP program, we've been able
4 to encumber funds for nearly 400 affordable housing
5 projects, bringing solar to thousands of low-income
6 households.

7 Moving on to our second program, in 2018 staff had
8 the unique opportunity to design and implement an
9 entirely new program for the Energy Commission. The REAP
10 program, Renewable Energy for Agriculture, provides
11 funding for renewable energy projects for a previously
12 underserved community, agricultural operations throughout
13 the state.

14 Rural agricultural communities tend to have a high
15 representation of low-income areas and households and
16 have previously had limited access to incentive or grant
17 programs with a focus on renewable energy. To reach this
18 new audience, staff partnered with key agencies and
19 individuals that are points of influence in their
20 communities.

21 With the assistance of the California Farm Bureau
22 and the California Department of Food and Agriculture, we
23 conducted workshops in agricultural communities up and
24 down the state. The feedback received helped us to
25 design a streamlined application, a new budget process,

1 and a project schedule that aligned best with a farmer's
2 calendar.

3 The program was designed to include participation
4 goals for priority populations, and staff's program
5 design and extensive outreach efforts, supported by our
6 internal teams from media, graphics, government affairs,
7 and the public advisor, led to an extremely successful
8 first solicitation.

9 This solicitation, which was conducted in early
10 2019, was oversubscribed. We recently posted the notice
11 of proposed awards, encumbering all of the available
12 nine-and-a-half million in forty-five projects across
13 twenty-two different counties.

14 Of the proposed awardees, sixteen are in
15 disadvantaged communities with a request of funding of
16 over three-and-a-half million dollars, representing forty
17 percent of the program awards and exceeding our program
18 goal of twenty-five percent. Twenty-two proposed
19 awardees are located in low-income communities, with a
20 request of funding of roughly 5.6 million, representing
21 nearly sixty percent of program funding.

22 If a majority of the projects are completed as
23 proposed, the REAP program will be one of the state's
24 most successful climate investment programs in reaching
25 priority populations. I look forward to providing you

1 updates on this program next year.

2 And turning to our Geothermal Grant and Loan
3 Program, we funded a technical assistance project with
4 the Department of Conservation's Division of Oil, Gas,
5 and Geothermal Resources in 2018. Many of the state's
6 geothermal areas exist in rural or remote areas that are
7 very near low-income and disadvantaged communities.

8 As shown on this map, the Department of Conservation
9 team identified roughly thirty undeveloped low
10 temperature geothermal wells that could potentially pose
11 a risk to public health and safety if not properly
12 closed. This contract was created to support the
13 development of abandonment and plugging plans for these
14 wells.

15 We ultimately developed plans for thirteen of the
16 wells, twelve of which lie in low-income communities with
17 median incomes at or below eighty percent of the
18 statewide median income. One lies within a disadvantaged
19 community. Staff are currently exploring funding the
20 actual abandonments of these wells.

21 In addition to the technical contract, Geothermal
22 staff are working with Chair Hochschild to coordinate a
23 workshop -- or we did coordinate a workshop in late 2018
24 to explore the opportunity to increase recovery of
25 lithium and other minerals from geothermal brines in the

1 Salton Sea region of the state. The Salton Sea area has
2 experienced significant environmental degradation, and
3 the region is also economically disadvantaged, with large
4 areas meeting the State's criteria as disadvantaged
5 communities or both disadvantaged and low-income.

6 Increasing the recovery of lithium and other
7 minerals from the geothermal brines could potentially
8 provide environmental and economic benefits to this
9 region and to the state as a whole. Efforts on the
10 lithium recovery from geothermal brines initiative are
11 continuing into 2019, with an inaugural task force
12 meeting planned for May in Imperial County.

13 Again, I look forward to bringing you more
14 information on these efforts in the coming months, as
15 well as the Division's efforts to ensure all of our
16 programs serve every community in the state.

17 And with that, I'll turn this over to Rob Cook from
18 the Administration Financial Management Division (sic).

19 **MR. COOK:** Good morning, chair and commissioners.
20 I'm Rob Cook with the Administrative and Financial
21 Services Management Services Division (sic), and I'm here
22 to talk to you about a couple of things that we do in
23 Admin.

24 First up is, for the agreements and goods and
25 services that we acquire to support the operations of the

1 Commission, we're obligated to -- there's a statewide
2 goal of twenty-five percent of that spend be done with
3 small business and three percent of that spend to be done
4 with disabled veteran business enterprises.

5 In 2018, we spent about 17.8 million dollars
6 supporting our programs and operations, and some of our
7 large contracts unfortunately go to organizations that
8 are simply not eligible for -- they don't qualify as
9 small businesses or DVBEs. So we have to make up ground
10 in other places.

11 So fortunately for us, our business services
12 operation was very aggressive and achieved forty-three
13 percent of their spend with small business, and our IT
14 goods and services -- we achieved about a thirty-two
15 percent small business spend and a seven percent disabled
16 veteran business spend. So for the first time in three
17 years, we actually met both goals, which was great
18 progress.

19 Now, one of the other contributions that my division
20 helps with is staff diversity. The first effort I'll
21 talk about is our effort with U.C. Merced. And U.C.
22 Merced is -- one, it's the newest of the U.C. campuses.
23 It's also highly ethnically diverse. It is substantially
24 California residents that attend the university, and they
25 represent the diversity of California.

1 Also, with this campus, ninety-one percent of the
2 students are eligible for some form of financial aid, and
3 seventy-one percent of the students are the first member
4 of their family to go to college. That's why we chose
5 this school.

6 And one of the key elements we had -- we had great
7 ground support at the school. They're very welcoming,
8 and they love to help put their students in front of us.
9 Also, our divisions represented themselves very well. I
10 asked each division to provide me with a very relatable,
11 outgoing individual, and they all delivered.

12 We had a great crew that we took down there,
13 including one of our Renewables representatives, who's a
14 former -- well, an alumnus of U.C. Merced, who two years
15 ago was sitting in the audience at a similar event.

16 And so what we did was a wraparound -- what I call a
17 wraparound effort -- at U.C. Merced. We went in with an
18 Energy Commission solo event, where we had very casual
19 conversations with a number of students. We also signed
20 up some of them for our energy analyst exam. We then
21 followed that up with representation at a career fair.
22 We were one of hundreds of representatives there at the
23 career fair.

24 And then later we took our energy analyst exam to
25 the school, and we had fifteen students sign up for the

1 exam. Twelve actually took it. Based on our usual
2 numbers, that's a great outcome. When we host the exam
3 here, we typically have about a fifty-percent drop-off in
4 the number of students who take the exam, and so our hit
5 rate was really quite good.

6 And if you think about it, a student at U.C. Merced
7 who may be struggling financially -- it might be a little
8 bit difficult for them to make a Saturday morning exam
9 here at the Energy Commission, but it's much easier to
10 take -- we worked with their schedules and proctored the
11 exam over the course of a full day, and we were able to
12 accommodate them on their home turf.

13 The other effort has to do with our diversity career
14 fair. We're coming up on our fourth annual diversity
15 career fair on April 25th. And some of the improvements
16 that we put in place for 2018 were to help simplify and
17 make ourselves a little bit more accessible.

18 Our human resources staff were on hand to counsel
19 and encourage folks into classifications that their
20 backgrounds would support, and then we provided on-the-
21 spot exams for people. So we can actually get a
22 conversion factor. We can actually make it easy. One of
23 the unfortunate aspects of the civil service process is
24 it's difficult for everybody, and we're trying to
25 simplify and make it more accessible.

1 And with that, I'd hand things over to Alana.

2 **MS. MATTHEWS:** Thank you.

3 And I just want to highlight three additional
4 efforts that we have to implement our diversity
5 initiative. One is the energy equity indicators. So in
6 2018 -- I know that they worked on the 2019 update; I
7 don't know if it's out yet -- but then also providing
8 opportunities for public input.

9 We also kicked off our joint advisory Disadvantaged
10 Communities Advisory Group, and that's actually the next
11 item on the agenda. So they provided recommendations to
12 both the CPUC and our Energy Commission clean energy
13 program. They're an ambitious group. They held six
14 meetings and probably would have had more if we had more
15 months in the year. And then they also created a
16 document which is the energy equity framework.

17 And I really wanted to highlight that, because I
18 think internally -- both commissions -- we have this
19 technical expertise, but not necessarily the disadvantage
20 and diversity. And so they really laid out what an
21 equitable program should look like and what are the
22 components that it should include.

23 And similar to S.B. 350 legislation that said there
24 should be an economic piece when you're looking at
25 barriers to renewable or energy efficiency investments,

1 they really also included that feature as well, so
2 looking at workforce development.

3 And then lastly, we have the summer institute in
4 energy law and policy internship program. Previously we
5 had twelve students, and they come into the institute and
6 got an overview of key issues. This year we actually
7 were able -- we had less students, but we had more
8 opportunities. We were able to provide them with real
9 work experience, and they're actually motivated so, if
10 they all graduate this year, are pursuing college degrees
11 in some form of energy-related field.

12 And so with that, one of my other roles as the
13 public advisor is to make recommendations to the
14 Commission. And so the recommendation that I have --
15 excuse me; my voice is a little groggy -- the
16 recommendation that I have is that, next year, instead of
17 having a business meeting item, I think it would be good
18 to have a special en banc.

19 Because the work of our diversity commitment is so
20 important, we really need to take the time to see not
21 just what projects we have in geographic locations and
22 not have a geographic-based equity program, but really
23 human beings that live in those disadvantaged
24 communities. And it was nice to see some of the projects
25 call out how it's actually benefitting, but I think that

1 would be a really good idea.

2 And perhaps we can have input from the
3 commissioners. We can invite advocates and organizations
4 so that they can have exchange, and then include a
5 presentation perhaps from our executive office to give
6 that high-level view of how they are really supporting
7 this initiative.

8 So with that, I will say thank you.

9 **MR. HOCHSCHILD:** Well, Alana, let me thank you. I
10 just want to acknowledge you have really distinguished
11 yourself on this. I mean, this is an A-plus effort. I
12 really just want to say thank you for all this.

13 And to all the deputies -- really proud of all of
14 you and just the work you're doing.

15 This kind of inclusion -- we're trying to build an
16 Energy Commission and an energy industry that looks like
17 California. Okay, that's what we're trying to do. This
18 is a foundational issue for the governor and for all of
19 us, and so this is a priority. And I just want to thank
20 you for really putting your heart and soul into this.

21 And with respect to the en banc, I am now engaged
22 with Steve Burbrick (ph.) and President Picker in
23 discussing actually a number of issues, that I would like
24 to do actually an en banc not just with the
25 (indiscernible) but also the ISO, where we bring up --

1 there's a bunch of issues that I think we need to be
2 talking about together, including how to better prepare
3 for the fire season and so forth. And I think this is
4 absolutely one we should include in that, so thank you
5 for that suggestion.

6 Were there any other comments from the public on
7 this item or from fellow commissioners?

8 **MS. SCOTT:** Me.

9 **MR. HOCHSCHILD:** Yep. Were there --

10 **MS. SCOTT:** No public comment? Okay.

11 **MR. HOCHSCHILD:** Yeah, no public -- yeah.

12 **MS. SCOTT:** Yeah, Alana, I also want to say thank
13 you so much to you for your leadership and your
14 engagement and your enthusiasm, and also to all of our
15 division directors across the organization for their
16 leadership here.

17 I feel like we're really not just talking the talk,
18 but we're walking the walk in this space. And it just
19 can't be overemphasized how important it is to have low-
20 income communities and communities that are
21 CalEnviroScreen disadvantaged communities to be part of
22 this clean energy transition. And not only are they part
23 of the clean energy transition, they're helping lead it
24 in many ways.

25 And so it's exciting to see the projects that folks

1 were talking about across the Commission, and so I really
2 just want to commend everyone. It's just terrific to
3 see -- to me -- the projects, and I'm really proud of the
4 work that the Commission is doing.

5 And I think we're always open to thoughts and ideas
6 and ways to improve and to keep getting better at this,
7 and so it's a really nice transition, I think, from this
8 presentation to the presentation from our Disadvantaged
9 Communities Advisory Group, where they've put great
10 suggestions together for us for how to do this. So I
11 just want to say thanks again to everybody. I think this
12 is really good work.

13 **MS. DOUGLAS:** Great. And I'll just second that.

14 I appreciate your work, Alana.

15 I appreciate the work of all the deputy directors to
16 really implement this vision and perspective in their own
17 programs and divisions, and I look forward to much more
18 of this as we move forward.

19 **DR. MCALLISTER:** I want to also thank Alana. I
20 agree this is completely fundamental. And in fact, not
21 only is it the right thing to do to really reach as far
22 as we can into the communities and have the Commission
23 and our work reflect California's diversity, but just
24 from a self-interest point of view, we're not going to
25 reach our goals if we don't completely engage with all

1 Californians and enable them to participate.

2 And the upside of that could be a serious jobs
3 driver. I mean, the U.S. Energy and Employment Report
4 came out a few weeks ago, and there are 400,000 clean
5 energy jobs in California. And we could double or triple
6 that.

7 And many of those new jobs are going to be in
8 disadvantaged communities, and they're going to be good
9 jobs. They're going to be installation jobs. They're
10 going to be technical jobs. They're going to be local
11 jobs. They're going to be non-exportable jobs. And so
12 there's so much upside, but we have to actually do the
13 work and do the lifting.

14 And I want to just make one more plug for language
15 diversity in what we do. Forty percent of California
16 speaks Spanish, and so I just think it's critical,
17 because a lot of those construction jobs are actually
18 going to be in the Latino community, more than -- I think
19 disproportionately so, actually -- and the African
20 American community and just in these communities we're
21 trying to reach.

22 And so I think we're doing a lot, and we're doing
23 really well, but I think we could actually do better and
24 be more inclusive on the language front. And I really
25 like it when we're doing siding work, or we did a

1 workshop -- we kind of do a roadshow of workshops around
2 the state for the Efficiency Action Plan, and I really
3 like when we show up and we can actually legitimately and
4 directly communicate with those communities who don't
5 have English as the first language. So that's really
6 important.

7 **MR. HOCHSCHILD:** Great. Well, thanks, Alana.

8 Let's move on to item seven.

9 **MS. MATTHEWS:** And if I can just say -- I also want
10 to thank all the deputies and to my staff, because it's
11 not easy, and we're always -- there are a lot of times
12 you kind of have to, like, push in the envelope, and
13 sometimes it's going from the abstract. So I really
14 appreciate everyone's effort to be open and receptive and
15 to continue to work with us.

16 So moving on to item 7, I would like to bring up Mr.
17 Tyrone Williams, who is chair of the Disadvantaged
18 Advisory Group (sic), and he will present their first
19 annual report.

20 **MR. WILLIAMS:** Well, good morning, commissioners.
21 I'm Tyrone Roderick Williams, and I am the chair of the
22 California Disadvantaged Communities Group (sic) this
23 historic year that we had in launching and laying the
24 foundation for what we believe will assist all of the
25 efforts that Alana and her team and you've acknowledged

1 to become reality.

2 Over the last year, we've had a chance to hold
3 meetings here in Sacramento, in Los Angeles, in San
4 Francisco, and in the San Joaquin Valley. So we've been
5 able not only to hear from the constituents which we
6 serve -- and we're across the whole state -- but in those
7 areas as well.

8 And so we've presented to you for your review what
9 we have come to really take on as our first year as a
10 foundational year. We've looked at how to lay a solid
11 foundation for which the Advisory Group can carry out its
12 responsibilities in reviewing and making recommendations
13 to this commission and the California Public Utilities
14 Commission.

15 First, I'd like to say that we take this very
16 seriously. Although we aren't a commission and we are an
17 advisory committee, we are equally as committed.

18 And as Alana referenced, we've expanded our required
19 four quarterly meetings into what seems now almost
20 monthly meetings amongst the advisory committee and
21 outreach, because we believe that the work that we've
22 been charged to do is so important, and the programs that
23 we have an opportunity to review are so expansive that we
24 want to be able to be properly informed, adequately to be
25 exposed to opportunities from the public and the staff to

1 understand what the programs and the impacts are.

2 I'd like to say thank you to the commissioners
3 who've been able to attend some of our meetings. They
4 have been meaty, and we really are appreciative of that.

5 During this year, we've laid what I called the
6 foundation, and we've looked at really two primary areas.
7 One is looking at our priorities, which are outlined in
8 the report. And the second is the equity framework,
9 looking at social justice and its impact on our
10 residents.

11 What is clear to us is that across this state there
12 are individuals and communities who are being
13 significantly impacted by energy issues and environmental
14 issues, and we want to make sure that as we move forward
15 and as you move forward, that the issue of diversity,
16 equity, inclusion, and its impacts on these communities
17 is first and foremost. And so our recommendations
18 reflect that.

19 I'd also like to address the concerns that we have
20 regarding outreach. You've heard a great presentation on
21 the programs, but outreach in the community is at the
22 heart of being successful. And our commitment is that we
23 will be partners with you in going into those communities
24 that traditionally have been left out, locked out, and
25 the last to find out about anything that applies to them.

1 We want those communities to be at the forefront,
2 because sometimes it's more challenging to get people
3 engaged who traditionally have not been engaged.
4 Sometimes it is more challenging to get people who have
5 English as a second language to be actively informed and
6 engaged, and we want to support that effort.

7 Last but not least, I would like to say that we look
8 forward to the possibility of issuing a joint press
9 release with the Energy Commission and the Public
10 Utilities Commission to announce our work, what we do.
11 We want people across the state in those disadvantaged
12 communities to be aware that we've not only met our
13 obligation of providing the report, but that we are
14 committed to the responsibility of representing their
15 voice and their interest.

16 Finally, we could not have done this without the
17 incredible staff. This is an Alana love fest. As the
18 chairman of the Advisory Group, she has just been
19 phenomenal. She's guided me -- and I often needed
20 guiding -- and the legal team and the support staff.
21 We've had numerous meetings that required a lot of
22 technical assistance, and they all provided it with a
23 very supportive spirit.

24 And so on behalf of my colleagues who all represent
25 communities across this state, we humbly and happily

1 submit to you our first annual report. Thank you for the
2 opportunity to serve.

3 **MR. HOCHSCHILD:** Thank you so much. Great.

4 There's no action -- is there an action required?

5 **UNIDENTIFIED SPEAKER:** Yeah, I think there's a
6 couple comments.

7 **MR. HOCHSCHILD:** Oh, yeah. Okay, go ahead.

8 **MS. MATTHEWS:** There's one thing I just want to
9 mention -- that the report is available on the Energy
10 Commission's Disadvantaged Advisory Group (sic) page, and
11 so if anyone is interested in getting a copy of that,
12 they can go to that page.

13 And then I do want to -- as you mentioned staff --
14 Galen Lemei, who is here, is the legal person who helped
15 us through those technical difficulties, as well as
16 Kristy Chew, who's been very instrumental in keeping the
17 staff updated.

18 And also Vice Chair Scott, your leadership has been
19 tremendous. And Rhetta deMesa with your office, your
20 advisor, has been really key in being supportive and
21 providing guidance to the Commission.

22 So they all deserve thank you, and of course the
23 CPUC counterparts as well.

24 **MR. HOCHSCHILD:** Great.

25 All right, Madame Vice Chair.

1 **MS. SCOTT:** Yeah. I just want to say thank you so
2 much, Tyrone, for this enthusiastic and engaged
3 presentation, and also for taking time to chair the
4 group.

5 And I want to say thanks to all of our Disadvantaged
6 Community Advisory Group (sic) members for lending their
7 time and their expertise. Their commitment, their
8 dedication, their enthusiasm for this is -- it's just
9 great to work with them.

10 As you've mentioned, we can't overstate how
11 important it is to have this feedback and to make sure
12 that we're continuing to improve the work that we do with
13 disadvantaged communities and low-income communities.

14 So former Chair Weisenmiller and I were
15 (indiscernible) buddies on this previously. I want to
16 mention that Commissioner Douglas is going to be my
17 (indiscernible) buddy on this going forward, and I'm
18 really looking forward to working with her on this.

19 And any way that we can help with the outreach and
20 making sure that people see the report and understand
21 what's in it and then we keep implementing and going
22 forward -- happy to do. So I will engage with you guys
23 in more detail offline so we can make sure that we make
24 that happen. But thank you very much.

25 **MS. DOUGLAS:** Super. And I will just say I'm really

1 looking forward to getting more engaged in this and
2 getting to know the members of the advisory committee and
3 getting much more familiar with its working and helping
4 it move forward.

5 I am the point right now for the Energy Commission's
6 tribal outreach and consultation and policy and the
7 different overlaps we have with a number of programs now
8 in our tribal work, so I'm looking forward to bringing
9 that in. And of course, I already work closely with Jan
10 Naganyan (ph.) on multiple fronts.

11 And I, as I have looked at the recommendations, also
12 have a particular interest in the recommendation number
13 five, which gets to metrics and energy equity indicators
14 and where we go with that. And I hope to get not only
15 guidance but to have a really collaborative process with
16 the Advisory Group and with other stakeholders to move
17 that to the next level, among many other things. So
18 thank you very much for your service on this committee.

19 **DR. MCALLISTER:** Yeah. So thank you, both, for
20 taking that on.

21 And I also just want -- so efficiency in particular
22 but really everything we do affects all the way across
23 the state, and I think we really need to make sure at the
24 staff level that our programs reflect across the
25 Commission that these priorities are incorporated

1 throughout, and at the local government level.

2 I mean, local government is so important, and often
3 they touch these communities -- these communities are
4 part of local government constructs. And there's a lot
5 of responsibility on the local jurisdictions as well to
6 make sure that these priorities carry down.

7 And I think, to the extent that we need local
8 government to help us achieve the overall energy and
9 climate goals, we have to sort of lean on them to respect
10 the kind of necessary rules of the road going forward
11 with the programs that we work with them on. So I think
12 keeping coordinated on this and making sure that we're
13 consistent across the Commission is going to be really
14 important.

15 Thank you so much for everything you've done today
16 and everything you're going to help us do in the future
17 and for your engagement.

18 **MR. HOCHSCHILD:** Thank you, all.

19 Let's move on to item eight, Rio Alto Water
20 District.

21 **MR. MICHEL:** Good morning, chair and commissioners.
22 My name's Dave Michel with the Efficiency Division.

23 We are proposing a resolution adopting CEQA findings
24 for Rio Alto Water District's Solar Photovoltaic System
25 Project and approval of an ECAA loan to the Rio Alto

1 Water District.

2 Commission staff reviewed the CEQA documents
3 prepared by the lead agency, Rio Alto Water District, and
4 determined that the mitigation measures different from
5 and in addition to those analyzed by the lead agency in
6 its CEQA documents would lessen the potential impacts to
7 biological resources and cultural resources, and would
8 reduce the potential environmental impacts of this
9 project to a less than significant level.

10 These mitigation measures will be implemented by the
11 Rio Alto Water District and are included as conditions in
12 the proposed agreement.

13 We are also requesting an approval of an application
14 for a 1.6-million-dollar ECAA-funded loan to install four
15 photovoltaic systems on three sites totaling 420
16 kilowatts. Energy Commission staff has determined that
17 this loan is technically sound, cost effective, and meets
18 the loan payback requirements, and is well within the
19 requirements under the ECAA program.

20 We respectfully request your adoption of the CEQA
21 findings and approval of the loan agreement to the Rio
22 Alto Water District. I am prepared to answer your
23 questions. Thank you.

24 **MR. HOCHSCHILD:** Okay, thanks.

25 Any comments from the public?

1 (No audible response)

2 **MR. HOCHSCHILD:** If not, Commissioner McAllister?

3 **DR. MCALLISTER:** Yes. So thanks, Dave, for this
4 one.

5 And I guess it's interesting. I've gotten a number
6 of briefings over the last couple years about the
7 photovoltaic projects that have been funded by ECAA, and
8 we see overall largeish scale PV prices coming down
9 tremendously. And the sort of paybacks and prices of the
10 PVs that were funded by ECAA vary quite a bit, a little
11 bit more than we sort of think of the marketplace as
12 varying.

13 And there's always an explanation, so staff knows
14 how to evaluate these programs. And there are lots of
15 different configurations that the public entities who do
16 so install these systems within, and at the local level
17 I've just gained a lot of confidence that they know what
18 they're doing and that our staff knows how to evaluate
19 these projects as well.

20 So we do see systems that have quicker payback
21 times, but it's within a bigger context, the local
22 government, and it has always been justified in a clear
23 technical sense.

24 So anyway, I support this, and shall I --

25 **MR. HOCHSCHILD:** All right, unless there's other

1 comments, would you like to make a motion?

2 **DR. MCALLISTER:** Yeah, I'll move this item.

3 **MR. HOCHSCHILD:** Is there a second?

4 **UNIDENTIFIED SPEAKER:** So I think --

5 **DR. MCALLISTER:** So both the negative declaration
6 and the -- is this just a negative declaration?

7 **MR. MICHEL:** There's two items: the CEQA
8 findings --

9 **DR. MCALLISTER:** Yep.

10 **MR. MICHEL:** -- and the approval of the loan.

11 **DR. MCALLISTER:** Okay. So I'll move this entire
12 item.

13 **MR. HOCHSCHILD:** Is there a second?

14 **UNIDENTIFIED SPEAKER:** Second.

15 **MR. HOCHSCHILD:** All in favor, say aye.

16 **IN UNISON:** Aye.

17 **MR. HOCHSCHILD:** All right. This motion passes
18 unanimously.

19 Let's move on to --

20 **MR. MICHEL:** Thank you.

21 **MR. HOCHSCHILD:** -- item 9, EPIC annual report.

22 **MR. STOKES:** So good afternoon, commissioners. My
23 name is Erik Stokes with the Research and Development
24 Division. We did have one small correction to the
25 agenda. It reads as the Energy Program Investment

1 Charge, and it should read Electric Program Investment
2 Charge, so just wanted to note that.

3 So I'm requesting a Commission approval today for
4 our 2018 EPIC Investment Program 2018 annual report.

5 Just a little bit of context about the EPIC
6 program -- we fill kind of a unique space in the overall
7 California energy policy landscape. Most of the state
8 policies are really aimed at incentivizing adoption of
9 commercial stage technologies. With EPIC, we supply the
10 technology push to try to bring new inventions to that
11 commercial stage, and we do that to the tune of about 130
12 million dollars each year in new funding.

13 Our current portfolio of EPIC projects active and
14 complete is around 300. In the report, we do kind of a
15 deep-dive profile of about a dozen or so of our projects,
16 and we've kind of organized these projects in the annual
17 report around five themes that mirror our tracking
18 progress report from a year ago. And I want to provide
19 examples from three of those themes in the next few
20 slides.

21 So the first project we want to highlight is a
22 microgrid project. Microgrids are seen as a key strategy
23 both for decarbonizing energy use, as well as increasing
24 the resiliency of our energy system in our communities.

25 However, microgrids have been limited by a couple of

1 factors. One of those has been the capital cost of
2 installing a microgrid system. The second is concerns
3 and questions about how these systems will function in an
4 actual emergency.

5 So for this project, we provided funding to the Blue
6 Lake Rancheria campus to install a microgrid system.
7 Blue Lake is a tribal community located in Humboldt
8 County, and one of the uses of the rancheria is it
9 provides the emergency Red Cross center for the
10 community.

11 Shortly after the microgrid was installed, a
12 wildfire broke out about a quarter of a mile away from
13 the campus, and fire crews were actually using the center
14 to combat the wildfire. So loss of power to the center
15 could have had some pretty impactful consequences.

16 What they didn't realize was there actually had been
17 a power outage for about an hour and a half. The
18 microgrid -- its response to the outage in how it
19 islanded from the larger grid was so seamless that they
20 didn't even notice it until they went back and checked
21 the log.

22 So this project really helped provide a validation
23 of how far microgrids have come and kind of shows that
24 they're ready for primetime as far as being part of the
25 strategy for some of these resiliency challenges.

1 The next project I'd like to highlight is a project
2 really aimed at supporting municipalities and
3 specifically wastewater treatment facilities. Energy's a
4 major operating expense at a lot of these wastewater
5 treatment facilities.

6 And the big opportunity is if you can treat more of
7 the organic material in the primary treatment phase
8 before that water moves towards the more energy-intensive
9 second treatment process, you can really identify some
10 pretty big energy saving opportunities.

11 And so for this project, Kennedy Jenks was the
12 recipient, and they piloted this new technology that they
13 call (indiscernible) cloth depth filtration technology.
14 And what this technology does is it's a much more
15 effective way at removing a lot of the biosolids in that
16 primary treatment stage and moving them out of the
17 wastewater treatment system.

18 And they showed some pretty promising results from
19 this new technology, including a twenty-five to thirty-
20 percent reduction in the energy use in the secondary
21 treatment phase. One of the benefits, too, is it also
22 increased their biogas production, because they're able
23 to capture a lot more of that organic material and direct
24 it to the anaerobic digester they had on site.

25 The last project we'd like to highlight is really

1 kind of a subset of programs that we collectively call
2 the California Energy Innovation Ecosystem. A few years
3 ago, the (indiscernible) kind of got out of the clean
4 tech game due to some high-profile failures, and so it
5 kind of forced us a few years ago to really rethink the
6 model and how we deliver new energy inventions to the
7 market in a way that can meet some of the private sector
8 requirements.

9 So phrase one was really to try to build up
10 California's infrastructure to support clean energy
11 entrepreneurship. And so we established four regional
12 innovation clusters to really kind of be the compass for
13 startup companies and help them navigate a lot of the
14 pitfalls and where to find the best resources as they
15 start to develop and scale up their invention.

16 And we complemented that with a new small grant
17 program we call CalSEED that provides a little bit of
18 that runway when companies are first getting going to
19 help them at least start to move past the proof of
20 concept stage and into the prototype stage.

21 In 2018, we started to see some of the first results
22 of these efforts, and so far companies that have gone
23 through the Ecosystem have received over sixty million
24 dollars in private sector investment. And we expect that
25 to increase over the next couple of years quite a bit.

1 The other thing is the Ecosystem partners have been
2 able to secure additional federal funding using their
3 EPIC award, and one of the key things this has let them
4 be able to do is really start to expand the services they
5 offer, primarily in rural and underserved communities
6 where we don't see as much clean tech entrepreneurship.

7 I'd like to switch gears real quick and just talk a
8 little bit about our administration of the EPIC program.
9 Within our administration, we've embedded several
10 strategies to really try to maximize the value of the
11 program. I just want to touch on a few of these strat --
12 we talk about each of these strategies in detail in the
13 report, but I just wanted to touch upon a few of those
14 and give some examples along with some of the metrics we
15 use.

16 So one of the things we try to do in our
17 administration of EPIC is provide validation to private
18 and public sector stakeholders on the new technology's
19 merits, including private sector investment companies.

20 We did a quick analysis this last year using a
21 sample of twelve companies with some new tools we have
22 available to us to look at private sector investment
23 companies have received before they received an EPIC
24 award and after, because one of the things we've heard
25 anecdotally over the years from recipients is just

1 getting an Energy Commission award's a nice little
2 feather in the cap to try to secure private sector
3 investment.

4 And what we found through these twelve sample
5 companies is a pretty significant increase in private
6 sector investment after they've received their EPIC
7 award -- about a two-to-one ratio.

8 One of our strategies is how do we increase
9 stakeholder capacity to develop as well as to pull in new
10 technologies. I talked a little bit about, with our
11 Ecosystem, we've really tried to increase California's
12 capacity to support clean tech entrepreneurship. We also
13 have a concerted effort on trying to increase stakeholder
14 capacity to deploy new technologies.

15 When new technologies start to move into that
16 demonstration stage, you really start to engage a whole
17 new set of professions that weren't involved in
18 development. And these typically tend to be permitting
19 agencies, construction firms, utilities.

20 And so there's a lot of learning that happens
21 through these demonstration projects, and a lot of that
22 learning tends to be local. So one of the things we're
23 really focused on is kind of geographic distribution of
24 these project sites across the state.

25 And so these maps kind of show where that

1 distribution's happening, and it's one of the metrics we
2 kind of use to make sure that we're getting good
3 geographic coverage, especially in IOU service
4 territories. The chart on the right shows a lot of the
5 same efforts, just specifically in disadvantaged
6 communities where we're really focusing on that
7 technological learning as well.

8 One of the primary benefits of a public research
9 program like EPIC is the knowledge that's generated, but
10 then that's shared so that people are really building on
11 not just what worked but what didn't work and avoiding a
12 lot of those common pitfalls. And so there was two
13 mechanisms we used to really try to disseminate new
14 knowledge that's generated through these projects.

15 One is online through our online project database we
16 call the Energy Innovation Showcase. We launched this in
17 2016, and in 2018 we really started to hit some critical
18 mass with the number of users. And we've increased both
19 the page views and the number of users six and sevenfold
20 in those two years.

21 The other mechanism we use to really distribute and
22 disseminate a lot of the knowledge that's generated
23 through these projects is our annual EPIC symposium.
24 Over the last couple years, we've gotten a lot more
25 sophisticated in putting on these symposiums. And it's

1 really helped increase attendance, from that first year
2 when we were about 100 people that attended in person, to
3 2018 where we hit about 660, and then this most recent
4 year we surpassed 700 in attendance.

5 And attendance is a nice metric. I think what
6 doesn't get captured is a lot of the enthusiasm and
7 energy that was at that event. So with the help of our
8 media, we cut a little two-minute video to kind of
9 highlight some of that day's events that we'd like to
10 play for you.

11 (Video played)

12 **MR. HOCHSCHILD:** Drew, I think you were about to
13 leave one of the keynotes early there.

14 Great video, Erik. That's terrific. That's
15 terrific. Yeah.

16 **MR. STOKES:** With that, I'm happy to answer any
17 questions.

18 **MR. HOCHSCHILD:** Yeah, tremendous job.

19 Any comments?

20 Any public comment?

21 (No audible response)

22 **MR. HOCHSCHILD:** No? Okay.

23 Comments from vice chair and commissioners?

24 (No audible response)

25 **MR. HOCHSCHILD:** Okay, thank you. Great work to

1 your whole team.

2 **DR. MCALLISTER:** Thanks, Erik.

3 **MR. HOCHSCHILD:** Yeah. All right.

4 **DR. MCALLISTER:** That was a great event, so kudos to
5 all you guys.

6 **MR. HOCHSCHILD:** All right. Let's move on to item
7 10.

8 **UNIDENTIFIED SPEAKER:** Actually, this is a request
9 for approval of -- wasn't this? Item 9?

10 **MR. HOCHSCHILD:** Oh, do we need to approve the --

11 **UNIDENTIFIED SPEAKER:** Yes.

12 **MR. HOCHSCHILD:** -- report? Oh, I'm sorry. My
13 apologies. Is there a motion to approve the 2018 annual
14 report for EPIC?

15 **UNIDENTIFIED SPEAKER:** And -- oh, go ahead.

16 **MR. HOCHSCHILD:** Yeah, sorry. Did you want to do
17 it?

18 **UNIDENTIFIED SPEAKER:** Sure. I will move approval
19 of item 9.

20 **DR. MCALLISTER:** Second.

21 **MR. HOCHSCHILD:** All in favor, say aye.

22 **IN UNISON:** Aye.

23 **MR. HOCHSCHILD:** That passes unanimously. Thank
24 you, Courtney (ph.).

25 Let's move on to item 10.

1 **MS. GONZALEZ:** Good morning, commissioners. My name
2 is Lorraine Gonzalez from the Research and Development
3 Division. I'm here today requesting approval of a three-
4 year contract with Gladstein, Neandross & Associates LLC,
5 or GNA, for a variety of technology transfer activities
6 for the EPIC program.

7 One of the key benefits of public research programs
8 such as EPIC is the knowledge generated from our projects
9 being made available to the public. The technological
10 learning or learning-by-doing that occurs from conducting
11 clean energy research allows the benefits from the
12 research to be replicated in future projects in
13 additional locations.

14 And distributing the knowledge gained from our
15 research helps accelerate development and adoption of new
16 technological advancements by ensuring future activities
17 build on the successes and failures of previous efforts.

18 In addition, project results can inform state and
19 local policymakers of the technical and commercial
20 readiness of new technology solutions for meeting near-
21 term policy goals.

22 For this contract, a team was selected with
23 industry-related expertise in technology transfer, event
24 production, targeted outreach, and web development. GNA
25 and their team of subcontractors bring a wealth of

1 knowledge and experience in these required areas, having
2 undertaken similar efforts in facilitating large events
3 such as the ACT Expo and the Rethink Methane Symposium.

4 Under this contract, the GNA team will focus on
5 three main areas: first, a new digital technology
6 transfer strategy for our energy innovation showcase,
7 which currently houses information on existing R&D
8 research projects. The work done by GNA will improve the
9 effectiveness and usefulness of the showcase, making it
10 more intuitive and user-friendly so that stakeholders can
11 easily find what they're looking for when visiting the
12 site.

13 Second, GNA will plan and conduct up to nine forums
14 across California, presenting EPIC research and
15 addressing trends and top issues impacting the energy
16 sector.

17 And third, GNA will plan and produce two symposiums
18 in 2020 and 2021 to showcase EPIC-funded research
19 projects, disseminate research findings, and help connect
20 researchers and technology developers with investors,
21 policy-makers, and other stakeholders.

22 This work will help the California Energy Commission
23 maximize the success of EPIC-funded technology
24 investments by ensuring that the knowledge gained through
25 our projects is shared amongst a wide audience.

1 Thank you for your time. I'm available to answer
2 any questions.

3 **MR. HOCHSCHILD:** Great. We do have a request for
4 public comment on this item.

5 Erik Neandross?

6 **MR. NEANDROSS:** Well, good afternoon, chair and
7 commissioners. My name is Erik Neandross. I'm the CEO
8 of GNA, and I just came to say thank you. We're excited
9 to have the opportunity to engage with the team. As we
10 saw from the video, there's a lot of great things
11 happening with the EPIC program. We think it's a great
12 brand, and the investments that are being made are really
13 important.

14 We look forward to jumping right in and getting
15 started to help really spread the good word and continue
16 to help grow that brand and grow attendance, grow
17 participation, and ultimately grow the adoption of these
18 technologies that are being invested in, because that's
19 mission-critical at this point. We have to see much
20 greater success in terms of deployment beyond the
21 development.

22 So we're excited to have the opportunity. I just
23 wanted to come say thanks, and look forward to getting
24 started.

25 **MR. HOCHSCHILD:** Great. Thanks so much.

1 Madame Vice Chair?

2 **MS. SCOTT:** Yes. I got a detailed briefing from
3 staff on this, and I am pleased to move item 10.

4 **MS. DOUGLAS:** Second.

5 **MR. HOCHSCHILD:** All in favor, say aye.

6 **IN UNISON:** Aye.

7 **MR. HOCHSCHILD:** Let's move on to item 13, San Diego
8 Community College District.

9 **MS. HAAS:** Good morning. Good morning, chair, vice
10 chair, and commissioners. I'm Tami Haas with the Fuels
11 and Transportation Division. I am the lead over
12 workforce training and development for the ARFVTP. I'm
13 seeking approval for a new agreement with San Diego
14 Community College District, in tandem with Advanced
15 Transportation and Logistics Center, for nearly 1.4
16 million dollars.

17 This agreement will fund alternative fuel training
18 for seven community colleges. As clean transportation
19 market continues to grow and evolve in California, there
20 is still a shortage of automotive technicians trained in
21 alternative fuels and advanced vehicle technologies.
22 Funding for these training programs includes vehicle
23 training, curriculum development, and purchase of
24 equipment and instructional aides.

25 This particular agreement will take inventory of

1 current training availability and perform a gap analysis
2 to focus the funding for seven new community college
3 awards in areas of need. Of particular interest is the
4 inclusion of the community colleges in the Central and
5 Imperial Valleys, and wherever possible, awards will be
6 made to colleges either located in or serving under-
7 represented communities in the state.

8 Under a previous award with the Energy Commission,
9 the Advanced Transportation and Logistics Center
10 established similar training for fifteen community
11 colleges and their automotive programs throughout the
12 state. The agreement proposed today will build upon the
13 work previously conducted and will leverage the success
14 achieved.

15 And with that, I'm ready to answer any questions you
16 may have. Thank you.

17 **MR. HOCHSCHILD:** Thank you.

18 Is there any public comments?

19 (No audible response)

20 **MR. HOCHSCHILD:** All right. Questions from the
21 commissioners?

22 **MS. SCOTT:** I'll just say, as you all know, I'm
23 always cheered when we have an opportunity here at the
24 Energy Commission to help support a well-trained
25 workforce that can make living wages in this clean

1 transportation transformation that we're trying to make.
2 So thanks for working on this. I'm excited to see how
3 all of the courses come out and learn how many people are
4 trained through them. And with that, I'll move approval
5 of item 13.

6 **MR. HOCHSCHILD:** Thank you.

7 Is there a second?

8 **MS. DOUGLAS:** Second.

9 **MR. HOCHSCHILD:** All in favor, say aye.

10 **IN UNISON:** Aye.

11 **MR. HOCHSCHILD:** That motion passes unanimously.

12 Let's move on to item 14, light duty vehicle
13 hydrogen refueling infrastructure operation and
14 maintenance support grants.

15 **MR. JOHNSON:** Good morning, chair, vice chair, and
16 commissioners. My name is Mark Johnson. I'm with the
17 Fuels and Transportation Division. I am presenting two
18 grant agreements for possible approval. The agreements
19 would provide operation and maintenance funding to
20 Iwatani Corporation of America for two hydrogen refueling
21 stations for 300,000 dollars each.

22 In August 2017, the Alternative and Renewable Fuel
23 and Vehicle Technology Program released the first come,
24 first serve light duty vehicle hydrogen refueling
25 infrastructure operation and maintenance support grants.

1 The solicitation provided operation and maintenance
2 support funding for publicly accessible hydrogen
3 refueling stations that previously received none or only
4 a portion of the operation and maintenance support
5 funding.

6 The purpose of offering operation and maintenance
7 support is to ensure that hydrogen refueling stations
8 remain operating during the rollout of fuel cell electric
9 vehicles.

10 The grant agreements presented today are for
11 stations located in San Ramon and Mountain View, which
12 qualify for operation and maintenance funding. These
13 agreements will require Iwatani to report details of the
14 stations' operation and maintenance to the Energy
15 Commission, including rent, electricity consumption,
16 maintenance, dispensing, and hydrogen deliveries for
17 three years from the effective date of the agreement.

18 Thank you for your consideration of this item, and I
19 am happy to answer any questions you may have.

20 **MR. HOCHSCHILD:** Okay. We do have a request for
21 comment from Joe Capello.

22 **MR. CAPPELLO:** Good morning. Thank you, chairman
23 and vice chair, commissioners, for the opportunity to
24 meet with you this morning to offer a few brief comments
25 on this important request from us.

1 My name is Joe Cappello, and I'm here representing
2 Iwatani Corporation to personally express our
3 appreciation for your consideration of our two grant
4 requests and for the tremendous support that the CEC has
5 helped us with through our early days of entering this
6 new market for us.

7 We thought a little additional background on Iwatani
8 might be helpful as you contemplate our request. Iwatani
9 Corporation is a Japanese company that will be
10 celebrating its ninetieth anniversary shortly.

11 Iwatani is the leading hydrogen supplier in Japan,
12 where we operate three liquid hydrogen plants, nine
13 gaseous hydrogen plants, twenty-three hydrogen fueling
14 stations, with plans to add more stations later this year
15 in advance of the 2020 Olympics. Our company was
16 founding member of the Hydrogen Council and has a deep
17 commitment to contribute towards creating a CO2-free
18 hydrogen supply chain.

19 Early last year, Iwatani approved a brand new
20 strategic initiative that I am leading, which is to
21 create a brand new U.S. business platform with hydrogen
22 playing a prominent role. Following extensive
23 assessment, Iwatani determined that California's
24 interests aligned very closely with our company's
25 experience set, and we decided to make our first major

1 investment here in California and to establish our
2 Western U.S. headquarters in Santa Clara.

3 Iwatani acquired the four hydrogen refueling
4 stations that were originally developed by Linde. Those
5 include the Mountain View and San Ramon locations, which
6 are the stations that we would appreciate your
7 consideration of our grant request. These grants are
8 very helpful in the early years to help defray the
9 operating and maintenance costs as we ramp up volume to
10 meet the growing demand of customers.

11 Our intentions are to continue to invest in these
12 stations, to absolutely achieve the highest quality
13 customer experience, to participate in the upcoming GFO,
14 and build out many more new hydrogen fueling stations.
15 We also aspire to become a fully integrated supplier of
16 CO2-free hydrogen in support of California's desire to
17 create a CO2-free infrastructure, and we intend to build
18 out a world-class team right here in California.

19 With respect to these two grants, both stations have
20 the ability to supply 350 kilograms of hydrogen per day.
21 Both stations are at the large end of the supply
22 capability spectrum amongst the current installed
23 hydrogen fueling station base, and they're located in
24 regions that have been considered higher-demand areas.

25 Again, these types of grants would help us defray

1 the costs very much. We understand and fully accept the
2 obligations and the fiduciary responsibilities that come
3 along with receiving grant funds, and we acknowledge,
4 should this request be approved, we'll uphold all of
5 those.

6 We commit to be a model business partner and to
7 maintain the highest safety, quality, and ethical
8 standards, and to manage the CEC funds responsibly, and
9 to meet the requirements set forth.

10 In closing, thank you, commissioners, for your
11 consideration and for the tremendous support that Jean
12 Baronas and the CEC team have given to our team as we've
13 started to enter this market. I'm happy to answer any
14 questions. Thank you.

15 **MR. HOCHSCHILD:** Well, thank you for being here.

16 Any other public comment in the room or on the
17 phone?

18 (No audible response)

19 **MR. HOCHSCHILD:** Hearing none, commissioner
20 discussion?

21 **MS. SCOTT:** I'll just briefly note that it is really
22 great to see additional players in the hydrogen market,
23 so thank you for being one of those. Thanks for being
24 here today. And with that, I will move approval of item
25 14.

1 **MR. HOCHSCHILD:** Is there a second?

2 **DR. MCALLISTER:** I'll second.

3 **MR. HOCHSCHILD:** All in favor, say aye.

4 **IN UNISON:** Aye.

5 **MR. CAPPELLO:** Thank you very much.

6 **MR. HOCHSCHILD:** It passes unanimously. Thanks.

7 Let's move on to item 15, light duty vehicle
8 hydrogen refueling infrastructure.

9 **MR. SERRATO:** Good morning, chair, vice chair, and
10 commissioners. My name is Sebastian Serrato. I'm with
11 the Fuels and Transportation Division. I'm presenting an
12 amendment to an existing agreement and a new agreement
13 for possible approval today.

14 We propose Amendment 1 to an agreement with Equilon
15 Enterprises LLC, doing business as Shell Oil Products US.
16 The amendment will decrease the grant amount from 2.3
17 million dollars to 1.4 million and reduce the scope of
18 work to equipment acquisition only.

19 The original grant agreement proposed to construct a
20 hydrogen retail station in Walnut Creek. However, the
21 station site has become nonviable. Therefore, the
22 equipment purchased under this grant agreement is
23 proposed to be used by the recipient for a different
24 hydrogen fueling station under a newly proposed
25 agreement.

1 The new grant agreement being proposed is for an
2 888,000 dollar grant to develop a hydrogen refueling
3 station at 101 Bernal Road, San Jose, California. Under
4 this grant agreement, Equilon Enterprises LLC, doing
5 business as Shell Oil Products US, will install and
6 commission the hydrogen refueling station equipment
7 acquired under the previously mentioned agreement for the
8 Walnut Creek site as amended at the new San Jose site on
9 Bernal Road.

10 The station will serve the increasing number of
11 hydrogen-powered zero-emission vehicles deployed in
12 California and increase the reach of the hydrogen
13 refueling network in San Francisco Bay Area. The station
14 would dispense thirty-three percent renewable hydrogen,
15 add regional redundancy, and expand existing Bay Area
16 hydrogen network southward.

17 We recommend approval of this amendment to the
18 existing agreement and the new agreement, listed as (a)
19 and (b) in item 15 respectively. Wayne Leighty from
20 Shell is on the phone today and would like to make a
21 comment. We are happy to answer any questions you may
22 have. Thank you.

23 **MR. HOCHSCHILD:** Okay. Any public comments on the
24 item?

25 Yeah, go ahead.

1 **MR. LEIGHTY:** Can you hear me?

2 **MR. HOCHSCHILD:** Yeah. Is this Wayne Lightly (sic)?

3 **MR. LEIGHTY:** It is Wayne Leighty, business
4 development manager for Shell. Good afternoon, chair,
5 vice chairs, and commissioners. Thank you for your
6 consideration. Your support for the hydrogen refueling
7 infrastructure is critical, and the consideration for
8 this change in the relocation of a hydrogen station is
9 important.

10 I wanted to just briefly recognize the tremendous
11 collaborative effort that went toward the hydrogen
12 station as originally proposed in Walnut Creek. Without
13 going into detail, I want to express my thanks to all who
14 were involved with and supported that effort.

15 I also want to recognize the open and positive
16 approach from the city of Walnut Creek, which gives me
17 hope that customers in that important area will have
18 hydrogen fuel developed, and finally to acknowledge the
19 disappointment from those customers who were expecting
20 this hydrogen fueling station to open. Please know that
21 we made every possible effort to implement that station.

22 And then what you're seeing today, thank you for
23 your consideration in the flexibility to relocate to San
24 Jose. My view is that ability to do so is by virtue of
25 the CEC's process.

1 In working from the original and revised notice of
2 proposed awards, the station location at 101 Bernal Road
3 in San Jose was proposed for award in a revised NOPA, and
4 the ability to do so is by virtue of the Shell retail
5 network in California, which enables us to quickly move
6 forward at the new location. So the result is continued
7 development of the hydrogen refueling network in this
8 rare case where a proposed station becomes nonviable.

9 I'm happy to answer any of your questions, and thank
10 you for your consideration.

11 **MR. HOCHSCHILD:** Great, thank you.

12 Any further comment from the public on the phone or
13 in person?

14 (No audible response)

15 **MR. HOCHSCHILD:** Okay, let's move to commissioner
16 discussion.

17 **MS. SCOTT:** Sure. I don't have too much to add to
18 what you just heard, but I will thank the staff and the
19 folks that we worked with for this smart and flexible
20 buildout of this initial network. It requires a little
21 bit of give and take, and the team does a great job with
22 that. So with no questions, I will move approval of item
23 15.

24 **MR. HOCHSCHILD:** Is there a second?

25 **MS. DOUGLAS:** Second.

1 **MR. HOCHSCHILD:** All in favor, say aye.

2 **IN UNISON:** Aye.

3 **MR. HOCHSCHILD:** Item 15 passes unanimously.

4 Let's move to item 16, school bus replacement.

5 **MS. VATER:** Good afternoon, chair and commissioners.

6 My name is Michelle Vater, and I'm with the school bus
7 program in the Fuels and Transportation Division.

8 Staff is seeking approval of eight new compressed
9 natural gas or CNG grant agreements resulting from the
10 solicitation entitled "School bus replacement for
11 California public school districts, county offices of
12 education, and joint power authorities".

13 The solicitation announced up to 78.7 million
14 dollars for school bus replacement grants to public
15 school districts, county offices of education, and joint
16 power authorities operating the oldest school buses in
17 disadvantaged communities, with a majority of students
18 eligible for free or reduced-price meals.

19 While electric school buses were emphasized in the
20 solicitation, not all eligible applicants have the bus
21 route profile suited for an electric school bus. So to
22 allow for flexibility, applicants under the solicitation
23 were able to apply for CNG school bus replacements up to
24 165,000 dollars per bus, limited to ten buses, as well as
25 request up to 500,000 dollars per application for CNG

1 fueling infrastructure.

2 In total, the Alternative and Renewable Fuel and
3 Vehicle Technology Program allocated just over four
4 million dollars for CNG school bus replacements and an
5 additional 2.1 million dollars for related CNG fueling
6 infrastructure.

7 Applicants applying for CNG school buses had to
8 demonstrate through a route profile evaluation performed
9 by a third party that an electric school bus would be
10 insufficient to meet the needs of the applicants' regular
11 school bus route.

12 Applicants had to meet two of four criteria to be
13 eligible for a CNG replacement school bus, which may have
14 included an average route distance of over ninety miles,
15 routes on roads with speed limits of forty-five miles per
16 hour or greater, routes that had a fifteen-percent grade
17 or twenty percent of service days with extreme
18 temperatures during the bus operating hours.

19 Today, staff is seeking approval to award all of the
20 CNG school bus replacement funds to eight agreements for
21 CNG buses and fueling infrastructure. Combined, these
22 grant agreements total over six million dollars and will
23 remove twenty-five diesel school buses from service.

24 Replacing these old diesel school buses with new CNG
25 school buses will benefit local communities by reducing

1 pollutants such as nitrogen oxides and particulate
2 matter, since CNG-powered vehicles emit less pollutants
3 than diesel-powered vehicles. Additionally, the cost to
4 fuel CNG school buses is less than the cost to fuel
5 diesel school buses, allowing these school districts to
6 save money.

7 While I am here to seek approval of our CNG grant
8 agreements, I'd also like to take this opportunity to
9 provide an update on the electric school bus portion of
10 our solicitation.

11 The Energy Commission's school bus program released
12 a second solicitation at the end of December 2018
13 targeting electric school bus manufacturers and dealers
14 to solicit proposals to establish a bulk purchase price
15 for the electric school buses. The deadline for that
16 solicitation was March 29th, so staff are currently
17 scoring the proposals received.

18 Once a manufacturer or dealer has been awarded and a
19 bulk purchase price has been determined, staff will
20 determine how far down the ranked list of electric school
21 bus applicants can be funded. Staff expects to release a
22 final notice of proposed award for the electric school
23 bus manufacturer or dealer in late spring, followed by a
24 final notice of proposed award for the electric school
25 bus replacements shortly after.

1 Thank you for your consideration of these
2 agreements. I'm happy to answer any questions.

3 **MR. HOCHSCHILD:** Great, thank you.

4 Any public comment on the item -- or the phone?

5 (No audible response)

6 **MR. HOCHSCHILD:** All right. Let's move to
7 commissioner discussion.

8 **MS. SCOTT:** Great. I don't have too much to add to
9 your excellent presentation. I will just note that
10 through Prop 39, the Energy Commission and our staff here
11 have developed really strong relationships with literally
12 every LEA -- local educational agency -- across the
13 state.

14 And so it was really nice to be able to build on
15 that with the clean school bus program. And when you
16 kind of put that together, right, we have schools that
17 are more energy-efficient. They may have solar, and now
18 they're going to have clean school buses as well.

19 So it's just really exciting. I think this team has
20 done a great job, and there's really nothing more
21 compelling, I think, than getting children out of
22 dirtier, higher-polluting school buses and getting them
23 into zero and near-zero school buses. So I'm -- with no
24 questions -- pleased to move item 16 forward.

25 **DR. MCALLISTER:** Can I --

1 **MR. HOCHSCHILD:** Is there a second?

2 **DR. MCALLISTER:** I actually want to --

3 **MR. HOCHSCHILD:** Oh, yeah, go ahead.

4 **DR. MCALLISTER:** -- just kind of really quickly -- I
5 mean, so back in the day there was really a dearth of
6 research on this stuff. And it turns out that not only
7 did they pollute in the community -- they belch diesel
8 out the back end -- but actually some of the air quality
9 in these older diesel buses inside the buses in the back
10 towards where the engine compartment is and stuff is
11 among the worst air quality that these kids will ever
12 breathe. And so just getting rid of that is a massive,
13 massive positive thing for them and their communities.

14 **MR. HOCHSCHILD:** One other point I'd just make with
15 respect to electric school buses -- one advantage for the
16 grid is that they typically are plugged in during the
17 middle of the day, and that's an opportunity that
18 aligns --

19 **DR. MCALLISTER:** Yeah.

20 **MR. HOCHSCHILD:** -- really nicely with solar
21 generation. So --

22 **DR. MCALLISTER:** Yeah, it's great. And also just
23 highlighting or emphasizing the point that the vice chair
24 made about our program sort of implementation skills, I
25 think that transferred really well from Prop 39 in the

1 school form to the buses, and it's really great to just
2 be knocking these programs out of the park in terms of
3 just the administrative ability and the skill set that we
4 have at the Commission to be able to channel these funds
5 and get them out into the world. So --

6 **MR. HOCHSCHILD:** Great. So I think we have a
7 motion.

8 **DR. MCALLISTER:** -- thanks for the great work.
9 Yeah.

10 **MR. HOCHSCHILD:** Do we have a second?

11 **DR. MCALLISTER:** Second.

12 **MR. HOCHSCHILD:** All in favor, say aye.

13 **IN UNISON:** Aye.

14 **MR. HOCHSCHILD:** All right. This motion passes
15 unanimously.

16 Let's move on to item 17, community-scale and
17 commercial-scale advanced biofuels productions
18 facilities.

19 **MR. HOM:** Good afternoon, chair and commissioners.
20 Andrew Hom with the Fuels and Transportation Division.
21 I'd like to point out an error on the agenda for item
22 17(a). The agreement number should read ARV-18-019, not
23 19-019.

24 **MR. HOCHSCHILD:** Okay, thank you.

25 **MR. HOM:** I'm here to present to the Energy

1 Commission two projects that were proposed for funding
2 through our most recent community-scale and commercial-
3 scale biofuel production solicitation. This solicitation
4 provided over nineteen million dollars in funding for
5 projects which would increase the in-state production of
6 low-carbon biofuels at new or existing production
7 facilities. The following two projects represent the
8 first projects being recommended for funding under this
9 solicitation.

10 The first item is an agreement with Aemetis Advanced
11 Products Keyes for nearly five million dollars to build a
12 new cellulosic ethanol production plant that will convert
13 local almond and walnut wood waste into 7.5 million
14 diesel gallon equivalents of ethanol per year, with an
15 estimated carbon intensity of negative forty-three grams
16 of CO2 equivalence per megajoule. This project will
17 create approximately 50 fulltime operations jobs and 500
18 construction jobs in the surrounding region of Riverbank.

19 Staff is also recommending approval of CEQA findings
20 and a statement of overriding considerations for this
21 project based on the lead agency City of Riverbank's CEQA
22 documents, which include a final environmental impact
23 report, mitigation monitoring and reporting program,
24 notice of determination, and statement of overriding
25 considerations.

1 Staff has reviewed and considered the lead agency's
2 CEQA documents, as well as other relevant environmental
3 review documents in the record, and determined that the
4 proposed project falls within the scope of the lead
5 agency's CEQA documents and that the proposed project
6 will not result in any new environmental impacts other
7 than those already considered by the lead agency.

8 Staff has also determined that the mitigation
9 measures identified will eliminate or mitigate any
10 significant impacts associated with the project to less
11 than significant levels, except for the impacts to air
12 quality, cultural resources, noise, and traffic and
13 transportation.

14 As to these significant and unavoidable impacts,
15 staff has determined that the economic, legal, social,
16 technological, or other benefits of the project outweigh
17 these unmitigable environmental impacts. These benefits
18 include revitalizing the former Riverbank Army Ammunition
19 Plant, creating economic opportunities, and reducing
20 regional GHG emissions and criteria pollutants.

21 For the second item on item 17, the second agreement
22 is for three million dollars to the City of Roseville to
23 expand and convert digester gas at their Pleasant Grove
24 wastewater treatment plant into almost 270,000 diesel
25 gallon equivalents of renewable natural gas. This fuel

1 production will also allow the City to convert their
2 solid waste truck fleet from diesel to CNG, utilizing a
3 fuel with an estimated zero carbon intensity. This
4 project would create approximately four permanent City
5 staff and twenty-seven temporary construction jobs.

6 This energy recovery project was evaluated by the
7 lead agency, the City of Roseville, which in 2017
8 prepared and adopted an initial study and mitigated
9 negative declaration. In November of 2018, the City
10 adopted an addendum to the initial study and mitigated
11 negative declaration. Commission staff determined that
12 this project causes no new significant or substantially
13 severe environmental impacts beyond those already
14 considered by the lead agency.

15 For both of these agreements, staff is seeking your
16 adoption of the CEQA findings and approval of the grant
17 awards in item 17. I believe Todd Waltz and Jeff Welch
18 for Aemetis and William Pevac for the City of Roseville
19 are all here today, and Aemetis would like an opportunity
20 to provide comment. Thank you for your consideration.

21 **MR. HOCHSCHILD:** Thank you. Yeah, let's hear from
22 Aemetis.

23 **MR. WELCH:** Hello. My name's Jeff Welch. I work
24 for Aemetis. I'd just like to take this opportunity to
25 thank the Energy Commission for this proposed award.

1 Since our inception, we've been working to develop
2 the lowest carbon intensity fuels while creating jobs in
3 California. To date, we have sixty-five million gallons
4 of ethanol production in California. And with this
5 proposed award, we will be able to take almond and walnut
6 wood -- which is otherwise being burned in the Central
7 Valley of California, causing an air pollution crisis --
8 be able to turn this into low carbon ethanol fuel.

9 So we just want to thank the Energy Commission so
10 much for this award. This will allow us to begin
11 construction and see us through commissioning for this
12 twelve-million-gallon facility. So I just wanted to
13 thank the Energy Commission. Thank you.

14 **MR. HOCHSCHILD:** Thank you.

15 Other public comments on this item, either in person
16 or on the phone?

17 (No audible response)

18 **MR. HOCHSCHILD:** Okay, let's turn to commissioner
19 discussion.

20 **MS. SCOTT:** All right. Well, another great
21 presentation with good information provided. I think,
22 again, that ability to put the wood waste and turn it
23 into low-carbon fuels is really important, and especially
24 to get those low-carbon fuels into the vehicles that we
25 have today while we're making the transition to zero-

1 emission vehicles. And I will move approval of item 17.

2 **MR. HOCHSCHILD:** Is there a second?

3 **DR. MCALLISTER:** Second.

4 **MR. HOCHSCHILD:** All in favor, say aye.

5 **IN UNISON:** Aye.

6 **MR. HOCHSCHILD:** That motion passes unanimously.

7 Let's move on to item 18, demonstration-scale
8 biofuels production facilities.

9 **MR. HOM:** Hello again, commissioners. Andrew Hom
10 with the Fuels and Transportation Division. Item number
11 18 is for two projects proposed for funding through our
12 most recent demonstration-scale biofuel production
13 solicitation.

14 This solicitation provided a little over twelve
15 million dollars in funding for projects that would prove
16 an innovated technology or process in biofuel production
17 at demonstration-scale level. The following two projects
18 represent the first two out of five total projects
19 awarded under this solicitation.

20 The first item is an agreement with California
21 Grinding for three million dollars to demonstrate a new
22 pretreatment technology using anaerobic digestion,
23 increasing food and green waste conversion to renewable
24 natural gas.

25 The project will convert 250 tons per day of green

1 waste to produce 2.4 million diesel gallon equivalents of
2 renewable natural gas annually and be located in Fresno.
3 Demonstration of this new technology will have the
4 potential to increase biogas production by as much as
5 eighty-five percent for anaerobic digestion facilities
6 throughout the state.

7 As described in staff's CEQA memo for this project,
8 staff has reviewed and considered the CEQA documents
9 prepared by the lead agency for this project, the City of
10 Fresno, and determined that the proposed project falls
11 within the scope of the lead agency's CEQA documents, and
12 the project will not result in any new environmental
13 impacts than those already considered by the lead agency.

14 Staff has also determined the mitigation measures
15 adopted by the City are within its jurisdiction, and
16 there are no additional mitigation measures or
17 alternatives within the Energy Commission's jurisdiction
18 that are feasible for this project.

19 The second item is for an agreement with the
20 Southern California Gas Company for three million dollars
21 to scale up an innovative technology that converts
22 wastewater solids at the Central Contra Costa Sanitary
23 District's Wastewater Treatment Plant into renewable
24 natural gas and bio-crude. The bio-crude will also be
25 further processed into renewable diesel by Pacific

1 Northwest National Laboratory and leverage grant funding
2 by the Department of Energy.

3 Demonstration of this project would address the
4 wastewater industry's challenge of cost-effective
5 disposal of wastewater solids, while producing two
6 valuable renewable transportation fuels with an estimated
7 carbon intensity of 13.5 grams of CO2 equivalence per
8 megajoule. This project will be located in Martinez.

9 Staff is seeking adoption of the CEQA findings and
10 approval of both grant awards for item number 18.
11 Michael Brown for California Grinding and Ronald Kent and
12 James Oyler for SoCalGas are here today to answer any
13 questions and, I think, would also like to provide
14 comment.

15 **MR. HOCHSCHILD:** Great. Would Michael Brown like to
16 say a few words?

17 **MR. BROWN:** Yeah. This is Michael Brown on the
18 telephone. Can you hear me okay?

19 **MR. HOCHSCHILD:** Yes, we can.

20 **MR. BROWN:** Okay. I'm Michael Brown, speaking on
21 behalf of California Grinding, Inc. For almost twenty
22 years, we have helped the (indiscernible) industry and
23 more recently the City of Fresno properly manage their
24 organic waste in the Central Valley, covering many low-
25 income and disadvantaged communities. We thank you for

1 the consideration of awarding this important and timely
2 demonstration grant to California Grinding.

3 The technology that we are seeking to demonstrate
4 solves a critical problem for communities and organic
5 waste producers trying to comply with our state's tough
6 laws requiring food and green waste diversion from
7 landfills and conversion to useful energy and products.
8 According to CalRecycle, at least one hundred new
9 anaerobic digestion facilities costing several billion
10 dollars are needed statewide to comply over the next few
11 years.

12 The problem this demonstration program addresses is
13 the significant difficulty in digesting highly cellulosic
14 waste like grass, leaves, manure, and certain food waste.
15 Our proposed program demonstrates an innovative feedstock
16 pre-digestion system utilizing a thermophilic bacteria
17 called (indiscernible) to pre-digest these highly
18 cellulosic organic wastes prior to introduction into the
19 anaerobic digester.

20 Laboratory and pilot testing have demonstrated that
21 this process both speeds the time it takes to complete
22 this digestion process, as well as significantly
23 improving the amount of methane that traditional
24 anaerobic digesters are able to make for use as
25 transportation fuel and renewable power production.

1 These combined improvements will result in
2 significantly lower energy production costs and the
3 required tipping fee payments from communities and
4 organic waste producers struggling economically to comply
5 with landfill diversion and greenhouse gas reduction
6 requirements.

7 It is time for this technology to be fully
8 demonstrated for commercial implementation throughout the
9 state, and your grant, supplementing our matching funds,
10 will accomplish this. We hope that you concur with your
11 staff's recommendation and award us this grant. We thank
12 you, and I'd be happy to answer any questions.

13 **MR. HOCHSCHILD:** Thank you. Let's hear from Dennis
14 Balakian.

15 If Dennis is not there, if there's any other
16 comments in the room?

17 (No audible response)

18 **MR. HOCHSCHILD:** All right. Let's move to
19 commissioner discussion.

20 **MS. SCOTT:** Sure. So I think you've seen kind of
21 through item 17 and item 18, this is just nice
22 demonstrations of both kind of the green and food waste
23 and wood waste, and then the second is kind of on the
24 wastewater treatment facility area.

25 And basically, this round here, number 18, is to

1 make the low-carbon fuel production even more efficient
2 and figure out how to do that better. And then item 17
3 was really pushing that out to make it up at scale. So
4 I'm excited about these projects as well and will move
5 approval of item 18.

6 **MR. HOCHSCHILD:** Is there a second?

7 **DR. MCALLISTER:** Second.

8 **MR. HOCHSCHILD:** All in favor, say aye.

9 **IN UNISON:** Aye.

10 **MR. HOCHSCHILD:** That motion passes unanimously.

11 Let's move on to item 19, Energy Commission
12 partnership with the navy and DOD.

13 **MR. GRAVELY:** Just one second, sir.

14 So good afternoon, chair and commissioners. I'm
15 Mike Gravelly from the R&D Division and energy -- I mean,
16 military advisor to Chair Hochschild. Today, I just want
17 to give you a brief update on our relationship with the
18 Department of Navy and the Department of Defense and some
19 of the activities we've had with the bases over the
20 years.

21 Next chart.

22 Oh, okay. You're right.

23 The Energy Commission has a long history of working
24 with the military and building the military into our
25 plans. If you go back almost a decade when the state was

1 ramping up our renewable sites, there was a large
2 coordination with the military. The military has a large
3 amount of training land in California, and we wanted to
4 be able to see what was available but not impact with
5 their military mission.

6 That discussion continues today. Jim Bartridge from
7 our commission is a coach here of the Western Regional
8 Partnership to continue discussing with the military our
9 future plans and coordinate with them so that as we grow
10 we're able to use land that's available but doesn't
11 impact their military mission.

12 Also, over the years, both programs for EPIC and
13 PIER -- we've done demonstration projects on energy
14 efficiency and demand response technologies on bases and
15 encouraged them to use some of these technologies in the
16 future in their procurement system.

17 Also, some of the problems they've had in the past
18 with interconnection renewables and other areas, we work
19 with the different bases in our PUC and ISO to help them
20 coordinate their issues and do what we can to help
21 resolve issues so they can move forward in a manner
22 acceptable with the state and the military.

23 Also, during the water crisis, we did quite a bit of
24 coordination with them on the plans and procedures that
25 they used to follow the State's directive for the

1 drought. And in today's environment, reliability and
2 resiliency is a big element for the military, and we've
3 been doing quite a bit of work over the years and
4 continue to do work in that area to help the bases meet
5 their future needs.

6 The relationship that we have with the military kind
7 of expanded. Jackie Pfannenstiel, who was a prior
8 chairman of the Commission, took over as the citizen
9 secretary around 2010, and she developed an initiative to
10 bring microgrids to California, particularly the San
11 Diego area, and that began to develop our partnership and
12 relationship. Secretary McGann (ph.) took over from her
13 in 2013, and the relationship expanded.

14 And then when the (indiscernible) closed into
15 (indiscernible) being located on the marine facilities,
16 there was a large number of working group activities.
17 And as a result of that, the navy and the Commission
18 decided that we would more formalize our process.

19 (Indiscernible) we actually filed an MOU between the
20 two agencies so that we could share information and work
21 on projects and opportunities that provided value to both
22 the State of California and the military and Department
23 of (indiscernible) in particular.

24 Just a quick review of some of the current
25 activities that we have with the military. As I

1 mentioned, resiliency -- we recently last year had a
2 microgrid solicitation. There were eight bases that
3 applied. Overall we had sixty proposals, and three of
4 those bases were selected.

5 In the marine facility there at Miramar, they're
6 looking at a base-wide facility to support their military
7 operations, their flight operations under a large
8 microgrid. At Port Hueneme, there is a critical facility
9 there -- a twenty-four-hour military facility there --
10 that they're providing renewables and storage for and a
11 microgrid to help it ride through any contingency
12 operations so that it can continue to operate.

13 And then in Camp Parks for the army, there's a
14 facility in the Oakland area that's a big training area
15 for the army, and they're doing a microgrid for the base.
16 And they're also doing a series of small microgrids in
17 the different training areas that they operate
18 independently, or they can all operate as one.

19 So this is helping us understand what resiliency
20 means to the military and how these microgrids can give
21 us information in the future to help all of California
22 understand how to meet their future resiliency needs.

23 We had a large project with the Department of
24 Defense at the L.A. Air Force Base to do a vehicle-to-
25 grid I'll talk about a little bit later. But there were

1 vehicles left over, and we had about three years of
2 operating those vehicles. Their lease in the vehicle-to-
3 grid -- this was actually funded through the
4 transportation program.

5 So what we're doing now is we're evaluating those
6 batteries and how vehicle-to-grid operation impacted the
7 life of the battery. One of the challenges the industry
8 has is when you use a vehicle for vehicle-to-grid the
9 warranty for the battery is voided.

10 And now, with the research we do and continue to do,
11 we've pretty much determined that the real impact on the
12 battery is very minimal, and we're trying to get the
13 manufacturers to allow these vehicles to in the future
14 participate in these services and not void the warranty.

15 And the other thing we're doing -- again, this is
16 transportation funded -- is we're doing vehicle-to-grid
17 for the microgrid in addition to the grid itself. We
18 have six vans that are being installed at Miramar to
19 support the base and also the microgrid, and we'll be
20 learning more and more about the military operation in
21 these facilities and also being able to participate in a
22 vehicle-to-grid where they provide the primary service to
23 the microgrid and secondary service outside the
24 microgrid.

25 Another area that's unique with the partnership we

1 have is we have research projects both in PIER and EPIC.
2 When we're done with the research, we have equipment left
3 over that's very valid to be used and may not be wanted
4 at the site.

5 In this case, we have two battery systems that were
6 completed and needed a new home. Then the navy at their
7 expense picked up both of those and put them into their
8 test facility at Port Hueneme, and they're going to ship
9 those.

10 One of the areas they're looking for in their
11 islands is they're trying to make them -- they operate on
12 diesel generators, and they're trying to install more and
13 more renewables and solar and storage so they can use the
14 storage to eliminate or at least use the diesels as
15 minimal as possible.

16 So what happens for us is we get to continue to
17 evaluate the performance of the batteries. One of the
18 things that we're learning in the battery industry is the
19 long-term life of batteries is an issue we don't know.

20 So the fact that we can take this project that
21 lasted for three to four years and make it a ten-year
22 project -- it gives us that performance information we
23 need on those batteries so we can better understand the
24 lifetime performance of these technologies.

25 Just a couple of key past ones that were of

1 interest. Pendleton, the marine corps station, was one
2 of the first adopters back in the 2012 timeframe. They
3 did a couple of series of small microgrids. They learned
4 so much from it that they on their own went out and did
5 some additional microgrids, and they've done microgrids
6 in another marine base based on the information learned
7 here. So this was a very successful project that was
8 under the PIER program.

9 We also have -- again under Transportation
10 Division -- several projects where they've worked with
11 the bases to do biofuel, in particular diesel conversion.
12 And these were two examples for the army and the navy
13 where they actually did projects on the base with the
14 ultimate goal of converting that diesel to a clean
15 solution.

16 We did a big project with Beale Air Force Base. So
17 a while back, we looked at the smart grid initiative with
18 them and did a complete study on their base. And in
19 fact, that study has been help -- the base has used that
20 study in their long-term plans for similar upgrades. And
21 we also learned quite a bit about how to -- in this case,
22 we demonstrated several PIER technologies, and the base
23 was able to actually procure those PIER technologies in
24 their five-year plan that they do for future investments.

25 And then the last one here -- I mentioned before

1 that at L.A. Air Force Base we had the largest vehicle-
2 to-grid demonstration in the world. We have over forty
3 vehicles that were involved. They were certified by the
4 ISO. They participated in the market.

5 There were four bases in the U.S. that were part of
6 this, and L.A. was by far the most successful. And
7 again, as I said, we learned quite a bit from this. And
8 we learned some of the challenges, and we also learned
9 some of the successes. And again, many of these vehicles
10 are now rolled into this secondary project where we're
11 trying to continue to check the data and see what's
12 happening.

13 The other thing about research is not all research
14 works out when you're working with small business. We
15 had a very interesting project where we were using CO2
16 washing machines, and the navy was interested because
17 when you wash a Kevlar vest or when you wash a fire-
18 retarding vehicle in water it takes away the protective
19 gear, so you can't do that.

20 So they don't wash these devices. And it turns out
21 with the CO2 we were able to actually wash them and do no
22 damage. The navy actually took some of the Kevlar vest
23 and shipped it back east to do some live fire testing to
24 see if the vest in fact kept its retention.

25 And the unfortunate part was at our surprise the

1 company unfortunately -- one order doesn't make a
2 company, and they folded. And then we just recently
3 removed that equipment from the navy. But there has been
4 a follow-on company that's interested, but in this case
5 we learned quite a bit. We tested for about a year and a
6 half. But unfortunately in the market that particular
7 company is no longer around.

8 So going forward, as we mentioned, as part of our
9 MOU we have quarterly calls to keep track of these
10 projects, and that's been bringing new projects. Every
11 six months, we have a face-to-face meeting. The last one
12 we had was in December 3rd and 4th at Miramar, where the
13 group got to tour the microgrid there and also just
14 discuss some of the activities down there.

15 The Governor's Military Council events come every
16 year, and (indiscernible) this year -- in a few minutes
17 he wants to give a few comments from the Council.

18 And also, one of the interesting things for us is
19 we've been trying very hard to get Department of Defense
20 bases to think about the EPIC program on a competitive
21 basis versus a sole source basis. So we've been very
22 successful. I mentioned before we had eight bases apply
23 on the microgrid. We have bases applying in other
24 storage projects and other ones that are high-priority
25 for the military. And five years ago we wouldn't get

1 anybody to apply for those projects (indiscernible).

2 And with that, I'll be glad to answer any questions,
3 sir.

4 **MR. HOCHSCHILD:** Mike, look. I just want to say
5 this publicly. You have been hitting homeruns on this,
6 and the Commission is lucky to have you. Your insights
7 and experience and relationships and enthusiasm -- I
8 mean, it's been instrumental. So thank you for
9 everything you've done.

10 **MR. GRAVELY:** Okay.

11 **MR. HOCHSCHILD:** Were there some other comments?
12 Ned, did you want to say a few words?

13 **MR. GRAVELY:** Yeah. Ned and --

14 **MR. HOCHSCHILD:** Yeah.

15 **MR. GRAVELY:** -- and Garth (ph.) want to make a few
16 comments, sir.

17 **MR. HOCHSCHILD:** Yeah. Come on up.

18 **MR. MCKINLEY:** Good afternoon. Just a couple of
19 quick comments. Ned McKinley, Marine Corps Installations
20 West. I just have huge appreciation for the leadership
21 of the Commission and for the staff, especially Mike
22 Gravelly, but all your staff that's worked so hard.

23 We're very committed to this partnership. We've
24 done some great things. Look forward to what new great
25 things we can do. So many overlapping areas where the

1 state's goals and the goals of the military services
2 overlap, so really looking forward to that.

3 **MR. HOCHSCHILD:** And I will say some good things
4 happen in these meetings. I was with Wade Crowfoot six
5 and a half years ago at a Military Council meeting. That
6 was where he mentioned there was an open seat at the
7 Energy Commission. So had I not gone to that, I wouldn't
8 be here.

9 Any other comments on this item?

10 (No audible response)

11 **MR. HOCHSCHILD:** Okay. Thank you. Thank you, all.
12 Oh, yeah, and Vice Chair Scott. Let me thank also
13 Vice Chair Scott for her incredible work on this issue,
14 along with former Chair Weisenmiller. It's just a real
15 gemstone of a collaborative with us. And I know the
16 governor's really excited about building on the work
17 that's been done going forward.

18 **MS. SCOTT:** Yeah. Mike, I wanted to add how much I
19 appreciate your invaluable guidance and your expertise
20 that you bring both to the Commission and then when you
21 learn about microgrids and other components back out to
22 the military and others. It's really been a lot of fun
23 to work with you on these topics. And I have to say I
24 always know it's going to be a military-related day
25 because of the tie that Mike wears. So that always makes

1 me happy.

2 And I also want to say how much I appreciate the
3 military for being such a great partner. I mean, a lot
4 of these things are things that we're testing out, we're
5 trying it out, we're kind of kicking the tires to see how
6 it works, and you need a little flexibility in that
7 space. And the military has been a great partner to the
8 Energy Commission in working on this, so thank you very
9 much. And thanks for being here today.

10 **DR. MCALLISTER:** I just want to also just use this
11 moment as a recognition of a legacy of former Chair
12 Pfannenstiel, because she was just a rock star in this in
13 very early days.

14 **MR. HOCHSCHILD:** Yeah, that's a great point. Thank
15 you for remembering her.

16 All right. Let's move on to ports, item 20.

17 **MS. DEMESA:** Good afternoon, chair, vice chair, and
18 commissioners. My name is Rhetta deMesa, and I'm an
19 advisor in Vice Chair Scott's office. And I wanted to
20 take a couple minutes this afternoon to provide an
21 overview of the Energy Commission's Ports Energy
22 Collaborative.

23 As you just heard from Mike, the Energy Commission
24 has a longstanding partnership with the Department of the
25 Navy, predicated on common goals across the navy and the

1 state. Here in California, the freight sector is a major
2 economic engine for the state and also accounts for about
3 half of the diesel particulate matter, forty-five percent
4 of the NOx, and six percent of the GHG emissions, a good
5 amount of which are occurring at California seaports.

6 The ports are actively working to reduce emissions
7 from port-related operations, so a strategic partnership
8 with the ports similar to what we have with the navy
9 seemed like a logical next step. In 2016, under
10 Commissioner Scott's leadership, we initiated the Ports
11 Energy Collaborative, a working group in (indiscernible)
12 both to engage with the various ports throughout
13 California as they develop and implement sustainable
14 practices. Through the Collaborative, we hold bimonthly
15 phone calls and meet in person twice a year.

16 The Collaborative started with the Ports of Oakland,
17 Hueneme, Long Beach, Los Angeles, and San Diego, and we
18 were later joined by the Port of Stockton. So we have
19 good representation, both in terms of a geographic spread
20 throughout the state, as well as diversity among the
21 ports themselves.

22 The Collaborative has been great, because it has
23 proven to not only serve as an opportunity for the Energy
24 Commission to better understand the unique needs of the
25 various ports, but it also allows for the ports the

1 opportunity to collaborate and discuss upcoming projects
2 and lessons learned with each other.

3 When we initially kicked off, we started with a
4 brainstorming session to identify where we had similar
5 goals and prime opportunities to partner on projects.
6 Key areas identified included resiliency, transitioning
7 vehicles and equipment to zero/near-zero technologies,
8 and efficiency.

9 We've explored opportunities to fund projects across
10 several programs here at the Energy Commission, including
11 ARFVTP, EPIC, and ECAA, and to date we've successfully
12 partnered with the ports on ten different projects with
13 over sixty million dollars in Energy Commission
14 investments.

15 Through the EPIC program, we've been able to fund
16 microgrid projects at two of the ports, one at the Port
17 of Long Beach to provide islanding capabilities to their
18 critical response facility, the Joint Command and Control
19 Center, and one at the Port of San Diego, which is
20 designed to support increased electrification at the
21 port.

22 Through ARFVTP, we've funded projects that focus on
23 clean transportation, with a demonstration of a variety
24 of zero and near-zero emission vehicles and equipment.
25 This includes battery electric yard tractors, battery

1 electric plugin hybrid dredge trucks, zero emission cargo
2 handling equipment such as top handlers and forklifts,
3 and low-NOx natural gas yard trucks, as well as the
4 enabling infrastructure for a number of these
5 demonstrations.

6 Through the Collaborative, we've been able to work
7 directly with the ports to better scope projects that
8 will accelerate the deployment of clean technologies into
9 the market, always working through the lens of what can
10 help move technology from demonstration to widespread
11 deployment.

12 A great example of this would be a project we have
13 with the Port of San Diego. The San Diego Port Tenants
14 Association will be demonstrating ten advanced technology
15 vehicles to verify the performance of the technologies.
16 The demonstration included three battery electric
17 forklifts, three class A electric dredge trucks (ph.),
18 and four battery electric yard trucks.

19 What's unique about this particular project is that
20 the vehicles and equipment that are being demonstrated
21 are going to be made available to the various port
22 tenants so that they can get firsthand experience in
23 seeing how these vehicles fit into their daily
24 operations, which can help them form their future
25 purchasing decisions.

1 Another project I thought I would highlight is the
2 ED Blueprint being conducted by the Port of Long Beach.
3 For this effort, the Port of Long Beach received a
4 200,000 dollar grant from ARFVTP to develop a
5 comprehensive framework for identifying the most cost-
6 effective suite of technologies, financial incentives,
7 infrastructure upgrades, and workforce needs for creating
8 a sustainable, zero-emission port ecosystem.

9 In our most recent Ports Collaborative in-person
10 meeting a few weeks ago, the Port of Long Beach folks
11 acknowledged that 200,000 dollars is a relatively small
12 grant in sort of the world of grants in which they're
13 accustomed to working. But they really emphasized how
14 extremely valuable it has been to have dedicated funding
15 to go towards planning, and they noted that that tends to
16 be a gap in a lot of funding programs. So it was great
17 that we were able to help there.

18 The framework that they're developing is intended to
19 be replicable and will serve as a template for other
20 ports. In fact, they'll be sharing the template with the
21 other ports through the Collaborative probably sometime
22 this summer.

23 So that's a high-level overview of the Ports Energy
24 Collaborative and the type of projects we work on
25 together. Moving forward, we'll continue to use the

1 Collaborative as a forum to come together to discuss
2 important energy issues, mutual challenges, and
3 coordination opportunities as we move towards our common
4 goals.

5 So with that, I would be happy to answer any
6 questions.

7 **MR. HOCHSCHILD:** Thank you so much, Rhetta and Vice
8 Chair Scott. I asked for this item on the agenda just
9 because there hasn't been -- gotten enough attention, but
10 again, really strategic. And I just want to thank
11 everybody that's worked on it.

12 Do you have some additional comments you want to
13 make?

14 **MS. SCOTT:** I do.

15 **MR. HOCHSCHILD:** Yep.

16 **MS. SCOTT:** I want to say, one, thank you to Rhetta
17 for her incredible leadership on this. She's the one who
18 makes the day-to-day happen, and that's what matters,
19 right, the implementation. I really appreciate your
20 commitment and dedication and vision there.

21 As you mentioned, the ports are oftentimes in or
22 near low-income communities or disadvantaged communities.
23 They tend to be pollution hotspots, right, because
24 there's a lot of activity going on there, and so
25 racketing down the emissions is really important.

1 And the ports have been, like the military, great
2 partners. They're willing to try things out, really -- I
3 call it take it on the shakedown run, because that's what
4 you do with a boat when you're kind of getting it -- the
5 first time you take it out. And so they're really
6 helping us to test out this equipment, see what works,
7 what doesn't work, what do we need to update, what do we
8 need to tweak and why.

9 And then as Rhetta mentioned, then we can take that
10 and then replicate it and scale it, and you've already
11 worked out the kinks before you really try to push this
12 out to all of the ports or in a mass market way.

13 So it's been great to work on. I'm glad we had a
14 chance to highlight it. I want to thank the ports for
15 their partnership and thank Rhetta for making it all
16 happen.

17 **DR. MCALLISTER:** That's great. And I really love
18 that San Diego example, having actually sat back in the
19 day on the San Diego Port Environment Commission (sic) or
20 department or working group -- whatever they called it.
21 But that's a place where the military and the ports just
22 are almost the same thing. I mean, they overlap
23 tremendously, and the port tenants and the navy really
24 work together well on this stuff. So I'm glad to see
25 that progress happening.

1 **MR. HOCHSCHILD:** Great. Well, great work,
2 everybody.

3 All right. Let's move on to item 21. Is there a
4 motion to approve the minutes?

5 **UNIDENTIFIED SPEAKER:** Move the minutes.

6 **MR. HOCHSCHILD:** Second?

7 **DR. MCALLISTER:** Second.

8 **MR. HOCHSCHILD:** All in favor, say aye.

9 **IN UNISON:** Aye.

10 **MR. HOCHSCHILD:** All right. Let's move to lead
11 commissioner reports. With the permission of my
12 colleagues, I may go first if that's all right, just
13 because I don't want to be late for my own confirmation
14 hearing.

15 So I just first really wanted to thank all of my
16 colleagues here for being flexible and patient in what is
17 always a bit of a hectic transition. We've had I think
18 what is a totally unique circumstance of having the same
19 five commissioners for six years with basically the same
20 roles, and there's some reshuffling and so forth. And
21 this has coincided with an enormous amount of activity in
22 the governor's office on a whole bunch of issues and some
23 initiatives we're doing here.

24 So I just want to walk through a few highlights. We
25 have made a bunch of positive changes here at the

1 Commission. Just on some simple things, we have a new
2 email signature that all staff are using, which includes
3 our logo and our website. The new website's coming out
4 in June. That's going to be, I think, a huge step
5 forward. New ID cards for everyone are coming with the
6 new logo. New letterhead is done. It should be
7 distributed shortly.

8 We have made some improvements to the common area,
9 some couches and chairs to make it more inviting for
10 staff and stakeholders. We're doing improvements in what
11 used to be the cafe. I've engaged personally on these
12 issues and with DGS on getting our twenty-two leaks
13 fixed.

14 If it affects staff morale, it's a priority for
15 us -- all of us on the Commission. And this is an issue.
16 Actually, it's a recruitment issue, because people come
17 and they see trashcans collecting water. So I've met
18 directly with Secretary Batjer and with Dan Kim of DGS on
19 that. We're making some improvements on Commissioner Row
20 as well. So lots of good stuff there.

21 I've done walk-throughs of the entire Energy
22 Commission to meet all 600-and-something employees here
23 personally and just thank them on behalf of all of us for
24 the work they're doing. That's been super fruitful, just
25 to see how everything's arranged and also just to realize

1 the incredible international diversity that we have here.
2 It's extraordinary, and we'll be doing some more
3 activities later this year to highlight that. But it's
4 been a real treat.

5 And I've been doing these deep-dive division reviews
6 (indiscernible) with all the divisions. Almost done with
7 that. But my high-level feedback is that I think our
8 deputies and the work of the divisions is stronger than
9 it's ever been, and we've really figured out how to give
10 away funds responsibly with appropriate diligence. So I
11 think this puts us in a great position to do much more of
12 that.

13 A couple big initiatives we're launching today --
14 sending out the invite letters for this lithium recovery
15 initiative to promote lithium development in California
16 to a big group of stakeholders. Working with
17 Commissioner Douglas on that, because that's down in the
18 Salton Sea area, as well as Secretary Crowfoot.

19 And Commissioner Douglas and I also did a trip to
20 Diablo Canyon, so they have now -- the big move there is
21 from wet storage to dry cask. So they have to do 138
22 casks. Fifty-eight are done. We did a deep dive into
23 that, along with Justin Cochran, the chair's advisor on
24 nuclear issues, which was super fruitful.

25 The other interesting thing there -- there's about

1 roughly 400 million dollars of infrastructure that is
2 currently planned to be decommissioned that, if we were
3 to do offshore wind, you wouldn't need to decommission.
4 So there's a pier and a breakwater and a 230 kV
5 transmission line.

6 And that's an interesting option, so we were
7 actually exploring if you did offshore wind -- so we've
8 been digging into that and are going to really do
9 everything we can to explore that option. (Indiscernible)
10 I think there'll be a lot of interest in the community on
11 that.

12 And a couple other highlights. I also did a trip to
13 Oklahoma that I'd planned earlier for a wind tour. So
14 wind prices in Oklahoma are now down to 1.3 cents a
15 kilowatt hour. Little incremental changes -- like it
16 used to be a two-person crew twice a year for two days
17 each time, so four days a year does maintenance on the
18 nacelle.

19 That's down to one day a year, right, so these
20 little things -- and I'm just saying this -- I mean, we
21 are going to get to one cent a kilohour out of our wind
22 and one cent a kilohour out of our solar. That's where
23 we're headed in my view. And it's super exciting.

24 There's by the way a big anti-wind campaign funded
25 by the fossil fuel industry in Oklahoma. But at the end

1 of the day, it's hard to compete against low prices. And
2 every wind turbine in Oklahoma is giving 10,000 dollars
3 every year to every rancher, and so there's real support
4 for it, too. And still a lot more cost reduction in the
5 technology to come.

6 I also did a talk along with folks from the ISO,
7 California Clean Energy Fund, RMI (ph.), and others in
8 Navajo Nation down in Arizona. They have a monster two-
9 gigawatt 1970s vintage coal plant, and we went to talk to
10 them about the future of coal.

11 And basically my message was, first of all,
12 renewables are beating coal in price today. But if you
13 stay on that path, you're also going to lose on policy,
14 because a hundred percent is the law in California, it's
15 law in New Mexico, it's law in Hawaii, law in District of
16 Columbia. Another eight states have introduced hundred-
17 percent legislation, and another four on top have
18 introduced study bills, right. And so the trend is
19 there.

20 Had a really terrific dialogue with the vice
21 president of Navajo Nation and a bunch of the decision-
22 makers. The next day, they announced that coal plant's
23 closing the end of the year, and they are launching a big
24 new renewable energy initiative.

25 And I actually think there's a real market just for

1 that, because it's renewable power coming out of a
2 disadvantaged community that's also shutting down a coal
3 plant. I think there's interest in the California market
4 in that as well as Salt River Project and
5 (indiscernible). So terrific dialogue on that.

6 I wanted to just take a minute to in particular
7 thank and acknowledge my friend and colleague, Vice Chair
8 Scott, for her work on transportation. I have been
9 amazed how hard you worked. I know how hard you work
10 with -- it's a hell of a deal trying to get on your
11 calendar; you're always -- and I'm just really proud of
12 the work you put in and the progress we've made. It's
13 been incredible.

14 And as we welcome our new commissioner at the end of
15 this month, Commissioner Monohan (ph.), who's going to be
16 taking the baton on that, she's inheriting a program in a
17 really healthy condition because of you. And I'm
18 particularly grateful not just that you agreed to be vice
19 chair, but also that now the other issues you're going to
20 be engaging on -- part of it is strategic communications,
21 how do we tell our success stories better.

22 Even if we get to a hundred percent clean energy and
23 zero carbon in California, if other states don't follow
24 suit, other countries, we're not going to win. So your
25 incredible talents on that, your experience at the

1 Department of Interior's extraordinary, and I'm excited
2 to partner with you on that, as I am to partner with you
3 on the EPIC program.

4 This is the crown jewel of the Energy Commission.
5 We need to reauthorize that program next year to get
6 another billion and a half dollars. It's imperative that
7 we succeed in that. The stakes are really high. And so
8 you're engaging on that at just the right time from my
9 perspective, and I want to thank you for all that.

10 The last thing I would say is I do want to do an en
11 banc with PUC and ISO, and I'd love for us to just be
12 thinking about issues where it makes sense for all three
13 agencies, all fifteen commissioners, to meet jointly.
14 What are the things that we want to talk about?

15 I think disadvantaged community, diversity is a
16 great one. I think actually an update on renewable
17 technology development, including offshore wind, is
18 another. I'd welcome other thoughts as we dig into that,
19 but that's on my list to discuss.

20 And then finally, I've been spending a lot of time
21 at the governor's office on the sixty-day report, which
22 is coming out this week. And that'll have a lot more
23 direction from the governor on where we go with this
24 (indiscernible) situation and our energy policy
25 generally.

1 And with that, I'm going to sneak out. I apologize.
2 Thank you.

3 **DR. MCALLISTER:** Yep. I think we all wish you good
4 luck in your hearing, and you'll do great. But it'll be
5 fun to watch, so --

6 **MR. HOCHSCHILD:** All right. Thanks.

7 **DR. MCALLISTER:** -- good luck.

8 Okay. Well, great. So, well, now that the time
9 pressure's off --

10 **UNIDENTIFIED SPEAKER:** (Indiscernible)

11 **DR. MCALLISTER:** Yeah, exactly, a real thorough
12 update. Anyway, so I feel like this is really only the
13 third or fourth day since the last business meeting that
14 I've actually been in the office, because I've really
15 just been traveling a lot and engaging with a lot of
16 different stakeholders. And I'll just run down a few of
17 those activities.

18 So Brian and I actually -- and Brian has been
19 traveling almost as much as I have, because I've been
20 dragging him along and he's just been providing a huge
21 amount of value just logistically and substantively on
22 the issues to almost all of the meetings I'm going to
23 describe.

24 So a few weeks ago, we went down to Guadalajara.
25 The Autonomous University of Guadalajara is actually a

1 private university, but it's really a pillar of the
2 community there. They are building a lighting research
3 center along the lines of the one that's at U.C. Davis.

4 And we participated not with financial resources but
5 just with sort of ideation and proposal evaluation and
6 kind of really engaging with the state of Jalisco on --
7 really the whole country of Mexico on this.

8 And so it's really great to have that project
9 landing in Jalisco. There's so much opportunity in
10 Mexico for LEDs, kind of to leverage the LED revolution
11 for the Mexican context and really get the technology's
12 cost down and manufactured locally and do a lot of great
13 things down there. And the idea is that this leads to a
14 renovation of our MOU with Jalisco.

15 There's a little bit of politics, because the
16 national government and the state of Jalisco government
17 are different parties, and so we're kind of trying to
18 tiptoe around that a little bit. But I think we're all
19 going to work together well as both new administrations
20 kind of settle in.

21 Let's see. I then shortly thereafter, the following
22 week, did a trip to Denver, where the NARUC and NASEO --
23 so the NARUC being the National Association of Regulatory
24 Utility Commissioners and NASEO being the National
25 Association of State Energy Officials -- so are sister

1 entities and historically haven't worked together all
2 that much.

3 But the state energy offices in any given state and
4 the PUC or the public service commission in each state
5 really are overlapping tremendously increasingly,
6 especially as local planning issues and distributed
7 energy resource issues kind of become part and parcel of
8 the same conversation.

9 And so I'm currently the chair of the NASEO board,
10 and we've developed this collaboration with NARUC on
11 electricity system planning. So the idea is to sort of
12 focus on the distribution system, but all the states are
13 so diverse and they're focused on different things that
14 we sort of pulled in the transmission. And so we're
15 really just looking at electricity planning.

16 But we recruited sixteen states and met for the
17 first time, all sixteen of us, with a member of the PUC
18 and a member of the state energy office from each state
19 in the room for a couple of days to talk about, okay,
20 what do we need, what tools, how do we confront this
21 challenge of distributing energy resources or just
22 whatever the evolution -- wherever the evolution of the
23 electric grid is taking us. And climate change obviously
24 front and center now. The states, even red states, are
25 stepping up and acknowledging that we have to do

1 something. And so it's really pretty cool.

2 So the sixteen states, I think -- they're very
3 diverse, and certainly politically and just in industry
4 structure. We're in a cohort with Minnesota and
5 Virginia, which have sort of similarly structured in some
6 ways electric systems but obviously in very different
7 places in terms of their evolution of resources and their
8 mix and their policy environment.

9 So that's a two-year project or two-year
10 collaborative between NASEO and NARUC, and hopefully it's
11 going to come out with some good tools and some, from my
12 perspective, really socializing a lot of the ideas that
13 we already almost kind of take for granted in California,
14 but getting those out and demystifying them for other
15 states I think is really important and could be huge.

16 It may be institutionally difficult, but I'm very
17 hopeful now, too, that building these collaborations is
18 going to bear a lot of fruit down the road. So that's
19 really good stuff.

20 And by the way, we're hosting the NASEO annual
21 meeting in September down in Manhattan Beach, and so I'm
22 going to get going in earnest on that, trying to really
23 put California's best foot forward and welcome all fifty
24 states and six territories and sort of all of the allies
25 that work with them, a lot of federal people, Department

1 of Energy and others, EPA, that'll be convening in
2 Manhattan Beach in September.

3 So we're really looking forward to that, and we'll
4 sort of keep everybody up to date on how it evolves and
5 how the Commission itself and potentially commissioners
6 and PUC folks can be involved in that.

7 So then from Denver, went straight to L.A. for their
8 annual sustainability summit, which is a really great
9 event they hosted at the Getty. It's worth going just
10 because you get a free entrance -- well, it's always
11 free, but you always get a couple hours right at the end
12 to walk around and see some incredible art.

13 But that is just a great event, because now that the
14 mayor of our city is not running for president, he is all
15 hands on deck for the Olympics and all of the -- they
16 announced the amazing goal to retire all of
17 (indiscernible) gas-fired fleet, and they are just
18 (indiscernible) down there.

19 And I always say the future happens first in L.A.,
20 and they're just doing some great stuff. And they've got
21 Scale, and they've got a really interesting sort of
22 innovation ecosystem. So that was a good time, and
23 actually you can go and watch the whole thing online.
24 They're really good with the media piece of it as well.

25 Then, let's see, we've hosted -- I guess I'll just

1 talk about a couple of meetings this week, really. So on
2 Monday we had a really great event with Commissioner
3 Scott (indiscernible) and President Picker and the new
4 PUC commissioner as well down in L.A. at LACI, at the
5 Cleantech Incubator on decarbonization, building
6 decarbonization. And not only was it sort of focused on
7 1477 issues, the decarbonization bill that Senator Stern
8 carried last year -- and he was there and opened it up,
9 made some really substantial comments.

10 And it was really a taste of what's to come, because
11 this is a conversation that we have to have: What is the
12 interplay between electricity and natural gas? What are
13 all the various impacts of it? There was a really large
14 turnout of gas industry labor force who are legitimately,
15 I think, concerned about what happens to their industry
16 when we really focus on decarbonization, particularly if
17 that is centrally electrification, right?

18 And so a lot of questions about renewable natural
19 gas and kind of how far it can take us and what that
20 trajectory might look like, which I think is still fairly
21 unclear. Lot of bandwagon, lot of advocacy for
22 electrification. It's just the number one policy. And
23 so without sort of passing judgement on any of that, I
24 think that is a healthy conversation that really -- I
25 think of it as like a nuclear decommissioning. If you

1 think about -- it's a large sunk investment that we are
2 going to have to figure out how to evolve. And so it's
3 sort of nuclear decommissioning times three or four in
4 terms of the scale of it.

5 And what does the future of the natural gas system
6 look like? How much of it is non-fossil? Most of it, if
7 not all of it has to be non-fossil. So it's a big
8 challenge for the state.

9 So I strongly believe that the Energy Commission
10 needs to marshal that conversation in (indiscernible), or
11 maybe the legislature asks us to take that on in some
12 other form. But we already do a lot of that work, but we
13 really have to kind of present an objective structure to
14 bring all the stakeholders together, try to create some
15 middle ground, and figure out where to take that
16 conversation, because that's a big, big deal and very,
17 very important for California and really the world.

18 So we got a taste of that at LACI. I guess that's
19 why maybe you have a different opinion about that, but I
20 think it was an interesting discussion. And the format
21 there was really nice to have that kind of an exchange --
22 really open exchange.

23 And then yesterday we -- oh, and I want to just call
24 out (indiscernible) and the PUC staff as well as Brian
25 and the Energy Commission for -- we had folks down there

1 as well as staff down there for that conversation at
2 LACI. And 1477 is a joint activity, really, between the
3 PUC and the Energy Commission, and we have a good working
4 relationship with them.

5 And then the same applies for the workshop we had
6 yesterday at the PUC, which is really the kickoff of the
7 development of the updated California Energy Efficiency
8 Action Plan. So that's the -- you'll remember the AB-758
9 action plan on existing building efficiency, and SB-350
10 doubling goal for efficiency, and last year we had AB-
11 3232, Laura Friedman's bill that asks us to write a
12 building decarbonization strategy. So we're sort of
13 wrapping much of those into the update of the overall
14 efficiency plan.

15 So we're doing a little roadshow. The first one was
16 in San Francisco at the PUC. We're going to Redding,
17 Fresno, L.A., and San Diego in the next few weeks and
18 really hoping to get good participation and just show our
19 faces out there and really get boots on the ground to
20 talk to stakeholders in their context and highlight the
21 issues that we need to dig in further on when we develop
22 this report.

23 So staff Michael Kenney is leading that effort in
24 the division, and I'm really hopeful that we're going to
25 ask some tough questions and really lay it out there. I

1 think it's going to -- we're not achieving our goals. I
2 mean, I'll just say.

3 We spend a lot of time saying how we're doing all
4 this wonderful stuff, which is absolutely true, but
5 across the nation, across the world the last month, the
6 news hasn't been that great for climate, for emissions,
7 particularly in transportation, just because we keep
8 using fossil fuels.

9 I mean, I think a lot of jurisdictions just aren't
10 sort of being successful dealing with that. And our
11 buildings -- it's the same thing. Doubling efficiency
12 and getting retrofits to all our existing buildings -- it
13 is a huge, huge lift that's going to take a lot of money.

14 And so the goal is to do as much of it in a market-
15 based structure as possible, but particularly the forty
16 percent of Californians that are low income -- we have to
17 find some resources to help those people do that work if
18 we're going to be successful. And it's going to take a
19 lot of political will.

20 So I think this conversation about the action plan
21 update is really -- it is that, and there will be a
22 report. But it's actually going to require some
23 introspection, I think, to figure out how far California
24 really needs to go, how far we think we can go with
25 market-based instruments, and if we're going to ask the

1 legislature to do more, because it's going to be a big,
2 big lift.

3 And we can look to places like the Netherlands and
4 other places that are adopting decarbonization goals that
5 are along the lines of what we also need. But anyway, so
6 the conversation got started yesterday, and I'm excited
7 to keep developing that.

8 And I want to just give kudos to the media team for
9 getting the word out about that and Luke (ph.) stirring
10 up attendance and just making sure that when we -- like
11 the LACI event, so I think we got a lot of good media
12 about that, and it was a conversation that needs public
13 vetting. It's a difficult conversation that needs public
14 vetting, and that's just -- our outreach strategy is key
15 for that.

16 I think that's about it. Thanks.

17 **MS. SCOTT:** Great. And I just wanted to briefly
18 acknowledge that Chair Hochschild left right before
19 Commissioner McAllister started his update. But you
20 still have a quorum with Commissioner McAllister,
21 Commissioner Douglas, and myself.

22 Thank you for that great update.

23 Commissioner Douglas?

24 **MS. DOUGLAS:** I'll just have a very brief update.

25 The chair already mentioned our trip to Diablo Canyon on

1 May 4th, and that was a really helpful and informative
2 visit. So I think with that I'll pass on any other
3 update. Thank you.

4 **MS. SCOTT:** All right. And then my brief update --
5 I've had an opportunity over the last little bit to go to
6 a few different conferences and venues up in Seattle,
7 Washington for the National Governors Association
8 meeting, where they convened folks to talk about electric
9 vehicles, infrastructure, and strategy.

10 And it was fantastic. There were about fourteen
11 states, including the Virgin Islands, and so they kind of
12 came quite a ways to participate in the meeting and just
13 really hear where everyone is, what they're doing, what
14 lessons are learned, what are things we can work on
15 together.

16 Had an opportunity to present on the work that the
17 Commission is doing at the Clean Cities Conference in
18 Oakland a few weeks ago and also to talk to the
19 California Lawyers Association with some vision of
20 different folks about how we get to a hundred percent
21 carbon-free energy. So that was great.

22 We also had our in-person Ports Collaborative
23 meeting at the Port of Hueneme a few weeks ago, and that
24 was fantastic. The Port of Hueneme is a fantastic host.
25 It's really neat to see what they have there and also to

1 convene all six of the ports together and trade
2 information. One of the things that they did was took us
3 on a little tour of the Port of Hueneme, and they do a
4 bunch of bananas and other produce.

5 And they also do cars, and so it's very interesting
6 to watch these cars come off the ships. And what's
7 interesting apparently is that -- or I think this is
8 interesting -- is that the cars have just enough gasoline
9 or just enough charge to get off the boat and then get
10 into the parking lot before they get put on those big
11 trailer trucks that take them to the different places,
12 which I don't know, I was like, how do they do that? So
13 it was really neat to see the operations there.

14 And while I will miss working on transportation, I'm
15 really pleased to have the opportunity to work with our
16 R&D team and be part of EPIC and PIER natural gas and
17 really dig in and engage there. So looking forward to
18 that. That is my update.

19 Yes, we will move to item number 23, which is the
20 chief counsel's report, please.

21 **UNIDENTIFIED SPEAKER:** Nothing.

22 **MS. SCOTT:** Okay. We will move on to item 24, which
23 is the executive director's report.

24 **UNIDENTIFIED SPEAKER:** In the last couple weeks, we
25 had hearings before the Senate and assembly subcommittees

1 on our budget proposals. All of our budget proposals
2 passed, so we've added 1,000. We still have two spring
3 finance letters that will be entertained soon, but we're
4 doing well. Thanks.

5 **MS. SCOTT:** Next is item 25, the public advisor's
6 report.

7 **MS. MATTHEWS:** So very quickly, I had a great
8 opportunity to work with the Research and Development
9 Division on some community meetings that they planned,
10 and it was really awesome. We had community members. A
11 lot of times when we do meetings, we'll do north Central
12 Valley and then Southern California.

13 Well, this time we really listened, and so instead
14 of going to Fresno we went to Madera and Bakersville
15 because we realized some community members even in the
16 planning we lose those individuals at the north or
17 southern part of the Central Valley.

18 So as Commissioner McAllister was speaking about
19 linguistic access, there is not only just actual language
20 access, but it's the way we use language. And so if you
21 are communicating to rural community members, even though
22 you're all speaking English, there might be another
23 language that you need to use. And so we're really
24 trying to be innovative and strategic when we do the
25 outreach meetings, that we're making sure that we are

1 presenting information that's accessible.

2 And I really encourage you to have these meetings
3 outside the box of our traditional kind of workshop and
4 PowerPoint presentation. We actually did what we call
5 the energy icebreaker, and it was just a matching game.
6 And it was a very creative way to introduce terms like
7 microgrid or customer support solutions, which community
8 members who traditionally are not engaged in our
9 processes wouldn't really understand. So those were two
10 very, very successful meetings.

11 And then I just want to thank my staff, Rosemary
12 Avalos -- who's not here -- but then Dorothy Merini
13 (ph.), who have been very instrumental in making that
14 happen, reaching out to communities where we were able to
15 provide food as well as translation services for both of
16 those community meetings and give good ideas.

17 The last thing I will say is that we have our
18 diversity career fair that's coming up at the end of the
19 month, April 25th, and we want to encourage everyone to
20 share in getting the word out so we can let anyone
21 interested know that they're welcome here at the Energy
22 Commission. And I thank Dorothy again for being the lead
23 on that. Thank you.

24 **MS. SCOTT:** Great.

25 **DR. MCALLISTER:** I want to -- can I just say

1 something about the linguistic thing? I mean, it's not
2 only just a linguistic thing. It's also a cultural
3 thing, right?

4 **MS. MATTHEWS:** Yes, yes.

5 **DR. MCALLISTER:** Because our processes are like --
6 they're like a foreign country just themselves even if
7 you speak English, right? So I'm just thinking about
8 some of the rural communities we serve -- southern
9 Central Valley -- immigrants from wherever, if they come
10 to those meetings, even if it's fully in their own
11 language often they're not going to quite understand
12 what's going on because it's just a very -- the
13 bureaucracy and the structure and the formality of it is
14 something that isn't very accessible just per se, right?

15 So particularly if you are a relatively recent
16 immigrant and your educational level is not through a
17 university -- maybe it's high school, maybe it's less
18 than high school. So I think there is a cultural aspect
19 of this, and the numbers in California are large. There
20 are a lot of people in that situation. So I guess it's
21 probably worth a discussion about how many resources we
22 sort of put into it and what our strategy kind of ought
23 to be to be most effective.

24 **MS. MATTHEWS:** So one quick update that I can give
25 you -- that on the diversity steering group committee, we

1 always reach out to the divisions, to deputies to let
2 them know. And this last community meeting -- we're not
3 calling it workshop because of that technical
4 connotation -- but we totally abandoned what we would
5 normally do.

6 We didn't do it at all. We really had a community
7 meeting where we sat down and we really listened. And
8 the most important thing in planning that is to listen to
9 the community first in planning it, because they can tell
10 you what the cultural competency is and how best to
11 provide information to that community.

12 **DR. MCALLISTER:** Thanks so much, Alana.

13 **MS. SCOTT:** Yeah, thank you.

14 Okay. Public comment, item 26.

15 **UNIDENTIFIED SPEAKER:** We don't have public comment,
16 but I would like to announce that we have opened up a
17 docket. So anytime a member of the public -- we
18 currently did not have a place to take that if anyone has
19 general public comment, and so we will be able to take
20 that.

21 So if anybody is listening in and is not able to
22 make a public comment, if they want to submit a written
23 comment, we have worked with chief counsel's office to
24 establish that. And so in perpetuity now, there will
25 always be a place to have general public comment.

1 **MS. SCOTT:** Great. That's great to hear. And let
2 me just look to Cody (ph.) to make sure we don't have
3 anyone on the phone there.

4 Okay. So with no public comment, we are adjourned.

5 (End of Recording)

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