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BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of: }
)
Business Meeting }

______________________________}

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

WEDNESDAY, MAY 15, 2019
10:00 A.M.

Reported by:
Peter Petty
APPEARANCES

Commissioners

David Hochschild, Chair
Janea Scott, Vice Chair
Karen Douglas
Andrew McAllister
Patricia Monahan

Staff Present: (* Via WebEx)

Drew Bohan, Executive Director
Kourtney Vaccaro, Chief Counsel
Allan Ward, Assistant Chief Counsel
Alana Mathews, Public Adviser
Jennifer Martin-Gallardo, Interim Public Adviser
Cody Goldthrite, Secretariat

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James Friedrich 8
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Andrew Hom 11
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Others Present (* Via WebEx)

Interested Parties

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Gokhan Serce, Principal, Magnolia Science Academy 3
James Richmond, First Note Finance 3
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Others Present (* Via WebEx)

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a. Pursuant to Government Code Section 11126(e), the Energy Commission may adjourn to closed session with its legal counsel to discuss any of the following matters to which the Energy Commission is a party:


ii. Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller, (Alameda County Superior Court, Case No. RG13681262)

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


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

vii. In re: PG&E Corporation and In re: Pacific Gas and Electric Company
(United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 19-30088)

viii. Chukwuemeka (Emeka) Okemiri v. California Energy Commission, et al. (Sacramento Superior Court, Case No. 34-2018-00246019)


b. Pursuant to Government Code section 11126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the Commission, which might include.

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MAY 15, 2019

CHAIR HOCHSCHILD: Welcome everyone, let’s begin with the Pledge of Allegiance.

(Whereupon the Pledge is recited)

CHAIR HOCHSCHILD: Well, this is a really exciting day for us, because we have the opportunity to welcome our newest member, Commissioner Patty Monahan. And we want to say to you, welcome to the Energy Commission family.

This is a very significant moment for the state as well on a number of levels, but most significantly this is the first time the Energy Commission has been a majority of women and I think it sends a really great message to future generations and to the rest of the country. And I just want to say to you personally I've had the chance to get to know you over the last few years and the energy and vision and creativity and collaboration that you bring are incredible. And it's really us who are privileged to have you here, so let's give Commissioner Monahan a warm welcome. (Applause.)

Would you like to say a few words?

COMMISSIONER MONAHAN: Good morning, everybody. I am really thrilled to be here, and I have to say I'm much more used to being there than here, so I'm trying to get
used to this new vantage point.

It is just an exciting time to be involved in California policy-making and my specialty is transportation. And this is an area where California really is the center of gravity for clean transportation. The policies and programs that get established here, we’re seeing migrate to China, to the EU, hopefully to India one day. And we’re at the cusp, I think, of a big transformation, a transformation towards electrification, to zero emission fuels broadly. And we're also seeing enormous changes in the transportation sector around mobility as a service, these Lyft and Uber type services and automation.

So it's just wonderful to be here at the Commission with such a right set of colleagues, both on the staff level and at the Commissioner level. So yeah, thank you. I 'm super excited to be here and this and this is my first business meeting, so please forgive any transgressions. (Laughter.)

CHAIR HOCHSCHILD: All right. With that, let's move on to the Consent Agenda. I'd like to take -- actually before you step out, I'd like to take up items a, c, e and f on the Consent Agenda first. Is there a motion for those items?

COMMISSIONER MCALLISTER: I’ll move those items.
CHAIR HOCHSCHILD: Is there a second?

COMMISSIONER DOUGLAS: I second.

CHAIR HOCHSCHILD: All in favor say aye?

(Ayes.)

CHAIR HOCHSCHILD: That passes unanimously.

COMMISSIONER MCALLISTER: So I'm going to recuse myself from 1b and 1d, 1b is the Collaborative for High-Performance Schools or CHPS and I'm the Commission’s Representative on that entity. And then the National Association Upstate Energy Officials, I'm actually the Chair of the Board right now and so I'm going to step out for that item as well. Thanks.

(Commissioner McAllister recused himself for items 1b and 1d.)

CHAIR HOCHSCHILD: Okay. We’ll take up items b and d on the Consent Calendar. Is there a motion for those items?

COMMISSIONER SCOTT: Map of approval of b and d.

CHAIR HOCHSCHILD: Thank you. Is there a second?

COMMISSIONER DOUGLAS: Second.

CHAIR HOCHSCHILD: All in favor say aye.

(Ayes.)

It passes unanimously. We'll move on to Item 2, Alana Mathews. And before I begin, let me recognize your terrific husband who is here with you as well. Thank you
for joining, and we are really excited to celebrate Alana.

And just we have a resolution, but let's maybe just begin with some comments and I'd like to just start off and just say I really have appreciated working with you over the last six years now, I think? Just you have an enthusiasm and an energy for what you do that's wonderful. And I just think we look at the direction that we want the Energy Commission to go in the energy industry, we want it to look like California and you've played a really important role in that. And I really want to thank you.

And just in visiting your office these last few weeks, the team you have put together is terrific and you leave big shoes to fill. At the same time we're all really excited to partner with you in your new role. I think the Legislature made a great choice and you'll still be saying a lot of us.

So with that, are there any other comments folks would like to make?

COMMISSIONER SCOTT: Sure, I would just like to say, Alana, as you know I'm a huge fan of yours. It has been wonderful to get to work with you over these last six years or so. You bring a wealth of expertise and dedication to this work. Your level of enthusiasm and your mastery of the details are unparalleled. You leave very big shoes for our next person to fill. And not only do you
really have a mastery of all of the details, but you have 
this wonderful, welcoming smiling face and so it's just 
great for the community outreach, for making people feel 
welcome, that they can reach out to the Commission and find 
out information, learn how to be engaged and involved. 

And I feel like Commissioners travel quite a bit 
around the state. Obviously it's important for us not to 
always be in Sacramento. We oversee the whole state, but I 
think you might travel more than all five of us combined, 
making sure to really outreach all around the state, be 
talking to all communities and making everyone feel welcome 
and engaged and learn how to be part of the Energy 
Commission process. 

So I really want to thank you for everything that 
you've done. It has been a great honor and privilege to get 
to work with you over these last few years and I look 
forward to continuing to work with you in your new role. 

COMMISSIONER DOUGLAS: Yeah. And I'll just step 
in and say again thank you and congratulations to Alana. I 
think Alana has ended up in a wonderful role where she'll 
be able to make a difference for California and for all 
Californians going forward. And that is exactly what she 
did in her time here as Public Adviser and it's been a real 
pleasure to have worked for Alana for all of these years, 
so thank you.
COMMISSIONER MCALLISTER: Yeah, so I’ll agree with all of that and won't repeat, but Alana, your entrepreneurialism is just really formidable. And we're a state agency and I think people don't expect us to be out there in the community like, "Tell us what's wrong, tell us what's wrong, I can help you get access," you know and really advocate for communities. In a state as diverse as ours, I mean that's just a big, big job. It's more than a full-time job and you dedicated that to it, so I really appreciate all your efforts here.

And good luck going forward, I hope that's not where you end up, I'm sure that's just another step forward. But really will look forward to having you in the mix in Sacramento for a long while. So great, thanks.

CHAIR HOCHSCHILD: Well, as a reflection of your commitment to diversity we have these resolutions and multiple languages including Chinese and Vietnamese. I'll read the one in English, so with that and then we'll do photos. So,

"Whereas, Alana Matthews has spent more than 16 years in public service working for the State of California And in that time has demonstrated a strong commitment to equity, excellence and diligence on behalf of Californians; and

"Whereas, Alana began her career in public
service as an Executive Fellow at the California Attorney General's Office in August 2003, later serving as a Deputy District Attorney for Sacramento County in May 2004; and

"Whereas, in January 2012 Alana began her career with the California Energy Commission in the Office of Chief Counsel as Senior Staff Counsel where she worked on the siting and transactional litigation and enforcement matters; and

"Whereas, in July 2013 Alana was appointed to the position of Public Adviser at the California Energy Commission and served as Adviser to the public and Commissioners ensuring the full and adequate participation up any interested parties in the Energy Commission proceedings; and

"Whereas, during her tenure as Public Adviser Alana expanded the role to assist in all proceedings including rulemakings, evidentiary hearings, technical workshops, providing recommendations and support to every division on how to improve public engagement and outreach as well as resolve complaints; and

"Whereas, in June 2015 Alana creative the Summer Institute for Energy, Law & Policy to educate students from ethnically diverse and economically disadvantaged backgrounds on key energy issues facing California; and

"Whereas, in 2016 Alana's role was expanded to
assist with the implementation efforts for two legislative mandates, Assembly Bill 865 and Senate Bill 350 to establish a diversity task force to make recommendations on diversity in the energy sector; and

"Whereas, in 2016 Alana help establish and coordinate a joint agency Disadvantaged Communities Advisory Group as part of efforts to implement SB 350; and

"Whereas, as Public Adviser Alana spearheaded efforts to create and implement an agency-wide diversity policy to increase the number of under-represented businesses who participate in the Energy Commission funding opportunities, established the annual Diversity Career Fair and provided guidance on outreach strategies to promote diversity within the Energy Commission;

"Therefore, be it resolved that the Energy Commission recognizes and thanks Alana Matthews."

(Appplause.)

So come on up, let's do a photo and Vice Chair Scott is going to read the one in Chinese and we'll get it. (Laughter.) Let's do a photo op up here. Yeah, actually it would you like to say a few words first then we do the photo?

Yeah, why don't we do that first then yeah, okay.

MS. MATHEWS: Okay. So I will say I just wanted to say thank you to the Chair, Commissioner Scott,
Commissioner Douglas, Commissioner McAllister, and our new Commissioner, which I have had an opportunity to meet. But thank you all really for the support in the role and I was only able to achieve everything that I've done as Public Adviser, because of what you all have been able to support. And I hope those things are going to carry forward.

And then the last thing I will say, even though I'm not Public Adviser I will make a recommendation, is that you all be leaders in stopping the use of the term “disadvantaged community,” because it really is a pejorative term and that community did not place it on itself and they don't like it. So I know it's a universal term used throughout the state and maybe I have an opportunity to do something about that, but I'd ask you just to be leaders and carry forward with at least one small thing that you can do as how communities identify themselves. Thank you.

CHAIR HOCHSCHILD: Thank you.

COMMISSIONER DOUGLAS: Well, Alana, thank you.

(Whereupon commemorative photos are taken.)

CHAIR HOCHSCHILD: Well, I think we should begin every meeting with the celebration of Alana hey, why don't we just -- great, thank you so much for coming.

And let's move on to Item 3, Magnolia Public Schools Prop 39 Appeal. And why don't we start off with
our Acting Public Adviser Jennifer Martin-Gallardo.

MS. MARTIN-GALLARDO: Good morning, Chair Hochschild, Vice Chair Scott and Commissioners. I am Jennifer Martin-Gallardo, Acting Public Adviser. This matter involves an appeal under the Energy Commission’s Proposition 39 K-12 Schools Program. The program guidelines specify that appeals are to be sent to the Public Adviser and the Public Adviser is to arrange for the appeal to be presented to the Energy Commission at a business meeting.

On May 1st, 2019 Magnolia Public Schools filed an appeal of the Executive Director’s denial of its Petition for Reconsideration and staff’s denial of its request to amend its Energy Expenditure Plan for Magnolia Science Academy-San Diego to change the school’s site location.

A copy of the Letter of Appeal, the underlying Petition for Reconsideration, The Executive Director's decision on the petition and supporting documentation have been provided in your backup materials.

A representative from Magnolia Schools is here today to present their appeal and Commission staff is also on hand to provide a response. While I would like to be of further assistance should you have substantive questions, my role today is merely to facilitate the presentation of this matter. It would be appropriate for you to direct any
substantive questions to Magnolia and Commission staff.

Thank you.

CHAIR HOCHSCHILD: Okay, please proceed.

MR. ONTIVEROS: Good morning, Commissioners. My name is Patrick Ontiveros. I am the Director of Real Estate and General Counsel for Magnolia Public Schools, a network of 10 high-performing public charter schools. I'm here with James Richmond of First Note Finance, our Prop 39 Energy Manager and with Gokhan Serce, the Principal of Magnolia Science Academy-San Diego.

We're here to respectfully request that the Commission grant our appeal to allow us to move forward with our Prop 39 award and improve our campus. I'm now going to turn the presentation over to my co-presenters.

MR. SERCE: Good morning, Commissioners. My name is Gokhan Serce. First of all, I would like to ask Jennifer if you can actually pass out the additional achievements and highlights of our school that I would like. Because when we talk about the school there are so many things the students are doing, so and we have limited time, so I just provided additional pictures of all the year-round events. And also from different occasions the elected official support letters from our community.

Again, my name is Gokhan Serce and this is my ninth year with Magnolia and this is my fifth year as the
principal. Magnolia Wizards opened in 2005-2006 school year and has been serving the San Diego Community for 14 years.

Magnolia Public Schools' mission is as we provide a college preparatory education with a STEAM focus: Science, Technology, Engineering, Arts and Math in a safe environment that cultivates respect for self and others. Our achievements attest that Magnolia is providing a state-of-the-art education program. We are not only providing a successful academic program, but also Magnolia Wizards take the lead in engineering, archery, robotics and band in Southern California.

Some of the highlights of our STEAM ambassadors, I'm just going to present actually here now. So you will see our state champion archers, they were actually highlighted on 10 News -- I’m sorry -- CBS this year. And we have been doing the archery program for almost now six years and we also won nationally 3rd place, so it's a great opportunity for our students.

Another big achievement is, as I mentioned our students also academically are really successful, so based on the last five years’ state test results we had the highest performing charter middle school in the City of San Diego and highest-performing middle school in our neighborhood.
And our STEAM ambassadors, also we have robotics programs and our students for the last four years, four years in a row, won first place at Legoland Southern California Robotics Competition.

And one other highlight is we offer a lot of engineering programs and recently our students won the Regional SeaPerch competition, which is an underwater robotics competition. Students design their submarines and then they won and they will be going to the international finals in Maryland.

So, why did I share all those things? Because I want you to consider this school, and there are a lot of things happening at the school. I know that we are going to talk about the energy component, but in our LCAP (phonetic) meetings one of the feedback that are stakeholders gave us is to improve facilities to provide a better learning environment.

Today I would like to urge you to accept our appeal, so that we can use Prop 39 funds to upgrade all the air conditioning and lighting, so that we can keep the operational funding to provide our students a better educational environment. And also with these upgrades, our energy bill will decrease around $24,000 every year that we can actually provide additional resources. Thank you.

MR. RICHMOND: Thanks for the opportunity to
speak today. I'm James Richmond, I'm the Prop 39 Energy Manager for Magnolia Public Schools.

Magnolia is Energy Commission Prop 39 approved in eight of its Los Angeles area schools, but the ninth Magnolia School in San Diego, has encountered some impediments. And so we're here to tell you about those impediments and ask for your blessing in moving forward. You see, right after the Energy Commission approved its Prop 39 application Magnolia Science Academy was moved to a new site by San Diego Unified School District. There was very little notice given by the District.

We initially saw this move as an opportunity. You see, the old school was very old, built in the 1960s with a boiler that barely works, inefficient lighting and a few classrooms with air conditioning had terribly inefficient systems. It was our understanding that the Prop 39 funding would move to the new site with the Department of Education’s CDS code, so we weren’t worried.

Next slide.

Things slid downhill from there. Magnolia had little time to get the new school site ready for classes in the fall of 2017. To start school, old used portable classrooms had to be purchased and San Diego Gas & Electric was way behind schedule taking them almost nine months to hook up electricity. The new school site was forced to run
on a diesel generator in the interim.

Again, we weren't worried because we knew we'd be able to upgrade the classrooms with new LED lighting and new HVAC systems using the voter initiated Energy Commission-approved Prop 39 Clean Energy Jobs Act. The funding was already in the bank, we just needed a year of baseline utility bills and a new energy audit, easy right? Unfortunately, the SDG&E delays in connecting electricity caused us to miss an important deadline, because a baseline year of electricity bills for the new campus were not complete until after the February 26th, 2018 deadline had passed.

To add insult to injury, the new utility bills revealed that the school's energy costs had more than doubled after the move.

And my colleagues, this is a simple plan that will have excellent results. The old T-12 lighting, have you ever heard of that in California anymore? T-12 lighting will change the LED and the old clunky HVAC systems will be replaced with new energy-efficient units. Compared to other items on your agenda today the cost is negligible.

The energy savings to the school are significant in comparison. The projects are ready to go and the funding is already in Magnolia's bank account. Jobs
created and 400 kids will have a better place learn. It is
certainly what the voters in California intended and thank
you very much for your time today.

MR. ONTIVEROS: So, a question arises why did MSA
San Diego have to move? Well, as has been stated through
no fault of our own San Diego Unified sold the property on
which our campus have been located. We had very little
notice and very little opportunity to react, but we did do
a site search for private facilities, but unfortunately
came up short. We could not find anything that was
affordable and could be opened in time for the 2017-2018
school year.

Eventually, MSA San Diego -- I’m sorry, San Diego
Unified did offer us a site five miles away. But as James
mentioned it was not a move-in-ready campus and we had to
scramble to assemble a campus. So we had to basically
scrape the entire site, and in order to save time we
purchased modular buildings, some of them new, others quite
old. But it was what we had to do to keep our doors open.
So when the dust settled, we spent about $9 million dollars
to build a campus entirely of modular school buildings.

So why should the CEC approve our use of the Prop
39 award? Well, I go back to the purpose of Prop 39, which
is to fund eligible projects that create jobs in California
improving energy efficiency and expanding clean energy
generation. The legislation further notes set financial savings from more efficient buildings can be used to pay for other upgrades and programs that enhance student learning. And that is definitely the intent in our use of the award.

So the guidelines were developed in accordance with Prop 39 and SB 73 and adopted under the Public Resources Code. A handbook was developed and prepared by the Energy Commission staff as an instructional guide. And under Public Resources Code 26205.5 available remaining funds, which were defined as funds allocated to an LEA that had not submitted an EEP, were to be appropriated for other uses. In our case we did submit an EEP, but as you've heard through no fault of our own we were forced to change locations and our Prop 39 award was put in jeopardy.

So the guidelines did not establish the February 26, 2018 deadline. This was a staff revision of the handbook and under the handbook LEAs may actually still amend their EEPs, but they're not allowed to increase costs. Such amendments must be either cost neutral or decrease costs. And this is a logical measure to ensure that the statutory deadline of March 1st was met while still allowing projects to move forward.

Our proposed amendment to our EEP is no more or less burdensome to staff than would be a new EEP. We
believe the difference between an amended EEP and a new EEP with no budget changes is purely semantics. So long as there are no budget changes proposed, they are effectively the same thing.

CHAIR HOCHSCHILD: Could you wrap up? We had allocated 10 minutes for this.

MR. ONTIVEROS: Sorry.

CHAIR HOCHSCHILD: Thanks.

MR. ONTIVEROS: It's also a matter of fairness. The charter schools are public, are public school students. The charter schools often rely on school districts to provide them with facilities as required under California state law, however they are at a severe disadvantage vis a vis the other public schools. Because a district can often take away their facilities with little or no notice. Thank you very much.

CHAIR HOCHSCHILD: Thank you.

Let’s hear from staff.

MR. PFANNER: Thank you. My name’s Bill Pfanner. I am a Supervisor and Program Lead for The Proposition 39 California Clean Energy Jobs Act Program. I'll try to keep this brief, but staff recommends supporting the Executive Director’s decision to deny the Magnolia Science Academy-San Diego's Petition for Reconsideration based on the following.
Public Resources Code allows the Energy Commission to create Proposition 39 program guidelines to establish a process for educational agencies to submit new, and to amend energy expenditure plans. A new energy expenditure plan is required when relocating energy measures from one school site to another, because the school must show that energy measures are cost-effective using the savings-to-investment ratio.

Cost savings can vary for the same energy measures installed at two different buildings, because the baseline conditions of the buildings may differ. For each new application an audit must be conducted and an application showing a positive saving-to-investment ratio must be reviewed and approved.

Public Resources Code also established specific Prop 39 program timelines, so the unused program funds could be reallocated to new programs. The key deadline was March 1st, 2018 when all use program funds or reallocated to the School Bus Replacement and the ECAA Competitive Loan Program accordingly. The last day to submit a new energy expenditure plan was February 26th, 2018 ahead of the March 1st cut off.

The Applicant states in their Petition for Reconsideration set the move to the new site was in October of 2017, but did not notify the Prop 39 Program of the move.
until March 2019, over one year after the deadline to file a new application. The next day staff denied Magnolia's request, because relocating energy measures from one school site to another is not an allowable amendment under the guidelines. Instead, Magnolia would have to submit a new energy expenditure plan and that would have had to have happened by the February 2018 deadline.

For these reasons, staff requests you deny Magnolia Science Academy-San Diego appeal to the Executive Director's decision to deny their Petition for Reconsideration.

And I'm available to answer questions and have legal staff, Jacqueline Moore, here also today.

CHAIR HOCHSCHILD: Thank you.

Commissioner McAllister?

COMMISSIONER McALLISTER: So does staff or --

CHAIR HOCHSCHILD: Oh, I’m sorry. Was there any public comment on this?

(No audible response.)

CHAIR HOCHSCHILD: My mistake, thank you.

Commissioner McAllister?

COMMISSIONER McALLISTER: I just wanted to see if the Executive Director or other staff have anything to add on this? No?

Okay. So going back to the beginning of this
program we had lots of discussions about the guidelines. You know, they have since been adopted. They have been adopted by the Commission. We are grateful for a guidelines process, because it makes life easier for everybody. And charter schools, you know, there are lots of different flavors. And we developed rules to apply to charter schools. And issues of site control and other issues came up and they were front and center and we had to make calls on that.

And I think the roads are clear, so in this case I'm going to recommend that we apply the rules. It was very clear to staff the day after they found out the full situation they made a call that was clear within the rules. And the Executive Director backed that up.

So which is not to say that anybody enjoys seeing T-12s persist in the world, so we're absolutely willing to work with you on other options, which there are some other options. There's ECCA, the Zero Interest Loan Program. There is a bill actually in the Legislature now that may refund Prop 39 to a significant degree. So keep that program moving forward. Lorena Gonzalez is the author of that bill and it may end up at $300 million to keep the program moving forward for schools.

So denial is certainly not a expression of a lack of faith in your mission or any denigration of the project.
It's absolutely a valid project that we want to work with you to get done, it's just this is not the mechanism because that time has passed.

So I would say I know that staff is willing to work with you to try to figure out other options and to move forward. But in this case it's pretty clear that the funds have to go elsewhere and they have to move forward into the new iterations and the new allegations, the appropriations that the Legislature has done for those funds.

So that's my recommendation to my colleagues.

CHAIR HOCHSCHILD: Thanks, other comments from Commissioners?

(No audible response.)

CHAIR HOCHSCHILD: Okay. Would you like to make a motion?

COMMISSIONER MCALLISTER: I’ll move a denial of the petition --

CHAIR HOCHSCHILD: There is more --

COMMISSIONER MCALLISTER: -- number 3, Item 3.

CHAIR HOCHSCHILD: Is there a second?

COMMISSIONER DOUGLAS: Second.

CHAIR HOCHSCHILD: All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: That motion passes
unanimously. Thanks for everything

MS. VACCARO: So I, excuse me, I just have one question. I think staff also prepared a proposed order, is that correct, in support of the denial?

COMMISSIONER MCALLISTER: I did not see that in the --

MS. VACCARO: Okay, then no?

COMMISSIONER MCALLISTER: No. I didn’t see it in the packet.

MS. VACCARO: Okay. So then this is just going to be an oral vote and it's going to be recorded as such, but you don't have a corresponding order?

COMMISSIONER MCALLISTER: No, correct. But I didn't say denial in my motion, right.

MS. VACCARO: Okay.

COMMISSIONER MCALLISTER: Okay. Thanks.

CHAIR HOCHSCHILD: Okay. Thanks for coming in.

All right. Let’s move on to Item 4, an order instituting informational proceeding. Staff?

MS. RAITT: Good morning, Commissioners. I’m Heather Raitt, the Assistant Executive Director for Policy Development. Staff is asking the Commission’s approval for an order instituting informational proceeding to gather and assess information needed for the 2019 Integrated Energy Policy Report or the 2019 IEPR for short.
The Commission is required to appear on IEPR every two years with an update in the intervening year that assesses California's electricity, natural gas and transportation fuel sectors.

Vice Chair Scott as Lead Commissioner for the 2019 IEPR issued the Scoping Order on March 20th that identifies the topics that will be covered in this year's report. The topics include the zero emission vehicle market and infrastructure, energy equity, Energy Efficiency and building decarbonization, decarbonizing the electricity sector, energy reliability in Southern California, the energy demand forecasts and assessment of natural gas and climate adaptation in the energy sector.

Adoption of this order complies with our regulatory requirements for opening an informational proceeding and delegates authority to the Lead Commissioner who conducts hearings to gather and assess information needed to complete the IEPR.

Thank you for your consideration.

CHAIR HOCHSCHILD: Okay. Are there any public comments on this?

(No audible response.)

CHAIR HOCHSCHILD: All right, hearing none, Vice Chair Scott?

VICE CHAIR SCOTT: I will move approval of Item
CHAIR HOCHSCHILD: Is there a second?

COMMISSIONER MCALLISTER: And I will second that.

CHAIR HOCHSCHILD: I thought you might. All in favor say aye?

(Ayes.)

CHAIR HOCHSCHILD: The motion passes unanimously.


MR. FROESS: Good morning, Chair and Commissioners. My name is Larry Froess and I’m a Senior Mechanical Engineer in the Building Standards Office. I'm here today requesting an approval of two 2019 energy efficiency standards tools, which are Items 5 and 6 on the agenda for the reference manuals and the compliance software. I will be presenting both items individually.

So Agenda Item 5, I'm seeking your approval on the residential and non-residential alternative calculation method manuals also known as the ACM reference manuals. The 2019 ACM reference manuals provide the descriptions used by compliance software to model energy use of a proposed building and compare it to that building’s standard design energy budget.

Public workshops for the ACM reference manuals
were conducted and two general comments were received. The first comment was that stakeholders want an alternative all-electric baseline for non-residential buildings. Now, staff has explained that's while prioritization has gone into creating an all-electric baseline for low-rise residential buildings, more time and study is needed to determine if and non-residential all-electric baseline is practical for the 2019 Energy Code.

And the second comment received are from stakeholders that want to model a central electric water heater for multifamily buildings. A central electric water heater feature is currently under research and development and we aim to have it in the software by the end of the year.

By requesting your approval today of the 2019 residential and nonresidential ACM reference manuals, the building industry will have the documents and information needed more than six months in advance the effective date January 1, 2020.

Thank you, and I'm here to answer any questions.

CHAIR HOCHSCHILD: Okay, any public comment on this? I don’t -- if not let’s move to Commissioner McAllister.

COMMISSIONER MCALLISTER: Okay, no public comment. So thanks, Larry. It's very important that we
have these materials out, so that the stakeholders can look at them, get used to them, get their heads around them in order to really have the rubber hit the road January 1 when's the new code goes into effect. So I'm really glad we've gotten them ahead of the game, ahead of six months, and that's really good. I think that precedent from last time, we’re carrying it through. We're really trying to keep lockstep with our commitments in each three-year code cycle. So I appreciate that.

And I also just want to note that that central water heater tool or module, that's a priority. We really aim to get that in by the end of the year. I want to sort of apply pressure where needed to make sure that that actually happens.

And also the electric baseline, the comments, the stakeholders participated vigorously and there have been a lot of meetings with staff that I'm aware of. And I really understand the concern or the desire to have more tools in the electric space to be able to design buildings that comply with code. But also help us move in the direction we’re moving overall in policy in de-carbonization across the state.

And so, you know, electrification is one important tool to move in that direction. So we do need to enable that and so figuring out what that baseline looks
like for non-res is relatively complex, but it does need to be done. And so I agree with the stakeholders there, which is not to say that we found a way to shoehorn it into the process now, right?

This stuff gets pretty technical pretty quick and so I don't want to go into any detail at all, but what we did in the res space I think is really important. And provided a lot of comfort out there for stakeholders and for people who are thinking outside the box who are trying to design buildings that really last in California, and our policy environment for the long term.

And we need to do the same thing in non-res and so I'm willing to work with stakeholders, and obviously with staff. I think we should keep meshing our heads together to see how to move that forward more quickly, whatever schedule we can get and put in place. But all that said we really need to adopt the ACM now.

CHAIR HOCHSCHILD: Any other comments from other Commissioners? Hearing none, do you want to make a motion? Or go ahead, Commissioner Monahan, did you?

COMMISSIONER MCALLISTER: I’ll move Item 5.

CHAIR HOCHSCHILD: Is there a second?

COMMISSIONER MONAHAN: I second.

CHAIR HOCHSCHILD: All right. All in favor say aye.
(Ayes.)

CHAIR HOCHSCHILD: That motion passes unanimously.

Let's move on to Item 6, 2019 Public Domain Residential Compliance Software, go ahead.

MR. FROESS: I was asked to move to the podium.

For Agenda Item 6 I am seeking your approval for the 2019 public domain residential and nonresidential compliance software, otherwise known as CBECC-Res and CBECC-Com. The CBECC software packages show compliance with the performance approach for newly constructed buildings and additions and alterations to existing buildings.

The 2019 versions of the software incorporates the requirements of the 2019 Building Energy Efficiency Standards as described in the 2019 ACM reference manuals approved today in Item 5.

New for the 2019 residential software is the energy design rating metric or EDR, which incorporates PV solar systems to show compliance for newly constructed buildings. And it also have the availability of several new compliance credits including battery storage, pre-cooling and the self-utilization credit that applies some of the PV benefit to the efficiency EDR when a battery is installed.

New for the 2019 non-residential software is the
modeling of healthcare facilities and adjusted HVAC system map, the modeling of variable refrigerant flow or VRF equipment, and an updated simulation engine using newer versions of EnergyPlus and OpenStudio for faster simulation run times and access to new features.

By requesting your approval today on these items we are ensuring that the building industry has the software needed to demonstrate compliance for the 2019 Building Energy Efficiency Standards more than six months in advance of the effective date of January 1, 2020.

Thank you and I am here to answer any questions.

CHAIR HOCHSCHILD: All right, thanks.

Unless there's any questions we do have public comment on this item, yeah let's hear from Mr. Raymer.

MR. RAYMER: Thank you, Mr. Chairman and Commissioners. I’m Bob Raymer, a Senior Engineer with the Building Industry Association and as you can imagine, we’re in very strong support of the certification of the program today. And I guess we've got a number of members, at least nine major builder members that would like to start complying with this yesterday. The reason for that is not just to effectively show that the standards work, but as you can imagine a phased project that has hundreds and hundreds of buildings that are going to be in it, it's good to go into the building department with a set of plans that
shows compliance with one set of standards. And to continue to comply with that set of standards, so that in January when you're submitting permits for new structures you can still show compliance with the new standards as opposed to having to reapply under the new regs versus the old regs.

We've got builders doing solar right now and so to avoid the cost and the delay as January 1 hits, we'd like to have a very smooth transition. So I guess the question I have through you to the staff is when will we actually have access to the computer program for use in the field? That's an important question.

CHAIR HOCHSCHILD: All right. Let’s hear from the staff on that.

MR. FROESS: Yeah, Bob. So after approval today we probably need two more weeks to get it all issued and available for the public. So our target is May 30th or before.

MR. RAYMER: Oh, that's incredible. That's great.

COMMISSIONER MCALLISTER: Let the record show seven months before the effective date of the new (indiscernible).

CHAIR HOCHSCHILD: Duly noted.

MR. RAYMER: Okay. I’m giddy, so seriously we've got nine major builders throughout the state, all over.
Some in Northern California, but most in Southern, who would like to go forward and start doing projects showing compliance with this now. So thank you very much and while we’ll be getting the word out to our membership, I’ll Coordinate with Larry and Deanne, okay?

CHAIR HOCHSCHILD: Thank you, Mr. Raymer. And as always, I just really appreciate your dialogue. This is exactly how this partnership should work between the industry and government. And you're playing always a critical role and just communicating, so thank you for your ongoing participation.

MR. RAYMER: On a related note, I just got invited to give a presentation at our National Association Builder meeting in January where there'll be a couple thousand builders wondering what have you done with California? And the idea is to show that it’s a smooth transition. That the world did not end and that life is going on merrily. And so by getting this well in advance that's a big help, so thank you very much.

CHAIR HOCHSCHILD: Thank you so much, Mr. Raymer. Let’s move -- oh sorry, do you want to --

COMMISSIONER MCALLISTER: We’ve got to do some voting here.

CHAIR HOCHSCHILD: Unless there’s other public comment, anyone on the phone? Okay. Let’s move on to
Commissioner discussion.

COMMISSIONER MCALLISTER: Great. So yeah, along those lines yesterday actually I was at the Housing Leadership Summit down in Dana Point. And it's some of the biggest builders across the country and we had a similar discussion to sort of -- you know, a little bit of a demystification of California. And hearing about the partnership that we have with the building industry and the stakeholders and the trade allies and all that stuff in developing a new code, that's a total eye opener to many of those folks who don't do as much business in California. And I think they were pleasantly surprised at all the progress we're making and the coordination and just the transparency that we're doing it with.

So I agree with you and that sounds like a great opportunity to spread the word. So anyway, but thanks a lot, Larry.

I guess I want to point out just a couple of things, I know we're trying to move things forward. But bringing the healthcare industry, the healthcare facilities into the code is actually a big, big deal. And we've been working on that. Staff has been doing a great job working with OSHPD and others to figure out how to, because they've been exempt from the Building Code for the most part, for the energy piece of the Building Code. And so bringing
them in is sort of a voluntary thing on their part, but they want to do it. They want to do it in ways that make sense. And so we're working with them to build a coalition and build the kind of vision for how they're going to gradually be subject to the Building Code. And so I think that's really terrific.

And then the metrics, this energy design rating, it is wonky. It sounds wonky, but it is a step in the direction towards understanding distributed generation and energy efficiency can work together to create grid responsive buildings, which is where we're going for the long-term. And so we are really laying the groundwork for future cycles to have buildings play a solution in our clean grid evolution. So I'm really excited about that. We're laying a lot of groundwork and that's going to continue in the 2022 Update, so really excited to have that conversation.

So anyway I’ll -- with that, unless there are other comments?

CHAIR HOCHSCHILD: No others.


CHAIR HOCHSCHILD: Is there a second?

VICE CHAIR SCOTT: Second.

CHAIR HOCHSCHILD: All in favor say aye.
(Ayes.)

CHAIR HOCHSCHILD: That motion passes unanimously. Let's move on to Item 7, City of San Luis Obispo.

COMMISSIONER MCALLISTER: Thanks, Larry.

MR. MICHEL: Good morning, Chair and Commissioners. My name’s David Michel of the Local Assistance and Finance Office within the Efficiency Division. We are requesting approval of an Energy Conservation Assistance Act, also known as ECCA, to the City of San Luis Obispo. The city submitted an application for a $3 million ECCA-funded loan to install a 261-kilowatt single-axis ground-mounted photovoltaic system and replace a 264-kilowatt hydroelectric generating system, both located at their city’s water treatment plant.

Over the useful life of the equipment of 17 years this project will save approximately 1,739 kilowatt-hours of grid electricity. And save the city annually, approximately $267,000 in utility costs.

The Energy Commission staff has determined that this loan is technically sound, cost effective and based on the loan amount the simple payback is approximately 11.2 years for this loan, well within the requirements of the ECCA program.

We respectfully request your approval of this
item for the City of San Luis Obispo. I'm prepared to
answer any of your questions. Thank you.

CHAIR HOCHSCHILD: Great, is there any public
comments on this item?

(No audible response.)

CHAIR HOCHSCHILD: Hearing none, Commissioner
McAllister? Well, I was going to say this is the first
hydroelectric ECCA project that I can recall since I've
been on the Commission. Is this the first one ever that
we’ve funded or we’ve done others?

MR. MICHEL: No. I do believe I saw one
yesterday come through a year or two ago.

COMMISSIONER MCALLISTER: Did we do an inline one
before, I think maybe?

MR. MICHEL: This is an inline. This is an
inline as well, we’re doing some -- I can’t -- one of the
other staff members showed me another one. I think it was
in 2017 or something like that. So we’ve done them before.

CHAIR HOCHSCHILD: Look, I welcome this. And I
just want to point out, I mean just to restate the obvious
here what’s happening in solar prices is probably the
single biggest energy story, to me, in the last 20 years.
Because it's falling so radically and I just came back
from another solar research center visit. There’s a lot
more cost reductions still to come, but our grid can’t
operate on solar alone. It’s really important to have
diversity within our portfolio of renewables. And so it’s
wonderful to see a hydro project like this happen. I hope
there’s more to come and I really encourage it.

And I just want to say again, you know with ECCA
we take this program for granted. This is an incredible
program. I think we’ve funded almost a thousand buildings
now since it was started in 1980, somewhere around that
time frame. Not a single default to my knowledge and it’s
just a tribute to our staff for the diligence that we are
exercising. And this is the kind of thing I would love to
see a lot more resources come in, because it does so much
good. So thank you for all of your work on this.

So with that --

COMMISSIONER MCALLISTER: And having market
acceptance of this similar technology. You know, and I
think there are California companies doing really wonderful
things on that and there’s just so much potential. So it's
good to see us sponsoring some of it and getting that
market traction. So I'll move this item.

CHAIR HOCHSCHILD: Is there a second?
VICE CHAIR SCOTT: Second.
CHAIR HOCHSCHILD: All in favor say aye.
(Ayes.)
CHAIR HOCHSCHILD: The motion passes unanimously.
Let's move on to Item 7, excuse me, Item 8, Zero Net Energy Alliance, Incorporated.

MR. FRIEDRICH: Good morning, Commissioners. My name is James Friedrich from the Energy Research & Development Division. I'm here requesting approval of a $5 million grant agreement with the Zero Net Energy Alliance for the demonstration of an advanced energy community in the city of Lancaster.

In 2016, the Energy Commission issued a solicitation titled “The EPIC Challenge: Accelerating the Deployment of Advanced Energy Communities.” That's was a two-phase solicitation that challenged multidisciplinary project teams to partner with local governments and develop innovative and replicable approaches for accelerating the deployment of advanced energy communities.

Phase 1 of the competition focused on the planning and design, while Phase 2 focuses on the build-out and deployment.

In 2011, the City of Lancaster set a goal to become the first zero net energy city in California.

However, there are significant barriers to clean energy deployment at the scale including temporal imbalances in energy production, unproven business models and capturing the value of distributed energy resources on an aggregated and integrated basis from multiple stakeholder
perspectives.

In collaboration with the City of Lancaster and Lancaster Choice Energy, ZNE Alliance and their team will build out the Advanced Energy community that they developed in Phase 1 of the EPIC challenge.

So this advanced energy community involves three major components. First, this project will deploy two residential microgrids in the City of Lancaster. These residential microgrids are unique, because they are all-electric built to ZNE single-family homes and are affordable housing. They also would be deploying one residential microgrid with lithium ion battery storage, side by side with another microgrid deploying flywheel energy storage for a side-by-side comparison.

Second, renewable microgrids will be deployed at three Lancaster City schools allowing these schools to function as shelters in case of an emergency. Seven additional Lancaster City Schools will have battery storage installed and paired with existing PV.

Third, this project will fund the Lancaster Green District Program, which is an innovative public private partnership model to deploy battery storage and high-load commercial and industrial facilities in the city. All of these resources will be integrated into a virtual power plant that optimizes for cost savings, revenue generation
and grid resiliency.

The Lancaster virtual power plant will demonstrate how local load-serving entities can help mitigate the problem of solar over-generation and intermittency with economic DER solutions. In total the Lancaster virtual power plant is expected to integrate 5 megawatts of PV and 10 megawatt hours of storage. Staff expect this project to demonstrate technological advancements and innovative business models that enable high penetrations of solar PV and battery storage that are affordable and feasible for both the utility and its customers. Once demonstrated, this model can scale across the state and pave the way for other communities to deploy advanced energy communities.

That concludes my presentation and I'm happy to answer any questions that you have.

CHAIR HOCHSCHILD: Great, thank you.

Are there any public comments on this item?

(No audible response.)

CHAIR HOCHSCHILD: Hearing none, let’s move to Vice Chair’s --

MR. SCHORSKE: Sorry, I’ll go.

CHAIR HOCHSCHILD: Oh, sorry. Go ahead, yeah come on up. And can you state your name as well?

MR. SCHORSKE: Hi, Chair and Commissioners, my
name is Richard Schorske. I’m the Executive Director of the ZNE Alliance. I just wanted to thank James for this presentation and the Commission for the support of this project over several years now. And to note, and underscore the fact that many CCAs are really looking at how they can get to 100 percent renewable, as you know on a very accelerated basis. And the issue of integrating DERs to establish effectively a scenario in which not only solar and storage, but also EV can be integrated into the VPP construct is one that's really front-and-center for most CCAs now.

And we have a number of other engagements with CCAs, notably Silicon Valley Clean Energy, potentially Peninsula Clean Energy that are looking to do this at scale. So we think we can very quickly turn around the results of this project and bring a VPP construct to numerous CCAs around the state. So we thank you for your consideration of this request.

CHAIR HOCHSCHILD: Thank you.

Any other public comment?

(No audible response.)

CHAIR HOCHSCHILD: Okay. Hearing none, Vice Chair Scott?

VICE CHAIR SCOTT: Yeah, I just want to say this is very exciting. I think you all will recall when we
first talked about the advanced energy communities and kind of the Phase 1, Phase 2 and I was really excited about it. And at that time I worked on transportation, I said we need some of this in transportation as well, right? So we're going to have that coming on the charging infrastructure side with these communities, but I love what we put together here.

So it's asking communities to plan what does it look like for the future? And it's exciting. It's sparks creativity. It sparks a lot of innovation. We have the ability to demonstrate what advanced energy communities look like at scale, as Richard said. Thank you, Richard, for being here.

And we're looking to try to make these replicable, but we also recognize that not all communities are the same, right? And so we have communities all over the state, kind of looking into how to be these communities of the future and really demonstrate what our electric grid can look like in the future. So I'm very excited about this project.

My question on all of them is when do we get to go see it? So I heartily recommend approval of Item 8 unless others had comments.

COMMISSIONER MCALLISTER: I just wanted to say this is not only an incredibly interesting technical
challenge and we need sort of this integration process to really be proven out and get the cost down and all that. And this is a great project to do that, so we're going to learn a lot on the technical and management operational front.

But also I think we're going to learn a fair amount that's going to inform our policy deliberations going forward with the CCAs, and all the questions about what procurement looks like for the long term, whether the CCAs can pool together to do larger procurements in this virtual construct. So I think there are just a lot of policy questions that this is going to help inform and I'm excited to see how it goes.

CHAIR HOCHSCHILD: Yeah, I just wanted to add my own congratulations as well to Vice Chair Scott, to Laurie ten Hope, the whole team that's been working on this. I think it's visionary and also especially to the City of Lancaster. And I met with Mayor Parris a number of years ago. You do not have to be a big city to make a big difference and I just think the City of Lancaster has absolutely distinguished itself. I mean, the first solar mandate, pushing LEDs, I mean a bunch of other things. It's just been path-breaking for a city of 150,000 or something like that, right? And it's incredible no, and a Republican mayor.
And this is leadership and I just want to recognize that. And I would say this is part of the ecosystem and mosaic of other path-breaking things we're doing around building in resilience into the grid including the LA Air Force Base and those 43 electric vehicle projects. Just demonstrating new ways essentially to help provide grid reliability and other benefits. And it's just visionary. I'm really proud to support this project.

Are there any other comments?

COMMISSIONER MONAHAN: Can I say something really fast?

CHAIR HOCHSCHILD: Yeah, go ahead.

COMMISSIONER MONAHAN: So yeah, when I was reviewing this one I put a yes with triple exclamation points afterwards. It is so visionary, so path-breaking and really a way that the City of Lancaster can lead California and other cities across the globe on how to be zero net energy. My only hope is that going forward we will figure out how to integrate electric vehicles in there to be able to add another resource to the grid.

CHAIR HOCHSCHILD: Yes.

COMMISSIONER MONAHAN: And see how we can make sure that we have zero emission transportation as well as energy use broadly.

CHAIR HOCHSCHILD: Well said.
All right. With that, did you want to make a motion?

COMMISSIONER McALLISTER: Sure I’ll second.

CHAIR HOCHSCHILD: Yeah. All in favor say aye.

(Overlapping colloquy.)

VICE CHAIR SCOTT: Yeah, I moved Item 8.

CHAIR HOCHSCHILD: You moved the item, so we had a second, so --

COMMISSIONER McALLISTER: Why don’t you do it again? Yeah.

VICE CHAIR SCOTT: I move approval of Item 8.

COMMISSIONER McALLISTER: Second.

CHAIR HOCHSCHILD: Okay. So that’s our second. All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: That motion passes unanimously.

Let’s move on to Item 9, Seismic Risk Assessment and Enhanced Training.

MR. YANG: Good morning, Chair, wise Chair and the Commissioners. My name is Yahui Yang and I’m with the Energy Research & Development Division. Today, we are requesting your approval of two agreements. These agreements resulted from a research solicitation intended to enhance the seismic risk assessment as well as
management for a natural gas infrastructure including pipelines as well as underground storage facilities.

So this solicitation was driven by concerns over San Bruno as well as Aliso Canyon incidents. And during the development of this solicitation we also coordinated with the CPUC and the DOGGR, in order to make the research to them as well. So these two agreements will develop an open-source software tool for improving the seismic risk assessment and mitigation strategies. However, they will take independent approaches to analyzing and quantifying where are there are pipes or hazards that threaten natural gas infrastructure.

So in the first agreement with UCLA, the recipient will develop a seismic risk assessment methodology that quantifies earthquake ground motion (indiscernible) hazard landslides and liquefaction risks. The methodology will be tested in collaboration with pipeline and storage facility operators in California. The agreement will integrate the new risk management approach into an easy-to-use open source software tool and the recipient will develop a guidance document for other end users in order to adopt the tool. And the tool will result in a more accurate identification of seismic risks and a selection of the most effective mitigation measures.
The second agreement is with UC Berkeley. The recipient will develop a suite of earthquake scenarios with associated rates of occurrence, and overlays scenario-based maps, our natural gas systems. The recipient will model seismic impacts on pipeline and the storage systems and test the seismic performance or system components by using mechanical shake tables and developed seismic risk analysis software tool for those utilities and regulators.

The tool will be validated at existing pipeline and storage facilities to promote the user adoption after tool. The recipients will also engage the end users throughout the project and identify user needs and additional requirements for the tool capacity.

So if successful, this agreement will lead to improved gas supply reliability, increase the public safety, a reduction of greenhouse gas emissions and better system resiliency. Staff recommend approval of these two agreements and I'm happy to answer any questions you might have.

CHAIR HOCHSCHILD: Thank you very much.

Any comments from the public?

(No audible response.)

CHAIR HOCHSCHILD: Hearing none, let’s move to Commissioner discussion.

VICE CHAIR SCOTT: Sure, I just want to say on
this I appreciate the excellent briefing from staff on
these projects and to understand the critical research need
that this will help fill. I think it's pretty cool that we
have two of the premier seismic risk assessment programs in
the world working on this for us. And also I appreciate
the good coordination that we have with the Public
Utilities Commission and with DOGGR.

Other thoughts are comments? So with that then,
I will move approval of Item 9.

CHAIR HOCHSCHILD: Is there a second?

COMMISSIONER DOUGLAS: Second.

CHAIR HOCHSCHILD: All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: All right. That motion passes
unanimously. Thank you.

We’ll move on to Item 10.

CHAIR HOCHSCHILD: We’ll move on to Item 10,
Demonstrating Innovative Solutions to Convert California's
Residual Forest Biomass Resources into Renewable Gas.

MS. VACCARO: So I believe that we have a
disclosure on this item.

CHAIR HOCHSCHILD: I think we have a disclosure,
but not a recusal correct, Commissioner Douglas?

COMMISSIONER DOUGLAS: Right. Because I have
been and am a adjunct law professor I teach a renewable
energy law class at UC Davis, King Hall, which is not itself involved in this, but UC Davis itself is.

MS. VACCARO: And just for clarity we're talking about Item 10a?

COMMISSIONER DOUGLAS: Yes, for Item 10a. And the class is over, so I've recovered my Tuesday nights, which I'm thrilled about. Thank you.

CHAIR HOCHSCHILD: All right. Congratulations. Let’s now move on to Item 10.

MR. SETHI: Good morning Chairman and the Commissioners. My name is Prab Sethi and I'm a Senior Mechanical Engineer in the Energy Generation Research Office.

To find a solution for disposal of bark beetle-infested trees, a competitive solicitation was released to fund renewable energy and advance generation pilot scale research projects. These projects were to convert forest waste biomass to renewable gas. Up to $4 million are available to fund this solicitation from the PIER natural gas research and development program. This program provides long-term benefits to natural gas ratepayers by developing technologies and products that provide clean, diverse and environmentally sound energy systems and reduce consumption of fossil natural gas.

The following two projects from this solicitation
are proposed to be funded. The project with West Biofuels will advance the state of biomass conversion to renewable gas by utilizing an existing pilot scale gasification system, a scaled up catalytic reactor and a new gas separation process, using forest fuels from high hazard zones.

The proposed process will produce mixed alcohol byproducts and high quality renewable gas expected to meet gas standards of the Southern California Gas Company and PG&E. This project will reduce the risk of infrastructure damage from wild fire and will produce renewable gas with a carbon intensity of 75 percent below that of fossil natural gas.

The second project, Taylor Energy, will use a unique pilot scale pulse-detonation gasification and reforming process to convert five tons per day of forest biomass into high quality renewable gas. The burner used for gasification uses high pressure pulse in the form of high velocity gas momentum and shock waves for better mixing of feedstock and complete combustion. The system is designed to reduce system capital cost, improve efficiency and reduce environmental impact for the forest waste to renewable gas energy pathway.

This project is located in Southern California in a disadvantaged community. And I request approval of
funding for these two projects. Thank you.

CHAIR HOCHSCHILD: Thank you. Any public comments on this item? If not, let's go to Vice Chair Scott.

VICE CHAIR SCOTT: Okay. Just a couple of additions to the terrific presentation. These are useful projects here to help advance the technologies that address forest waste. And that ties back to Governor Brown's proclamation of state of emergency regarding tree mortality. And so I think it will be great to get these going and to see how they can address forest waste and keep advancing that technology forward.

COMMISSIONER DOUGLAS: Yeah, I’ll just add that yesterday we had a workshop and Commissioner Scott and I were in attendance, but it was with California Native American tribes about California Energy Commission programs and so on. And of course among many of the tribes there’s a lot of interest in participating in or finding ways to deal with wood waste. It's a statewide interest, but because a lot of tribes are rural and they have pretty high fire hazard issues it's a particular interest. So I was definitely interested in seeing this and very supportive of it, anything we can do.

CHAIR HOCHSCHILD: And further comments? Anyone want to make a motion?
VICE CHAIR SCOTT: I will move approval of Item 10.

COMMISSIONER MONAHAN: Second.

CHAIR HOCHSCHILD: Second?

COMMISSIONER MONAHAN: Oh, second.

CHAIR HOCHSCHILD: Commissioner Monahan seconds.

All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: The motion passes unanimously.

Let's move on to Item 11, Demonstration-Scale Biofuels Production Facilities.

MR. HOM: Good morning Chair, Vice Chair and Commissioners. My name is Andrew Hom with the Fuels and Transportation Division. I'm here to present to the Energy Commission two projects that were proposed for funding through our most recent demonstration scale biofuel production solicitation. This solicitation provided a little over $12 million in funding for projects that would prove an innovative technology or process in biofuel production at a demonstration scale level.

The first item is an agreement with Oberon Fuels for nearly $2.9 million to expand their pilot production plant for dimethyl ether or DME to achieve production of 830,000 diesel gallon equivalents per year. The project will utilize renewable methanol converted from wood waste...
pulp and be processed into DME fuel within an approximate carbon intensity of 21.6 grams of CO2 equivalent per megajoule.

The fuel will also be used to further support vehicle testing of DME in heavy-duty trucks. The project will create 11 jobs. This grant will fund upgrades to the existing facility in Brawley, California while adding benefits in economic development to a disadvantaged community in the Imperial Valley.

Oberon's dimethyl ether plant was evaluated by the lead agency, the Imperial County Planning and Development Services Department, which adopted an Initial Study and Mitigated Negative Declaration and conducted additional review for the plant modifications. Commission staff determined that this project causes no new significant or substantially more severe environmental impacts beyond those already considered and mitigated by the lead agency.

The second item is for an agreement with Technology & Investment Solutions for $2 million to demonstrate a more sustainable and cost effective process to achieve high Btu biogas production from anaerobic digestion. The process involves utilizing a biogas reformer and will cycle biogas reduction to produce hydrogen, which has been reinjected to the digester to
increase the methane content to 90 to 95 percent. The biogas will then further be cleaned to remove contaminants, have a carbon intensity of approximately negative 25 grams of CO2 equivalent per megajoule and be used to fuel waste hauling trucks.

The project will create five operational jobs and be located at Meadowbrook Dairy in El Mirage, California, providing benefits in economic development to one of the most disadvantaged communities throughout the state.

Staff is seeking the adoption of the CEQA findings and approval of both grant awards for Item Number 11. Thank you for your consideration. Dr. Rebecca Boudreaux, President of Oberon Fuels is here and would like to provide a comment. And Christian Tasser with Technology & Investment Solutions is online to answer any questions.

CHAIR HOCHSCHILD: Yeah. Please welcome Dr. Boudreaux. Thanks for joining us.

DR. BOUDREAUX: Good morning. My name is Rebecca Boudreaux and I'm the President of Oberon Fuels and we are very honored to be among the January notice of proposed awardees. All the Oberon team greatly appreciates the work of the CEC staff. We know it's extensive and their CEQA analysis and bringing it before the Board.

This project offers the opportunity to produce the first renewable DME in the United States. And while
this project focuses on the off-take of renewable DME as a
diesel replacement, it also has a potential for renewable
DME to be used as a hydrogen carrier and provide a source
of in-state produced renewable hydrogen.

So through these grant programs at the CEC,
California continues to lead the way in being an innovative
state and looking at new ways of decarbonizing the
transportation sector. So we greatly appreciate your
leadership in this respect.

I’m happy to answer any questions that you have
about this project. Thank you.

CHAIR HOCHSCHILD: Thanks, any other comments by
the way? Okay. Actually if you would stay up there, I
think there was a question on this Commissioner Monahan
had.

COMMISSIONER MONAHAN: Hi. So I’m coming in
pretty cold. I’ve only been here for a little over two
weeks, so I apologize for the simplistic nature of the
questions I’m going to ask you.

DR. BOUDREAUX: No worries.

COMMISSIONER MONAHAN: So DME is kind of an out-
of-the-box fuel. I thought Volvo was the only company that
was producing a truck capable of running on DME. And I
think even in Sweden they're not really -- it's more
demonstration.
DR. BOUDREAUX: It's still demonstration, correct.

COMMISSIONER MONAHAN: Would this be the first in the world then, a global -- in terms of the production of DME would this be sort of the most DME that's produced in the world?

DR. BOUDREAUX: Currently DME is actually produced -- it's been produced large scale for several decades as an --

COMMISSIONER MONAHAN: Oh, I should say as a transportation fuel.

DR. BOUDREAUX: -- transportation, yes.

COMMISSIONER MONAHAN: I know it's been used in China for cook stoves and --

DR. BOUDREAUX: Right. Right, yes. As a transportation fuel this would be the first renewable DME in the United States. There were some bio-DME produced in Sweden several years ago, but they're not actively producing right now. And this would be the largest project for DME as a transportation fuel currently going on.

Actually next week Ford is displaying the first DME powered passenger car in the world, and it's being built in Berlin. We've been part of that project for three-and-a-half years. Actually our Brawley plant provided fuel-grade DME for that project. And so there are
probably two Ford Mondeos that actually run on DME, so they've been an active leader there. Obviously diesel is being used in passenger cars, but this would be the only active demonstration of heavy-duty vehicles running on DME as a diesel replacement.

COMMISSIONER MONAHAN: Can you walk me through what a scale-up would look like? I mean is this a boutique solution or do you see a possibility for this to be national in scope?

DR. BOUDREAUX: We actually believe that DME can be -- can make a big impact across the world. And so we see DME while this project focuses on diesel replacement. So using compression emission engines, either existing diesel engines with a different fuel system or taking new OEM vehicles that have been coming off the line that can run on DME. So while that's the focus of this project, DME can actually be blended with propane up to 20 percent and drastically reduces carbon intensity.

So CARB gave an initial estimate saying if you convert dairy methane, which you have a lot of instate, to DME by the Oberon process they estimate a carbon intensity to be minus 278. It's at only a 5 percent blend with propane, so using existing vehicles, existing infrastructure, you can drop the carbon intensity by 18 points. And when you do a 20 percent blend, which is about
the upper limits, then that blend takes a carbon intensity around 10.

So you can, in addition to DME as a diesel replacement it can be blended with propane to decarbonize the transportation sector here in California and also as a hydrogen carrier. So you produce let's say dairy methane to DME at a dairy farm in California, move it to the hydrogen fueling station and strip off the hydrogens there.

COMMISSIONER MONAHAN: I wonder -- this is one where I'm new. And I'm really trying to understand and this will be more than five minutes for me to have a conversation with you. And I would love to have a conversation with you and just kind of really explore how to move a solution like this to scale. And because we really want to make sure that as we're investing in advanced fuels, we're looking towards the zero emissions future, right? The future is 2050. That's the target we're trying to get to. And how do we make the right investments today to ensure that we can get to a near zero emission transportation future.

And so I would love to have a conversation with you. I wonder if we can consider tabling this? And I know that this is disappointing. I'm very apologetic for this, just recognize that this is a transition time where I'm trying to really come up to speed very quickly on the
investments that have been made and make sure that we're really eyeing our long-term decarbonization goals in our investments.

DR. BOUDREAU: And we'd be happy to talk about how we see the California roll-out globally as well. We actually brought in some potential international partners a few months ago to talk with the Energy Commission about -- okay, we're talking about this specific project but how do we achieve scale? And while we're an innovative California-born company that we are working with potentially big partners, so that we can take this to the next level and provide not just a California solution, but something that can be globally change the landscape for the transportation sector.

COMMISSIONER MONAHAN: That would be really helpful for me. I don't know if Westport would be part of that conversation, but the equipment manufacturers too about what the costs are to build these vehicles with heavier tanks. You know that whole -- the cost side of the equation for the manufacturing of the vehicles. I'd love to better understand that.

DR. BOUDREAU: Yeah. And on the diesel replacement side, because it handles like propane, it's very low cost so that the tankage and so forth is of minimal difference. Because you can take off a particulate
filter in a vehicle it about negates any weight changes. But we can bring in -- for this project in particular there was a -- there were about eight or nine partners on it. So we can bring in the right partners to explain what we're doing on this project using DME to diesel replacement. But also the big vision of how we can decarbonize the transportation sector across all three avenues including the hydrogen carrier, which gets us to the high zero emission mobility goal.

COMMISSIONER MONAHAN:  Great. I really look forward to the education.

DR. BOUDREAUX:  All right. Thank you.

CHAIR HOCHSCHILD: So did you want to table the item?

COMMISSIONER MONAHAN: Yes, so motion to table until the next business meeting.

CHAIR HOCHSCHILD: Sorry, go ahead.

MS. VACCARO:  So I think this is probably a really important time for Assistant Chief Counsel, Allan Ward, to explain just a little bit about where we are, what type of process we're dealing with here. Because these are competitive solicitations that lead to proposed awards. And we do have some rules around that. So I think it's really important maybe that we just take a moment to talk about that before we actually consider whether it's
appropriate for any of you to talk with a proposed awardee.

CHAIR HOCHSCHILD: Yeah.

MR. WARD: So first of all it should be okay from a financial prospective to go ahead and table this to June, because as we sit here we're not quite sure on this particular agreement if the funds have to be encumbered by a certain date. So a lot of our funds, as you'll notice as the next business meeting has a large number of agreements on it, they have to be approved within a certain encumbrance period. As we sit here, we're not clear on this one, but obviously if you move it to June and it is than that's fine. You could even table it for longer if can be encumbered after that.

In terms of the competitive process once the NOPA is released then everything is publicly available to everyone. And then conversations can occur. And that's when our technical staff then engage with the proposed recipients to actually move forward with the scopes of work.

So it's definitely okay and fine to engage in a conversation. But if there's going to be significant modification from what was proposed then that could impact whether or not it would have been allowed under the solicitation. So we just need to keep in mind that if
there's going to be changes from what's proposed moving forward we'd have to look at that from the competitive solicitation process perspective.

CHAIR HOCHSCHILD: Yeah, understood. Okay. So do you want to go ahead with your motion?

COMMISSIONER MONAHAN: Motion to table this for one month.

CHAIR HOCHSCHILD: Okay. Is there a second?

COMMISSIONER McALLISTER: So I guess I’m not quite -- did you just say there's a problem to be talking or it's not a problem to be talking?

MR. WARD: It’s not a problem to be talking at all. The problem can occur with what's the result of the talking and if the result of the talking is a significant change from what's been proposed, then that can lead to some issues that we then need to look at (indecipherable).

CHAIR HOCHSCHILD: Yeah, so you’re saying if there's a modification, right. That's the issue.

COMMISSIONER McALLISTER: So a Commissioner could talk to determine whether to vote yes or no?

CHAIR HOCHSCHILD: That’s a separate --

MR. WARD: Yes.

CHAIR HOCHSCHILD: -- conversation.

COMMISSIONER McALLISTER: Okay, got it. I'll second.
CHAIR HOCHSCHILD: All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: That motion passes unanimously. Let's move on the minutes. Is there a motion to approve the minutes?

VICE CHAIR SCOTT: Move approval of the minutes.

COMMISSIONER MCALLISTER: Second.

CHAIR HOCHSCHILD: Second. All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: Okay, Lead Commissioner Reports.

COMMISSIONER MCALLISTER: You had to recuse or you had to abstain, right?

COMMISSIONER MONAHAN: Yeah, can I say "aye"? I mean I wasn't there.

(Overlapping colloquy.)

CHAIR HOCHSCHILD: Excuse me, Commissioner Monahan cannot vote and abstained on that.

Lead Commissioner Reports, so we usually at this point in the meeting just give a quick update on what we've been doing and since the last meeting. So does anyone want to share, just like lighting round updates.

COMMISSIONER MCALLISTER: I'd like to hear how you're settling in?

MS. VACCARO: Excuse me, Chair Hochschild. I'm
sorry to be your gadfly. I feel like that ends up being my role sometimes.

CHAIR HOCHSCHILD: That's --

MS. VACCARO: But we do have a little bit of confusion from the last item. I think the request of the Commissioner was to table only one item, and not both. But the way that that came across it suggested that the entire item was being tabled.

CHAIR HOCHSCHILD: I'm sorry, yes. The motion was for item --

COMMISSIONER MONAHAN: They are both being tabled. Both of the items relating to Oberon Fuels.

CHAIR HOCHSCHILD: Right, but so Oberon was --

COMMISSIONER MONAHAN: Yeah, there's two items.

CHAIR HOCHSCHILD: So that was really for Item 11a.

MS. VACCARO: Yeah, so maybe --

CHAIR HOCHSCHILD: Thank you for that. No, that's exactly your job. Let's go back to that. So Commissioner Monahan, if you could make a motion to table Item 11a; is that correct?

MS. VACCARO: Yes and then you will need to vote.

COMMISSIONER MONAHAN: Got it. Sorry about that.

MS. VACCARO: -- with regard to b as well in a motion.
UNIDENTIFIED SPEAKER: Was that regarding 11 or 11a and b?

COMMISSIONER MONAHAN: Just 11a, sorry.

CHAIR HOCHSCHILD: Okay.

COMMISSIONER MONAHAN: No, you’re right.

CHAIR HOCHSCHILD: Okay.

COMMISSIONER MONAHAN: Both pieces of 11a.

CHAIR HOCHSCHILD: So why don’t you make the motion again for 11a?

COMMISSIONER MONAHAN: Thank you. I would propose tabling both issues on 11a for the next business meeting.

CHAIR HOCHSCHILD: Okay is there a second?

COMMISSIONER MCALLISTER: I’ll second that.

CHAIR HOCHSCHILD: Okay. All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: The motion passes unanimously.

So 11a is -- and sorry, then we need to vote on 11b, correct? So can you make that motion, Commissioner Monahan, to approve Item 11b?

Thank you, Kourtney.

COMMISSIONER MONAHAN: I make a motion to approve Item 11b.

CHAIR HOCHSCHILD: Is there a second?

COMMISSIONER MCALLISTER: Second.
CHAIR HOCHSCHILD: Seconded by Commissioner McAllister. All in favor say aye.

(Ayes.)

CHAIR HOCHSCHILD: All right. That passes unanimously. Let's move on to -- we did minutes, we'll move on to Lead Commissioner Updates. Is there anything you'd like to share Commissioner Monahan, just --

COMMISSIONER MONAHAN: I am learning a lot. I've worked at a national and international level for the last decade. So while I had a long history in California before that, now I'm reacquainting myself with both California policy specifically and the Energy Commission on how we do business. I really am impressed with the leadership of the Energy Commission so far and their patience as they educate me on the nuances of the job. So it's been fabulous.

CHAIR HOCHSCHILD: Great. Welcome.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Yeah, just a few things. I had mentioned in one of the items today about the Housing Leadership Summit. This was a sort of an invite-only CEO level builder conference, just a few big decision makers in the room, maybe a couple hundred of essentially the folks who were making the big capital decisions on housing. This is residential housing. And really great conversation and did a panel
about sort of getting people familiar with the new requirements for 2019 that are coming and everybody was talking about the solar requirement. But really I think being demystify it and putting it in context is really helpful for those folks. So I'm hopeful it's going to open a conversation with the residential mortgage industry and underwriters to help them get comfortable with high-performing buildings as being a lower risk for them in terms of their lending.

So hopefully we can build portfolios of advanced buildings that actually get favorable treatment from mortgage lenders. So that's kind of a long-term goal.

And then really let's see, I wanted to just thank staff a couple of different parts of the staff here. First of all in EAAD, Energy Analysis and Assessment Division, Siva and Alisha and their team just working on joint agency collaboration around all these issues that we're planning, this is SB 100. This is for the forecasting, which is more and more complicated and lots of other issues coming in there with IRPs happening and all that.

And so I think there are just a lot of reason to exchange in order of magnitude more information really with the other agencies. And that includes the ARB as well as the PUC and the ISO. So I want to just call out that team for all the great work they're doing in building
relationships and just really being communicative, so that
when differences happen they get resolved quickly and they
get elevated to the Commissioners.

And then the same goes for the Commissioner
levels. I think we're -- Commissioner Randolph in
particular, but our counterparts over at ARB and ISO as
well. So I want to just call out that. It's just
fundamental to what we're doing and we have to lock arms on
this stuff if we're going to get there.

And then the other staff thank you I want to give
is to the Efficiency Division. In particular Michael
Kenney and Heather Bird and their team for doing this road
show for the last month or so, three weeks to a month,
about a month, on getting stakeholder input on the

They did five workshops around the state. I was
at three of them: San Francisco with the PUC, we did a
collaborative one. We did Redding, Fresno, LA and San
Diego. And it's a big lift to get a bunch of staff out
around the state and form an agenda, get people a room, get
a locale and everything. But it is totally worth it. We
really get out of the building. We talked about Alana
earlier today of just getting out of the building and
shaking the trees for input that we might not otherwise get
is a really important to help us build relationships.
And our built environment is the most human thing really that we, in my view at least, that we oversee. Everybody spends all their time in and around buildings and they have to be good buildings. And we have to figure out how make them perform better. And we're not going to do that from within this building. We have to get from this building -- this is one of 14 million, right? So I feel like it's a job well done. And it's going to provide a good basis for the update of the Action Plan. So I wanted to just thank staff for that. And I think I'll leave it there.

CHAIR HOCHSCHILD: Okay. Vice Chair Scott.

VICE CHAIR SCOTT: Sure. I did want to just say anther congratulations to Alana Mathews. I'm so excited for her and her new opportunity. And another warm welcome to Commissioner Monahan. We're so delighted to have you here. Welcome.

Just a couple of updates. I've had a chance to -- I oversee some of the western coordination work that the Energy Commission -- for the state. And so I was out in Salt Lake City a few weeks ago with the 11 -- it's 11 western states, three Canadian provinces and Mexico and talking a little bit about western work.

What was interesting is California is not the only state with a 100 percent clean energy standard moving
on its way there. So that was fantastic to talk with some of our colleagues and friends in other states to hear what they're doing. And also to hear the prospective back from states who are worried about what happens when your neighbors go to 100 percent clean energy standards. So that's just a very interesting dialogue that we will see get going in this forum and many others and then continue on.

Another thing that's interesting within this group is that many of the other states are starting to see things that California has seen for a little while. So Arizona Public Service mentioned that they are starting to see theirs is not a duck curve, it's more of a camel curve, because they have two bumps during the day. It's like, "Oh, we have times when we have excess solar and we're having to figure out what to do." So it's very interesting, right? Because California has been thinking about this for quite some time. And now that other states have additional renewables, we're all starting to see the same things.

And of course folks are welcome to learn from California if they want to or ignore everything that California has done. It just could probably depend on which of the western states you're talking to there. But we do have good experience that we're always happy to
And then the thing that was interesting was the conversation we had around charging infrastructure for electric vehicles. And even states like Montana or Idaho or Utah, where they're not huge fans necessarily of electric vehicles, they talk about the long distances, how cold it gets, they have mountains, people like SUVs, crossover utility vehicles, things like that. And what they say though is they're putting charging infrastructure in place at destinations, because of all the Californians that are driving there. (Laughter.)

But again we're all kind of working together. There's a really great work going on out west called IREV. And so it's a bunch of western states working together to do the destinations and corridors. And so it's really great to kind of see the whole west moving in this direction together at different speeds and for different reasons, but there's still a lot of partnerships, collaboration and work we can do.

Our IEPR workshops continue at pace. Commissioner McAllister and I have been at several. We have many more coming up. So maybe not too many more details there.

I had a chance to represent the Energy Commission at San Diego Gas & Electric's Annual Energy Showcase a few
weeks ago. That was really exciting. San Diego Gas &
Electric takes the time. And they call it, it's the Oscars
of Energy. And they take the time to put that together are
really recognize folks who are doing innovative things in
this space.

And so there was a builder, for example, of
affordable senior housing that had done all-electric
buildings. And it also is walk able to a lot of things
that seniors in that community like to go to. So the
seniors are just loving it, because they could interact
with one another. They can walk or bike to different
things that they'd like to see. There's great places for
the dogs to go and things like that. And it's an all-
electric building and they don't really notice the
difference, which I thought was interesting is what they
said. But they enjoy living there.

They were working with the schools. One of the
schools had taken a lot of ocean waste and they're
recycling it into things like bean bags and other fun stuff
to go within the school. But they're pulling it out of the
ocean. They're learning about the ocean. They're learning
about the impacts of that on the ocean and then repurposing
it. So there were probably about a dozen or so folks
throughout San Diego that were awarded.

One of the other things I thought was really
interesting about that is many of the projects that got awarded are things that the Energy Commission has helped fund through our research program. And so it really does take a village. Commissioner McAllister says this quite a bit. We have the money, but it’s the folks on the ground who are implementing this coming up with the ideas and then turning it into reality that really makes a difference. So it was great to get to go and be part of that showcase.

And then we had an excellent tribal workshop yesterday, which was a follow-on to tribal energy summit hosted in November. And maybe I’ll just pause there and let you talk more about it. But it’s great to have the tribes come and continue to work together on all the different things that are important to tribes, important to the Energy Commission and figure out how can we be great partners and keep working in that space.

COMMISSIONER DOUGLAS: Yeah, thank you. So we had a -- I'll go back in time for a minute, on April 22, 23rd, we hosted the Department of Defense. They had an operational sustainment meeting here in this room for two days. And there were actually participants from states near California. Particularly of interest to me was getting to know some of our counterparts in Oregon and Washington and how they organize themselves around energy planning and how they interact with the military and deal
with mission compatibility concerns the military may raise when those come up. And so that was quite interesting. And there were a number of agencies participating in that from the Natural Resources Agency was part of that, the Office of Planning and Research was part of that. And so there were a number of agencies involved.

Yesterday as Commissioner Scott said we hosted a really nice follow on-to the Tribal Energy Summit. And we had great attendance from tribes not only in the room, but also on WebEx and that was thanks to quite a lot of work on the phones by Tom Gates and Jessica Bonitz and others on staff, who took the time to call tribes and find out if they were coming and encouraged them to come.

And that workshop was also an opportunity to give tribes information and get their input on the upcoming Tribal Energy Government, the Challenge Grant Program. So I am -- Andrew can you help me? Anyway, it was the Local Government Challenge Program and the Tribal Government Challenge Program, correct, which is allowing us to repurpose some amount of repayment from American Recovery and Investment Act funding, ARRA funding, to help support tribal governments in doing energy related planning efforts and policy development efforts that will help them support also the state renewable energy and climate goals.

So that's an exciting partnership. We also
solicited input on how to best frame up the GAP analysis that will help us better understand opportunities and challenges for tribes outside of the ones who get grants, because there's a tremendous amount of grassroots leadership that need out there. And in rural parts of the state in particular tribes sometimes provide the bulk of services, the bulk of jobs. They're major players in their local communities. And we need to help foster and support the leadership that we're already seeing from many of these tribes. So I'm very excited about this and was really happy to have this forum here.

And I also, let me just pause. I need to thank Energy Commission staff in, I think all of our divisions except perhaps I don't think we had Siva's Division, but everyone who manages and runs grant programs; in particular EPIC and transportation programs, renewable, contracts. We had staff really go through nuts and bolts of what the Energy Commission programs are that may intersect with tribal interests that we heard articulated at the energy summit or through other forums. And how to engage with the Energy Commission. And we had a nice dialogue about that too.

CHAIR HOCHSCHILD: Commissioner McAllister?

COMMISSIONER MCALLISTER: Yeah, I had left out one thing. I did want to comment on local government.
This challenge effort, we started it maybe four or five years ago with the excess ARRA, you know, that (indiscernible) ARRA funding and we have done a local government challenge with about $10 million of grants. And it's really had a big impact. And I think the additional reflows that come in every year this is a perfect, perfect use for them.

And given this Governor's understanding of local government and may revise actually with some emphasis on that, I think we have an opportunity to kind of stimulate some conversation about local government and how we get them the resources they need. Because every single project, whether it's tribes or counties, cities, they touch every single project. And they are under resourced. And they're stretched really thin. And they need lending expertise. And they need capital for projects.

And so I think that's a conversation I would love to carry forward obviously within this agency, but also in coordination the Governor's Office and other agencies.

I did want to mention one other thing though that I neglected to bring up, because I thought -- I didn't remember that it was since the last business meeting. But the Art Rosenfeld Symposium happened at Berkeley Lab a few weeks ago. And I did closing comments after this really glorious day of beautiful talks and presentations and
student posters and Rob Socolow from Princeton came out and
did sort of an early key note in the day. And just really
a great -- it felt like an old-time day in a lot of ways,
because I used to work at LBL and just have worked with
that community for such a long time.

Notably there were a lot of people in the room
who had never met Art. And I thought was a huge, huge --
it was a revelation, because there was young people who
were in this. They've drunk the Kool Aide. They're doing
the work. They're super smart. They're engaged. They're
idealistic. They've got the elbow grease and their sleeves
are rolled up and are learning in one of the premier
institutions on these issues. And they're doing it really
within this landscape that Art kind of defined. And a lot
of the topics that are being explored are sort of the new
digital age iteration of things that Art thought about 40
years ago or longer, 50 years ago.

And so anyway it was really heartening to kind of see. Because sometimes when you celebrate a lost leader
who had been at it for six decades, the community tends to
be older and aging with that person. And but this
community is really renewing in a way that's very
important. And I think very heartening for all of us in
California. And it's just an expression of our continued
leadership and just a vision that we're providing everyone.
So that was beautiful -- Art was definitely there in spirit. It was a beautiful event.

CHAIR HOCHSCHILD: Well great, thank you for that Commissioner McAllister as we meet in the Art Rosenfeld hearing room here.

So quick a update from me. Today, we're going to be submitting to the Governor the Gasoline Price Report. We really want to thank Siva, Ryan, all the rest of the team, Drew and everyone else who worked on that. And that will be done by the end of the day.

We're doing a couple of other strategic initiatives including the Lithium Taskforce Meeting, the event we're doing next week. I want to thank Commissioner Douglas for pitching in and helping with that really to try to do what we can to promote lithium development in California. And we've got some incredible stakeholders coming to the table for that.

We're also co-hosting along with EPRI Silicon Valley Leadership Group, CAL ISO and UC, the symposium July 11th and 12th on electrification in the building sector and the transportation sector and looking how we really press forward to decarbonize those sectors. And there's a lot of momentum in this arena. But the importance of it has been highlighted even more as we move now to 100 percent clean grid. We just want to rapidly expand the services that the
grid is providing across all sectors. So that will do a deep dive into the innovation that's happening, the dairy busting (phonetic) best practice policies, a lot of local government participation and private sector participation and it's going to be a great event!

I am going to China in a few weeks to speak at Innovation Summit and meet with a bunch of stakeholders. That is one of the priority countries as it has been and will continue to be as well as to Canada in another 10 days or so for the Clean Energy Ministerial Meeting.

And I just came back from a fascinating Forum 100 conference in Switzerland. I met with -- actually this is not a sector I know a whole lot about, but company Climeworks, which is doing actually CO2 extraction from the earth. It's a device like a fan that basically sucks the CO2 out and they calcify it into rock. This is stuff that I was very grouchy and dismissive about a few years ago. And I really feel like we need to thoroughly explore this family of technologies. The urgency and the problem we're facing is at that stage. They're interested in doing a pilot project in California. Great interest in Europe in what we're doing. It was really, really high value. I met with the President of Switzerland and Energy Minister and a number of other leaders there.

And I also just wanted to give a special note of...
thanks to Jennifer Martin-Gallardo for stepping up and agreeing to be Acting Public Adviser. One of the tasks that I've asked her to undertake is to initiate a new ombudsman function as part of that office.

We are here to deliver service to our grant recipients. We're here to serve them. And we need to constantly be seeking every way, every day how to do that better. When the innovators succeed, we all succeed. And so one of the functions I've asked her to dig into is actually to reach out comprehensively and come up with a plan to solicit feedback on how was the process getting a grant from us.

That information will be kept confidential. I mean we'll use the content, but so it won't be attributable. That's really in the service of us getting better with our process. And actually seeking actively to get feedback. Because I think our systems are basically working well, but I'm confident that there are areas where we can continue to improve. And I'm concerned nobody wants to bite the hand that feeds them, right? And so you don't want to be complaining to the person writing the check.

And actually we want that feedback. We are seeking that feedback. And so that's going to be I think a new and really important roll. And I really want to thank
you for being willing to step up and look forward to supporting you in that as we go forward.

With that, before we move to closed session, can we just do the Executive Director's Report and Public Adviser Report and public comments prior to closed session? Is that okay with everyone?

Why don't we move on. Is there any report from the Executive Director?

MR. BOHAN: Yes. I just have a very briefer report. I've talked a number of times to the Commission about our primary funding account, the ERPA, Energy Resources Program Account, and I have a brief good news-bad news story. The good news is the Legislature agreed and adopted our BCP, our Budget Change Proposal, for about $10 million. That is removing about $10 million from ERPA. This adds to the last two fiscal years where collectively we were reduced by $27 million. So you add these together over the last three years we reduced the pressure by $37 million. That's the good news.

The bad news is nevertheless, even with that we project and we presented this to the Legislature per their request that in 2223, we will be a million dollars in the red -- a million three in the red, even with these. So they've asked us to come back next year and again provide what they call an SRL, a Supplemental Reporting Language,
where we identify additional measures that we think we can
take to try to close that gap entirely.

CHAIR HOCHSCHILD: Thank you. Public Adviser's
Report?

MS. MARTIN-GALLARDO: Thank you. I have no
formal report today, but I just wanted to thank you for
this opportunity. It's an honor to serve the public, the
Energy Commission. And I look forward to helping on all
the existing initiatives, the future initiatives and really
digging in and serving the people of California. And
however I can help, I'm also new and learning and welcome
any feedback that anyone has.

CHAIR HOCHSCHILD: Great. Thank you, I do have
one request. I neglected to give Alana the Chinese,
Vietnamese and Spanish versions of her resolution. So if
you could take responsibility, they're on the desk. So she
has the English version.

MS. MARTIN-GALLARDO: I will do so --

CHAIR HOCHSCHILD: So we want her new office
plastered with all these other versions, thank you.

And any public comment from anyone in the room?
Not yet, because that will be our last item and then we'll
go. Any public comment from anyone in the room or on the
phone?

MS. MARTIN-GALLARDO: So I have various public
comments from Mr. Steve Uhler. But I was going to say that
if there's anybody in the room who has any comments? Or on
the phone?

CHAIR HOCHSCHILD: Oh is that somebody behind
you? Or did you want to make a comment?

MS. STANO: Yes.

CHAIR HOCHSCHILD: Yeah, go ahead.

MS. STANO: Awesome.

CHAIR HOCHSCHILD: Can you introduce yourself?

MS. STANO: Yes. My name is Mad Stano. And I am
here with the Greenlining Institute. Thank you to the
Commissioners for the opportunity to speak. And I'm here
on behalf of Greenlining to offer our profound thanks and
gratitude and well wishes to Alana Mathews.

We at Greenlining want to recognize and
appreciate Alana's service to all Californians. Her
unyielding commitment to community engagement, especially
of low income and communities of color. We have witnessed
the incredible results of her efforts to ensure all
Californians benefit from our decarbonization goals and
transition to cleaner energy. So thanks to her for her
work, partnerships with community-based organizations and
the SB 350 Barrier Study, which we all can't stop citing
even if we tried. And we look forward to working with her
in her new role and to the new Public Adviser as well.
We know California is closer to energy equity, because of Alana's hard work. Thank you.

CHAIR HOCHSCHILD: Thank you so much for coming. I appreciate that.

Yeah. Go ahead, Jennifer. Did you want to share another comment?

MS. MARTIN-GALLARDO: All right. As I mentioned, these are public comments made by request of Mr. Steve Uhler, because he's --

CHAIR HOCHSCHILD: Can we start the timer please?

MS. MARTIN-GALLARDO: -- because he’s unable to attend the hearing today. For item number 16, the Public Adviser's Report, he has requested, "Please see that I am supplied with the governing procedures for the adjudication of my petitions, rulemaking or otherwise. Energy Commission staff appear to make use of underground regulations or apply unequal application of Title 20 Regulations."

"Please welcome the new Commissioner of the Commission's legislative body, Commissioner Patty Monahan, appointment designation, science, engineering. And I hope she will bring with her knowledge that will have the Commission move away from analog modeling. Perhaps the use of W. Edward Deming's principals and discrete event scheduling will better reflect the just-in-time nature of
electric power generation and use in California's goals and metrics.

"Analog modeling may seem to work for batch and queue production. Batch and queue requires storage as indicated by modeling formulas that average generation and hide critical paths. Perhaps this is why the duck chart appears to have merit. Forecasting through analog modeling limits progressing of the forecast through time. Forecasts are typically wrong, because of condition changes. It can be said of your system it is perfectly designed to get the results you are getting. If you want different results change your system.

"A paradigm shift is required. Discrete event scheduling would better reflect the just-in-time nature of electric power generation and use, making the duck chart unremarkable. Discrete event scheduling will better match the just-in-time Kanban nature of electric power generation and use. Progressing of schedule can be done in real time to better plan use of the grid. This will allow solutions to be applied and adjusted by using actionable information.

"The Japanese know this as "Kaizen," continuous improvement that drives out Muda, (phonetic) waste or inefficiencies. Discrete event resource planning can support multiple what ifs.

"Ask Toyota Corporation to present on Demming,
Muda, Content (phonetic) and Kaizen. With Toyota's help, Kaikaku, radical change may happen leading to climate goals being met earlier.

"I am ready to process any of the data that may have been made available to contractors in the Docket 18-MISC-05 project titled "Disaggregated Demand Data Cleaning Workshop." Please see that smart meter data is posted on the 18-MISC-05 website. I have supplied a dynamic privacy method I believe will protect utility customers' privacy. It is based on keeping customer identifiable specific information secure as arcane knowledge on a need-to-know basis."

CHAIR HOCHSCHILD: Okay, that’s three minutes.

Thank you.

Any other public comment from anyone else in the room or on the phone? Kourtney, before we go into closed session, do you have anything else you wanted to address in your report?

MS. VACCARO: No, nothing.

CHAIR HOCHSCHILD: Okay, at this time, the Commission will go into closed session as specified in Agenda Items 14a2 and 9, which provide notice that the Commission will adjourn to closed session with its Legal Counsel pursuant to Government Code Section 1126(e) to discuss the following litigation to which the Energy
Commission is a party: Communities for a Better Environment and Center for Biological Diversity versus Energy Resources Conservation Development Commission and State Energy Resources Conservation and Development Commission versus Hygen Industries, Inc.

We anticipate returning to open session, shall we say is 12:30 too ambitious or 12:45?

MS. VACCARO: I’d say 12:45 is a better estimate.

CHAIR HOCHSCHILD: Okay. Let's say 12:45. Thank you.

(Adjourned the Business Meeting for closed session at 11:54 a.m.)

(Adjourned the Business Meeting at 12:52 p.m.)

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REPORTER'S CERTIFICATE

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of May, 2019.

[Signature]

PETER PETTY
CER**D-493
Notary Public
TRANSCRIBER'S CERTIFICATE

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of May, 2019.

_________________
Myra Severtson
Certified Transcriber
AAERT No. CET**D-852