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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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Others Present (* Via WebEx)

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Others Present (* Via WebEx)

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- i. *In the Matter of U.S. Department of Energy (High Level Waste Repository) (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy (9th Cir. Docket No. 09-71014)*
- 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)*
- iv. *Natural Resources Defense Council, Inc., et al. v. United States Department of Energy (Federal District Court, Northern District of California, (17-cv03404)*
- 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).*
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b. Pursuant to Government Code section 11126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the Commission, which might include.	
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1 P R O C E E D I N G S

2 MAY 15, 2019

10:04 a.m.

3 CHAIR HOCHSCHILD: Welcome everyone, let's begin
4 with the Pledge of Allegiance.

5 (Whereupon the Pledge is recited)

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

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

22 Would you like to say a few words?

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

1 used to this new vantage point.

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

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

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

25 COMMISSIONER MCALLISTER: I'll move those items.

1 CHAIR HOCHSCHILD: Is there a second?

2 COMMISSIONER DOUGLAS: I second.

3 CHAIR HOCHSCHILD: All in favor say aye?

4 (Ayes.)

5 CHAIR HOCHSCHILD: That passes unanimously.

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

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

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

18 COMMISSIONER SCOTT: Map of approval of b and d.

19 CHAIR HOCHSCHILD: Thank you. Is there a second?

20 COMMISSIONER DOUGLAS: Second.

21 CHAIR HOCHSCHILD: All in favor say aye.

22 (Ayes.)

23 It passes unanimously. We'll move on to Item 2,
24 Alana Mathews. And before I begin, let me recognize your
25 terrific husband who is here with you as well. Thank you

1 for joining, and we are really excited to celebrate Alana.

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

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

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

19 COMMISSIONER SCOTT: Sure, I would just like to
20 say, Alana, as you know I'm a huge fan of yours. It has
21 been wonderful to get to work with you over these last six
22 years or so. You bring a wealth of expertise and
23 dedication to this work. Your level of enthusiasm and your
24 mastery of the details are unparalleled. You leave very
25 big shoes for our next person to fill. And not only do you

1 really have a mastery of all of the details, but you have
2 this wonderful, welcoming smiling face and so it's just
3 great for the community outreach, for making people feel
4 welcome, that they can reach out to the Commission and find
5 out information, learn how to be engaged and involved.

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

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

18 COMMISSIONER DOUGLAS: Yeah. And I'll just step
19 in and say again thank you and congratulations to Alana. I
20 think Alana has ended up in a wonderful role where she'll
21 be able to make a difference for California and for all
22 Californians going forward. And that is exactly what she
23 did in her time here as Public Adviser and it's been a real
24 pleasure to have worked for Alana for all of these years,
25 so thank you.

1 COMMISSIONER MCALLISTER: Yeah, so I'll agree
2 with all of that and won't repeat, but Alana, your
3 entrepreneurialism is just really formidable. And we're a
4 state agency and I think people don't expect us to be out
5 there in the community like, "Tell us what's wrong, tell us
6 what's wrong, I can help you get access," you know and
7 really advocate for communities. In a state as diverse as
8 ours, I mean that's just a big, big job. It's more than a
9 full-time job and you dedicated that to it, so I really
10 appreciate all your efforts here.

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

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

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

25 "Whereas, Alana began her career in public

1 service as an Executive Fellow at the California Attorney
2 General's Office in August 2003, later serving as a Deputy
3 District Attorney for Sacramento County in May 2004; and

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

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

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

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

25 "Whereas, in 2016 Alana's role was expanded to

1 assist with the implementation efforts for two legislative
2 mandates, Assembly Bill 865 and Senate Bill 350 to
3 establish a diversity task force to make recommendations on
4 diversity in the energy sector; and

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

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

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

17 (Applause.)

18 So come on up, let's do a photo and Vice Chair
19 Scott is going to read the one in Chinese and we'll get it.

20 (Laughter.) Let's do a photo op up here. Yeah, actually
21 it would you like to say a few words first then we do the
22 photo?

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

24 MS. MATHEWS: Okay. So I will say I just wanted
25 to say thank you to the Chair, Commissioner Scott,

1 Commissioner Douglas, Commissioner McAllister, and our new
2 Commissioner, which I have had an opportunity to meet. But
3 thank you all really for the support in the role and I was
4 only able to achieve everything that I've done as Public
5 Adviser, because of what you all have been able to support.
6 And I hope those things are going to carry forward.

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

18 CHAIR HOCHSCHILD: Thank you.

19 COMMISSIONER DOUGLAS: Well, Alana, thank you.

20 (Whereupon commemorative photos are taken.)

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

24 And let's move on to Item 3, Magnolia Public
25 Schools Prop 39 Appeal. And why don't we start off with

1 our Acting Public Adviser Jennifer Martin-Gallardo.

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

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

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

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

17

1 substantive questions to Magnolia and Commission staff.

2 Thank you.

3 CHAIR HOCHSCHILD: Okay, please proceed.

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

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

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

24 Again, my name is Gokhan Serce and this is my
25 ninth year with Magnolia and this is my fifth year as the

1 principal. Magnolia Wizards opened in 2005-2006 school
2 year and has been serving the San Diego Community for 14
3 years.

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

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

20 Another big achievement is, as I mentioned our
21 students also academically are really successful, so based
22 on the last five years' state test results we had the
23 highest performing charter middle school in the City of San
24 Diego and highest-performing middle school in our
25 neighborhood.

1 And our STEAM ambassadors, also we have robotics
2 programs and our students for the last four years, four
3 years in a row, won first place at Legoland Southern
4 California Robotics Competition.

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

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

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

25 MR. RICHMOND: Thanks for the opportunity to

1 speak today. I'm James Richmond, I'm the Prop 39 Energy
2 Manager for Magnolia Public Schools.

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

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

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

21

1 on a diesel generator in the interim.

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

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

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

23 The energy savings to the school are significant
24 in comparison. The projects are ready to go and the
25 funding is already in Magnolia's bank account. Jobs

1 created and 400 kids will have a better place learn. It is
2 certainly what the voters in California intended and thank
3 you very much for your time today.

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

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

22 So why should the CEC approve our use of the Prop
23 39 award? Well, I go back to the purpose of Prop 39, which
24 is to fund eligible projects that create jobs in California
25 improving energy efficiency and expanding clean energy

1 generation. The legislation further notes set financial
2 savings from more efficient buildings can be used to pay
3 for other upgrades and programs that enhance student
4 learning. And that is definitely the intent in our use of
5 the award.

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

16 So the guidelines did not establish the February
17 26, 2018 deadline. This was a staff revision of the
18 handbook and under the handbook LEAs may actually still
19 amend their EEPs, but they're not allowed to increase
20 costs. Such amendments must be either cost neutral or
21 decrease costs. And this is a logical measure to ensure
22 that the statutory deadline of March 1st was met while
23 still allowing projects to move forward.

24 Our proposed amendment to our EEP is no more or
25 less burdensome to staff than would be a new EEP. We

1 believe the difference between an amended EEP and a new
2 EEP with no budget changes is purely semantics. So long as
3 there are no budget changes proposed, they are effectively
4 the same thing.

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

7 MR. ONTIVEROS: Sorry.

8 CHAIR HOCHSCHILD: Thanks.

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

17 CHAIR HOCHSCHILD: Thank you.

18 Let's hear from staff.

19 MR. PFANNER: Thank you. My name's Bill Pfanner.
20 I am a Supervisor and Program Lead for The Proposition 39
21 California Clean Energy Jobs Act Program. I'll try to keep
22 this brief, but staff recommends supporting the Executive
23 Director's decision to deny the Magnolia Science Academy-
24 San Diego's Petition for Reconsideration based on the
25 following.

1 Public Resources Code allows the Energy
2 Commission to create Proposition 39 program guidelines to
3 establish a process for educational agencies to submit new,
4 and to amend energy expenditure plans. A new energy
5 expenditure plan is required when relocating energy
6 measures from one school site to another, because the
7 school must show that energy measures are cost-effective
8 using the savings-to-investment ratio.

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

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

23 The Applicant states in their Petition for
24 Reconsideration set the move to the new site was in October
25 of 2017, but did not notify the Prop 39 Program of the move

1 until March 2019, over one year after the deadline to file
2 a new application. The next day staff denied Magnolia's
3 request, because relocating energy measures from one school
4 site to another is not an allowable amendment under the
5 guidelines. Instead, Magnolia would have to submit a new
6 energy expenditure plan and that would have had to have
7 happened by the February 2018 deadline.

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

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

14 CHAIR HOCHSCHILD: Thank you.

15 Commissioner McAllister?

16 COMMISSIONER MCALLISTER: So does staff or --

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

19 (No audible response.)

20 CHAIR HOCHSCHILD: My mistake, thank you.

21 Commissioner McAllister?

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

25 Okay. So going back to the beginning of this

1 program we had lots of discussions about the guidelines.
2 You know, they have since been adopted. They have been
3 adopted by the Commission. We are grateful for a
4 guidelines process, because it makes life easier for
5 everybody. And charter schools, you know, there are lots
6 of different flavors. And we developed rules to apply to
7 charter schools. And issues of site control and other
8 issues came up and they were front and center and we had to
9 make calls on that.

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

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

24 So denial is certainly not a expression of a lack
25 of faith in your mission or any denigration of the project.

1 It's absolutely a valid project that we want to work with
2 you to get done, it's just this is not the mechanism
3 because that time has passed.

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

11 So that's my recommendation to my colleagues.

12 CHAIR HOCHSCHILD: Thanks, other comments from
13 Commissioners?

14 (No audible response.)

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

17 COMMISSIONER MCALLISTER: I'll move a denial of
18 the petition --

19 CHAIR HOCHSCHILD: There is more --

20 COMMISSIONER MCALLISTER: -- number 3, Item 3.

21 CHAIR HOCHSCHILD: Is there a second?

22 COMMISSIONER DOUGLAS: Second.

23 CHAIR HOCHSCHILD: All in favor say aye.

24 (Ayes.)

25 CHAIR HOCHSCHILD: That motion passes

1 unanimously. Thanks for everything

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

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

7 MS. VACCARO: Okay, then no?

8 COMMISSIONER MCALLISTER: No. I didn't see it in
9 the packet.

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

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

15 MS. VACCARO: Okay.

16 COMMISSIONER MCALLISTER: Okay. Thanks.

17 CHAIR HOCHSCHILD: Okay. Thanks for coming in.

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

20 MS. RAITT: Good morning, Commissioners. I'm
21 Heather Raitt, the Assistant Executive Director for Policy
22 Development. Staff is asking the Commission's approval for
23 an order instituting informational proceeding to gather and
24 assess information needed for the 2019 Integrated Energy
25 Policy Report or the 2019 IEPR for short.

1 The Commission is required to appear on IEPR
2 every two years with an update in the intervening year that
3 assesses California's electricity, natural gas and
4 transportation fuel sectors.

5 Vice Chair Scott as Lead Commissioner for the
6 2019 IEPR issued the Scoping Order on March 20th that
7 identifies the topics that will be covered in this year's
8 report. The topics include the zero emission vehicle
9 market and infrastructure, energy equity, Energy Efficiency
10 and building decarbonization, decarbonizing the electricity
11 sector, energy reliability in Southern California, the
12 energy demand forecasts and assessment of natural gas and
13 climate adaptation in the energy sector.

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

19 Thank you for your consideration.

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

22 (No audible response.)

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

25 VICE CHAIR SCOTT: I will move approval of Item

1 4.

2 CHAIR HOCHSCHILD: Is there a second?

3 COMMISSIONER MCALLISTER: And I will second that.

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

6 (Ayes.)

7 CHAIR HOCHSCHILD: The motion passes unanimously.
8 Let's move on to Item 5, Building Energy Efficiency
9 Standards Residential and Non-Residential Alternative
10 Calculation Method Reference Manuals.

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

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

25 Public workshops for the ACM reference manuals

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

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

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

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

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

24 COMMISSIONER MCALLISTER: Okay, no public
25 comment. So thanks, Larry. It's very important that we

1 have these materials out, so that the stakeholders can look
2 at them, get used to them, get their heads around them in
3 order to really have the rubber hit the road January 1
4 when's the new code goes into effect. So I'm really glad
5 we've gotten them ahead of the game, ahead of six months,
6 and that's really good. I think that precedent from last
7 time, we're carrying it through. We're really trying to
8 keep lockstep with our commitments in each three-year code
9 cycle. So I appreciate that.

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

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

23 And so, you know, electrification is one
24 important tool to move in that direction. So we do need to
25 enable that and so figuring out what that baseline looks

1 like for non-res is relatively complex, but it does need to
2 be done. And so I agree with the stakeholders there, which
3 is not to say that we found a way to shoehorn it into the
4 process now, right?

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

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

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

21 COMMISSIONER MCALLISTER: I'll move Item 5.

22 CHAIR HOCHSCHILD: Is there a second?

23 COMMISSIONER MONAHAN: I second.

24 CHAIR HOCHSCHILD: All right. All in favor say
25 aye.

1 (Ayes.)

2 CHAIR HOCHSCHILD: That motion passes
3 unanimously.

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

6 MR. FROESS: I was asked to move to the podium.
7 For Agenda Item 6 I am seeking your approval for the 2019
8 public domain residential and nonresidential compliance
9 software, otherwise known as CBECC-Res and CBECC-Com. The
10 CBECC software packages show compliance with the
11 performance approach for newly constructed buildings and
12 additions and alterations to existing buildings.

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

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

25 New for the 2019 non-residential software is the

1 modeling of healthcare facilities and adjusted HVAC system
2 map, the modeling of variable refrigerant flow or VRF
3 equipment, and an updated simulation engine using newer
4 versions of EnergyPlus and OpenStudio for faster simulation
5 run times and access to new features.

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

11 Thank you and I am here to answer any questions.

12 CHAIR HOCHSCHILD: All right, thanks.

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

15 MR. RAYMER: Thank you, Mr. Chairman and
16 Commissioners. I'm Bob Raymer, a Senior Engineer with the
17 Building Industry Association and as you can imagine, we're
18 in very strong support of the certification of the program
19 today. And I guess we've got a number of members, at least
20 nine major builder members that would like to start
21 complying with this yesterday. The reason for that is not
22 just to effectively show that the standards work, but as
23 you can imagine a phased project that has hundreds and
24 hundreds of buildings that are going to be in it, it's good
25 to go into the building department with a set of plans that

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1 shows compliance with one set of standards. And to
2 continue to comply with that set of standards, so that in
3 January when you're submitting permits for new structures
4 you can still show compliance with the new standards as
5 opposed to having to reapply under the new regs versus the
6 old regs.

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

13 CHAIR HOCHSCHILD: All right. Let's hear from
14 the staff on that.

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

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

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

23 CHAIR HOCHSCHILD: Duly noted.

24 MR. RAYMER: Okay. I'm giddy, so seriously we've
25 got nine major builders throughout the state, all over.

1 Some in Northern California, but most in Southern, who
2 would like to go forward and start doing projects showing
3 compliance with this now. So thank you very much and while
4 we'll be getting the word out to our membership, I'll
5 Coordinate with Larry and Deanne, okay?

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

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

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

22 COMMISSIONER MCALLISTER: We've got to do some
23 voting here.

24 CHAIR HOCHSCHILD: Unless there's other public
25 comment, anyone on the phone? Okay. Let's move on to

1 Commissioner discussion.

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

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

18 I guess I want to point out just a couple of
19 things, I know we're trying to move things forward. But
20 bringing the healthcare industry, the healthcare facilities
21 into the code is actually a big, big deal. And we've been
22 working on that. Staff has been doing a great job working
23 with OSHPD and others to figure out how to, because they've
24 been exempt from the Building Code for the most part, for
25 the energy piece of the Building Code. And so bringing

40

1 them in is sort of a voluntary thing on their part, but
2 they want to do it. They want to do it in ways that make
3 sense. And so we're working with them to build a coalition
4 and build the kind of vision for how they're going to
5 gradually be subject to the Building Code. And so I think
6 that's really terrific.

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

18 So anyway I'll -- with that, unless there are
19 other comments?

20 CHAIR HOCHSCHILD: No others.

21 COMMISSIONER MCALLISTER: Okay. I'll move Item
22 6.

23 CHAIR HOCHSCHILD: Is there a second?

24 VICE CHAIR SCOTT: Second.

25 CHAIR HOCHSCHILD: All in favor say aye.

1 (Ayes.)

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

5 COMMISSIONER MCALLISTER: Thanks, Larry.

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

16 Over the useful life of the equipment of 17
17 years this project will save approximately 1,739 kilowatt,
18 or excuse me, megawatt-hours of grid electricity. And save
19 the city annually, approximately \$267,000 in utility costs.

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

25 We respectfully request your approval of this

1 item for the City of San Luis Obispo. I'm prepared to
2 answer any of your questions. Thank you.

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

5 (No audible response.)

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

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

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

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

19 CHAIR HOCHSCHILD: Look, I welcome this. And I
20 just want to point out, I mean just to restate the obvious
21 here what's happening in solar prices is probably the
22 single biggest energy story, to me, in the last 20 years.

23 Because it's falling so radically and I just came back
24 from another solar research center visit. There's a lot
25 more cost reductions still to come, but our grid can't

1 operate on solar alone. It's really important to have
2 diversity within our portfolio of renewables. And so it's
3 wonderful to see a hydro project like this happen. I hope
4 there's more to come and I really encourage it.

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

14 So with that --

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

21 CHAIR HOCHSCHILD: Is there a second?

22 VICE CHAIR SCOTT: Second.

23 CHAIR HOCHSCHILD: All in favor say aye.

24 (Ayes.)

25 CHAIR HOCHSCHILD: The motion passes unanimously.

1 Let's move on to Item 7, excuse me, Item 8, Zero
2 Net Energy Alliance, Incorporated.

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

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

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

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

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

1 perspectives.

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

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

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

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

1 and grid resiliency.

2 The Lancaster virtual power plant will
3 demonstrate how local load-serving entities can help
4 mitigate the problem of solar over-generation and
5 intermittency with economic DER solutions. In total the
6 Lancaster virtual power plant is expected to integrate 5
7 megawatts of PV and 10 megawatt hours of storage.

8 Staff expect this project to demonstrate
9 technological advancements and innovative business models
10 that enable high penetrations of solar PV and battery
11 storage that are affordable and feasible for both the
12 utility and its customers. Once demonstrated, this model
13 can scale across the state and pave the way for other
14 communities to deploy advanced energy communities.

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

17 CHAIR HOCHSCHILD: Great, thank you.

18 Are there any public comments on this item?

19 (No audible response.)

20 CHAIR HOCHSCHILD: Hearing none, let's move to
21 Vice Chair's --

22 MR. SCHORSKE: Sorry, I'll go.

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

25 MR. SCHORSKE: Hi, Chair and Commissioners, my

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

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

19 CHAIR HOCHSCHILD: Thank you.

20 Any other public comment?

21 (No audible response.)

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

24 VICE CHAIR SCOTT: Yeah, I just want to say this
25 is very exciting. I think you all will recall when we

1 first talked about the advanced energy communities and kind
2 of the Phase 1, Phase 2 and I was really excited about it.

3 And at that time I worked on transportation, I said we
4 need some of this in transportation as well, right? So
5 we're going to have that coming on the charging
6 infrastructure side with these communities, but I love what
7 we put together here.

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

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

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

24 COMMISSIONER MCALLISTER: I just wanted to say
25 this is not only an incredibly interesting technical

1 challenge and we need sort of this integration process to
2 really be proven out and get the cost down and all that.
3 And this is a great project to do that, so we're going to
4 learn a lot on the technical and management operational
5 front.

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

14 CHAIR HOCHSCHILD: Yeah, I just wanted to add my
15 own congratulations as well to Vice Chair Scott, to Laurie
16 ten Hope, the whole team that's been working on this. I
17 think it's visionary and also especially to the City of
18 Lancaster. And I met with Mayor Parris a number of years
19 ago. You do not have to be a big city to make a big
20 difference and I just think the City of Lancaster has
21 absolutely distinguished itself. I mean, the first solar
22 mandate, pushing LEDs, I mean a bunch of other things.
23 It's just been path-breaking for a city of 150,000 or
24 something like that, right? And it's incredible no, and a
25 Republican mayor.

1 And this is leadership and I just want to
2 recognize that. And I would say this is part of the
3 ecosystem and mosaic of other path-breaking things we're
4 doing around building in resilience into the grid including
5 the LA Air Force Base and those 43 electric vehicle
6 projects. Just demonstrating new ways essentially to help
7 provide grid reliability and other benefits. And it's just
8 visionary. I'm really proud to support this project.

9 Are there any other comments?

10 COMMISSIONER MONAHAN: Can I say something really
11 fast?

12 CHAIR HOCHSCHILD: Yeah, go ahead.

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

21 CHAIR HOCHSCHILD: Yes.

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

25 CHAIR HOCHSCHILD: Well said.

1 All right. With that, did you want to make a
2 motion?

3 COMMISSIONER MCALLISTER: Sure I'll second.

4 CHAIR HOCHSCHILD: Yeah. All in favor say aye.

5 (Overlapping colloquy.)

6 VICE CHAIR SCOTT: Yeah, I moved Item 8.

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

9 COMMISSIONER MCALLISTER: Why don't you do it
10 again? Yeah.

11 VICE CHAIR SCOTT: I move approval of Item 8.

12 COMMISSIONER MCALLISTER: Second.

13 CHAIR HOCHSCHILD: Okay. So that's our second.

14 All in favor say aye.

15 (Ayes.)

16 CHAIR HOCHSCHILD: That motion passes
17 unanimously.

18 Let's move on to Item 9, Seismic Risk Assessment
19 and Enhanced Training.

20 MR. YANG: Good morning, Chair, wise Chair and
21 the Commissioners. My name is Yahui Yang and I'm with the
22 Energy Research & Development Division. Today, we are
23 requesting your approval of two agreements. These
24 agreements resulted from a research solicitation intended
25 to enhance the seismic risk assessment as well as

1 management for a natural gas infrastructure including
2 pipelines as well as underground storage facilities.

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

13 So in the first agreement with UCLA, the
14 recipient will develop a seismic risk assessment
15 methodology that quantifies earthquake ground motion
16 (indiscernible) hazard landslides and liquefaction risks.
17 The methodology will be tested in collaboration with
18 pipeline and storage facility operators in California.

19 The agreement will integrate the new risk
20 management approach into an easy-to-use open source
21 software tool and the recipient will develop a guidance
22 document for other end users in order to adopt the tool.
23 And the tool will result in a more accurate identification
24 of seismic risks and a selection of the most effective
25 mitigation measures.

1 The second agreement is with UC Berkeley. The
2 recipient will develop a suite of earthquake scenarios with
3 associated rates of occurrence, and overlays scenario-based
4 maps, our natural gas systems. The recipient will model
5 seismic impacts on pipeline and the storage systems and
6 test the seismic performance or system components by using
7 mechanical shake tables and developed seismic risk analysis
8 software tool for those utilities and regulators.

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

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

20 CHAIR HOCHSCHILD: Thank you very much.

21 Any comments from the public?

22 (No audible response.)

23 CHAIR HOCHSCHILD: Hearing none, let's move to
24 Commissioner discussion.

25 VICE CHAIR SCOTT: Sure, I just want to say on

1 this I appreciate the excellent briefing from staff on
2 these projects and to understand the critical research need
3 that this will help fill. I think it's pretty cool that we
4 have two of the premier seismic risk assessment programs in
5 the world working on this for us. And also I appreciate
6 the good coordination that we have with the Public
7 Utilities Commission and with DOGGR.

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

10 CHAIR HOCHSCHILD: Is there a second?

11 COMMISSIONER DOUGLAS: Second.

12 CHAIR HOCHSCHILD: All in favor say aye.

13 (Ayes.)

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

16 We'll move on to Item 10.

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

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

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

24 COMMISSIONER DOUGLAS: Right. Because I have
25 been and am a adjunct law professor I teach a renewable

1 energy law class at UC Davis, King Hall, which is not
2 itself involved in this, but UC Davis itself is.

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

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

8 CHAIR HOCHSCHILD: All right. Congratulations.
9 Let's now move on to Item 10.

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

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

25 The following two projects from this solicitation

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

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

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

24 This project is located in Southern California in
25 a disadvantaged community. And I request approval of

1 funding for these two projects. Thank you.

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

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

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

24 CHAIR HOCHSCHILD: And further comments? Anyone
25 want to make a motion?

1 VICE CHAIR SCOTT: I will move approval of Item
2 10.

3 COMMISSIONER MONAHAN: Second.

4 CHAIR HOCHSCHILD: Second?

5 COMMISSIONER MONAHAN: Oh, second.

6 CHAIR HOCHSCHILD: Commissioner Monahan seconds.
7 All in favor say aye.

8 (Ayes.)

9 CHAIR HOCHSCHILD: The motion passes unanimously.
10 Let's move on to Item 11, Demonstration-Scale
11 Biofuels Production Facilities.

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

21 The first item is an agreement with Oberon Fuels
22 for nearly \$2.9 million to expand their pilot production
23 plant for dimethyl ether or DME to achieve production of
24 830,000 diesel gallon equivalents per year. The project
25 will utilize renewable methanol converted from wood waste

1 pulp and be processed into DME fuel within an approximate
2 carbon intensity of 21.6 grams of CO2 equivalent per
3 megajoule.

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

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

19 The second item is for an agreement with
20 Technology & Investment Solutions for \$2 million to
21 demonstrate a more sustainable and cost effective process
22 to achieve high Btu biogas production from anaerobic
23 digestion. The process involves utilizing a biogas
24 reformer and will cycle biogas reduction to produce
25 hydrogen, which has been reinjected to the digester to

1 increase the methane content to 90 to 95 percent. The
2 biogas will then further be cleaned to remove contaminants,
3 have a carbon intensity of approximately negative 25 grams
4 of CO2 equivalent per megajoule and be used to fuel waste
5 hauling trucks.

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

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

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

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

24 This project offers the opportunity to produce
25 the first renewable DME in the United States. And while

1 this project focuses on the off-take of renewable DME as a
2 diesel replacement, it also has a potential for renewable
3 DME to be used as a hydrogen carrier and provide a source
4 of in-state produced renewable hydrogen.

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

10 I'm happy to answer any questions that you have
11 about this project. Thank you.

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

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

20 DR. BOUDREAUX: No worries.

21 COMMISSIONER MONAHAN: So DME is kind of an out-
22 of-the-box fuel. I thought Volvo was the only company that
23 was producing a truck capable of running on DME. And I
24 think even in Sweden they're not really -- it's more
25 demonstration.

1 DR. BOUDREAU: It's still demonstration,
2 correct.

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

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

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

12 DR. BOUDREAU: -- transportation, yes.

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

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

21 Actually next week Ford is displaying the first
22 DME powered passenger car in the world, and it's being
23 built in Berlin. We've been part of that project for
24 three-and-a-half years. Actually our Brawley plant
25 provided fuel-grade DME for that project. And so there are

1 probably two Ford Mondeos that actually run on DME, so
2 they've been an active leader there. Obviously diesel is
3 being used in passenger cars, but this would be the only
4 active demonstration of heavy-duty vehicles running on DME
5 as a diesel replacement.

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

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

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

1 the upper limits, then that blend takes a carbon intensity
2 around 10.

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

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

21 And so I would love to have a conversation with
22 you. I wonder if we can consider tabling this? And I know
23 that this is disappointing. I'm very apologetic for this,
24 just recognize that this is a transition time where I'm
25 trying to really come up to speed very quickly on the

1 investments that have been made and make sure that we're
2 really eyeing our long-term decarbonization goals in our
3 investments.

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

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

22 DR. BOUDREAU: Yeah. And on the diesel
23 replacement side, because it handles like propane, it's
24 very low cost so that the tankage and so forth is of
25 minimal difference. Because you can take off a particulate

1 filter in a vehicle it about negates any weight changes.
2 But we can bring in -- for this project in particular there
3 was a -- there were about eight or nine partners on it. So
4 we can bring in the right partners to explain what we're
5 doing on this project using DME to diesel replacement. But
6 also the big vision of how we can decarbonize the
7 transportation sector across all three avenues including
8 the hydrogen carrier, which gets us to the high zero
9 emission mobility goal.

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

12 DR. BOUDREAUX: All right. Thank you.

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

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

17 CHAIR HOCHSCHILD: Sorry, go ahead.

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

1 appropriate for any of you to talk with an proposed
2 awardee.

3 CHAIR HOCHSCHILD: Yeah.

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

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

21 So it's definitely okay and fine to engage in a
22 conversation. But if there's going to be significant
23 modification from what was proposed then that could impact
24 whether or not it would have been allowed under the
25 solicitation. So we just need to keep in mind that if

1 there's going to be changes from what's proposed moving
2 forward we'd have to look at that from the competitive
3 solicitation process perspective.

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

6 COMMISSIONER MONAHAN: Motion to table this for
7 one month.

8 CHAIR HOCHSCHILD: Okay. Is there a second?

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

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

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

19 COMMISSIONER MCALLISTER: So a Commissioner could
20 talk to determine whether to vote yes or no?

21 CHAIR HOCHSCHILD: That's a separate --

22 MR. WARD: Yes.

23 CHAIR HOCHSCHILD: -- conversation.

24 COMMISSIONER MCALLISTER: Okay, got it. I'll
25 second.

1 CHAIR HOCHSCHILD: All in favor say aye.

2 (Ayes.)

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

6 VICE CHAIR SCOTT: Move approval of the minutes.

7 COMMISSIONER MCALLISTER: Second.

8 CHAIR HOCHSCHILD: Second. All in favor say aye.

9 (Ayes.)

10 CHAIR HOCHSCHILD: Okay, Lead Commissioner
11 Reports.

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

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

16 (Overlapping colloquy.)

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

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

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

25 MS. VACCARO: Excuse me, Chair Hochschild. I'm

1 sorry to be your gadfly. I feel like that ends up being my
2 role sometimes.

3 CHAIR HOCHSCHILD: That's --

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

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

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

13 CHAIR HOCHSCHILD: Right, but so Oberon was --

14 COMMISSIONER MONAHAN: Yeah, there's two items.

15 CHAIR HOCHSCHILD: So that was really for Item
16 11a.

17 MS. VACCARO: Yeah, so maybe --

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

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

23 COMMISSIONER MONAHAN: Got it. Sorry about that.

24 MS. VACCARO: -- with regard to b as well in a
25 motion.

1 UNIDENTIFIED SPEAKER: Was that regarding 11 or
2 11a and b?

3 COMMISSIONER MONAHAN: Just 11a, sorry.

4 CHAIR HOCHSCHILD: Okay.

5 COMMISSIONER MONAHAN: No, you're right.

6 CHAIR HOCHSCHILD: Okay.

7 COMMISSIONER MONAHAN: Both pieces of 11a.

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

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

13 CHAIR HOCHSCHILD: Okay is there a second?

14 COMMISSIONER MCALLISTER: I'll second that.

15 CHAIR HOCHSCHILD: Okay. All in favor say aye.

16 (Ayes.)

17 CHAIR HOCHSCHILD: The motion passes unanimously.

18 So 11a is -- and sorry, then we need to vote on 11b,

19 correct? So can you make that motion, Commissioner

20 Monahan, to approve Item 11b?

21 Thank you, Kourtney.

22 COMMISSIONER MONAHAN: I make a motion to approve

23 Item 11b.

24 CHAIR HOCHSCHILD: Is there a second?

25 COMMISSIONER MCALLISTER: Second.

1 CHAIR HOCHSCHILD: Seconded by Commissioner
2 McAllister. All in favor say aye.

3 (Ayes.)

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

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

16 CHAIR HOCHSCHILD: Great. Welcome.

17 Commissioner McAllister?

18 COMMISSIONER MCALLISTER: Yeah, just a few
19 things. I had mentioned in one of the items today about
20 the Housing Leadership Summit. This was a sort of an
21 invite-only CEO level builder conference, just a few big
22 decision makers in the room, maybe a couple hundred of
23 essentially the folks who were making the big capital
24 decisions on housing. This is residential housing.

25 And really great conversation and did a panel

1 about sort of getting people familiar with the new
2 requirements for 2019 that are coming and everybody was
3 talking about the solar requirement. But really I think
4 being demystify it and putting it in context is really
5 helpful for those folks. So I'm hopeful it's going to open
6 a conversation with the residential mortgage industry and
7 underwriters to help them get comfortable with high-
8 performing buildings as being a lower risk for them in
9 terms of their lending.

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

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

21 And so I think there are just a lot of reason to
22 exchange in order of magnitude more information really with
23 the other agencies. And that includes the ARB as well as
24 the PUC and the ISO. So I want to just call out that team
25 for all the great work they're doing in building

1 relationships and just really being communicative, so that
2 when differences happen they get resolved quickly and they
3 get elevated to the Commissioners.

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

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

16 They did five workshops around the state. I was
17 at three of them: San Francisco with the PUC, we did a
18 collaborative one. We did Redding, Fresno, LA and San
19 Diego. And it's a big lift to get a bunch of staff out
20 around the state and form an agenda, get people a room, get
21 a locale and everything. But it is totally worth it. We
22 really get out of the building. We talked about Alana
23 earlier today of just getting out of the building and
24 shaking the trees for input that we might not otherwise get
25 is a really important to help us build relationships.

75

1 And our built environment is the most human thing
2 really that we, in my view at least, that we oversee.
3 Everybody spends all their time in and around buildings and
4 they have to be good buildings. And we have to figure out
5 how make them perform better. And we're not going to do
6 that from within this building. We have to get from this
7 building -- this is one of 14 million, right? So I feel
8 like it's a job well done. And it's going to provide a
9 good basis for the update of the Action Plan. So I wanted
10 to just thank staff for that. And I think I'll leave it
11 there.

12 CHAIR HOCHSCHILD: Okay. Vice Chair Scott.

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

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

24 What was interesting is California is not the
25 only state with a 100 percent clean energy standard moving

1 on its way there. So that was fantastic to talk with some
2 of our colleagues and friends in other states to hear what
3 they're doing. And also to hear the prospective back from
4 states who are worried about what happens when your
5 neighbors go to 100 percent clean energy standards. So
6 that's just a very interesting dialogue that we will see
7 get going in this forum and many others and then continue
8 on.

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

21 And of course folks are welcome to learn from
22 California if they want to or ignore everything that
23 California has done. It just could probably depend on
24 which of the western states you're talking to there. But
25 we do have good experience that we're always happy to

1 share.

2 And then the thing that was interesting was the
3 conversation we had around charging infrastructure for
4 electric vehicles. And even states like Montana or Idaho
5 or Utah, where they're not huge fans necessarily of
6 electric vehicles, they talk about the long distances, how
7 cold it gets, they have mountains, people like SUVs,
8 crossover utility vehicles, things like that. And what
9 they say though is they're putting charging infrastructure
10 in place at destinations, because of all the Californians
11 that are driving there. (Laughter.)

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

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

24 I had a chance to represent the Energy Commission
25 at San Diego Gas & Electric's Annual Energy Showcase a few

1 weeks ago. That was really exciting. San Diego Gas &
2 Electric takes the time. And they call it, it's the Oscars
3 of Energy. And they take the time to put that together are
4 really recognize folks who are doing innovative things in
5 this space.

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

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

25 One of the other things I thought was really

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

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

17 COMMISSIONER DOUGLAS: Yeah, thank you. So we
18 had a -- I'll go back in time for a minute, on April 22,
19 23rd, we hosted the Department of Defense. They had an
20 operational sustainment meeting here in this room for two
21 days. And there were actually participants from states
22 near California. Particularly of interest to me was
23 getting to know some of our counterparts in Oregon and
24 Washington and how they organize themselves around energy
25 planning and how they interact with the military and deal

1 with mission compatibility concerns the military may raise
2 when those come up. And so that was quite interesting.
3 And there were a number of agencies participating in that
4 from the Natural Resources Agency was part of that, the
5 Office of Planning and Research was part of that. And so
6 there were a number of agencies involved.

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

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

25 So that's an exciting partnership. We also

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

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

23 CHAIR HOCHSCHILD: Commissioner McAllister?

24 COMMISSIONER MCALLISTER: Yeah, I had left out
25 one thing. I did want to comment on local government.

1 This challenge effort, we started it maybe four or five
2 years ago with the excess ARRA, you know, that
3 (indiscernible) ARRA funding and we have done a local
4 government challenge with about \$10 million of grants. And
5 it's really had a big impact. And I think the additional
6 reflows that come in every year this is a perfect, perfect
7 use for them.

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

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

20 I did want to mention one other thing though that
21 I neglected to bring up, because I thought -- I didn't
22 remember that it was since the last business meeting. But
23 the Art Rosenfeld Symposium happened at Berkeley Lab a few
24 weeks ago. And I did closing comments after this really
25 glorious day of beautiful talks and presentations and

1 student posters and Rob Socolow from Princeton came out and
2 did sort of an early key note in the day. And just really
3 a great -- it felt like an old-time day in a lot of ways,
4 because I used to work at LBL and just have worked with
5 that community for such a long time.

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

18 And so anyway it was really heartening to kind of
19 see. Because sometimes when you celebrate a lost leader
20 who had been at it for six decades, the community tends to
21 be older and aging with that person. And but this
22 community is really renewing in a way that's very
23 important. And I think very heartening for all of us in
24 California. And it's just an expression of our continued
25 leadership and just a vision that we're providing everyone.

1 So that was beautiful -- Art was definitely there
2 in spirit. It was a beautiful event.

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

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

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

18 We're also co-hosting along with EPRI Silicon
19 Valley Leadership Group, CAL ISO and UC, the symposium July
20 11th and 12th on electrification in the building sector and
21 the transportation sector and looking how we really press
22 forward to decarbonize those sectors. And there's a lot of
23 momentum in this arena. But the importance of it has been
24 highlighted even more as we move now to 100 percent clean
25 grid. We just want to rapidly expand the services that the

1 grid is providing across all sectors. So that will do a
2 deep dive into the innovation that's happening, the dairy
3 busting (phonetic) best practice policies, a lot of local
4 government participation and private sector participation
5 and it's going to be a great event!

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

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

25 And I also just wanted to give a special note of

1 thanks to Jennifer Martin-Gallardo for stepping up and
2 agreeing to be Acting Public Adviser. One of the tasks
3 that I've asked her to undertake is to initiate a new
4 ombudsman function as part of that office.

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

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

22 And actually we want that feedback. We are
23 seeking that feedback. And so that's going to be I think a
24 new and really important roll. And I really want to thank

1 you for being willing to step up and look forward to
2 supporting you in that as we go forward.

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

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

9 MR. BOHAN: Yes. I just have a very brier report.
10 I've talked a number of times to the Commission about our
11 primary funding account, the ERPA, Energy Resources Program
12 Account, and I have a brief good news-bad news story. The
13 good news is the Legislature agreed and adopted our BCP,
14 our Budget Change Proposal, for about \$10 million. That is
15 removing about \$10 million from ERPA. This adds to the
16 last two fiscal years where collectively we were reduced by
17 \$27 million. So you add these together over the last three
18 years we reduced the pressure by \$37 million. That's the
19 good news.

20 The bad news is nevertheless, even with that we
21 project and we presented this to the Legislature per their
22 request that in 2223, we will be a million dollars in the
23 red -- a million three in the red, even with these. So
24 they've asked us to come back next year and again provide
25 what they call an SRL, a Supplemental Reporting Language,

1 where we identify additional measures that we think we can
2 take to try to close that gap entirely.

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

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

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

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

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

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

25 MS. MARTIN-GALLARDO: So I have various public

1 comments from Mr. Steve Uhler. But I was going to say that
2 if there's anybody in the room who has any comments? Or on
3 the phone?

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

6 MS. STANO: Yes.

7 CHAIR HOCHSCHILD: Yeah, go ahead.

8 MS. STANO: Awesome.

9 CHAIR HOCHSCHILD: Can you introduce yourself?

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

15 We at Greenlining want to recognize and
16 appreciate Alana's service to all Californians. Her
17 unyielding commitment to community engagement, especially
18 of low income and communities of color. We have witnessed
19 the incredible results of her efforts to ensure all
20 Californians benefit from our decarbonization goals and
21 transition to cleaner energy. So thanks to her for her
22 work, partnerships with community-based organizations and
23 the SB 350 Barrier Study, which we all can't stop citing
24 even if we tried. And we look forward to working with her
25 in her new role and to the new Public Adviser as well.

1 We know California is closer to energy equity,
2 because of Alana's hard work. Thank you.

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

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

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

10 CHAIR HOCHSCHILD: Can we start the timer please?

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

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

1 electric power generation and use in California's goals and
2 metrics.

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

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

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

25 "Ask Toyota Corporation to present on Demming,

1 Muda, Content (phonetic) and Kaizen. With Toyota's help,
2 Kaikaku, radical change may happen leading to climate goals
3 being met earlier.

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

13 CHAIR HOCHSCHILD: Okay, that's three minutes.
14 Thank you.

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

19 MS. VACCARO: No, nothing.

20 CHAIR HOCHSCHILD: Okay, at this time, the
21 Commission will go into closed session as specified in
22 Agenda Items 14a2 and 9, which provide notice that the
23 Commission will adjourn to closed session with its Legal
24 Counsel pursuant to Government Code Section 1126(e) to
25 discuss the following litigation to which the Energy

1 Commission is a party: *Communities for a Better Environment*
2 *and Center for Biological Diversity versus Energy Resources*
3 *Conservation Development Commission and State Energy*
4 *Resources Conservation and Development Commission versus*
5 *Hygen Industries, Inc.*

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

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

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

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

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

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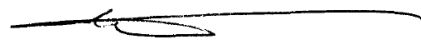
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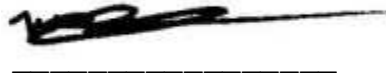
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