

**DOCKETED**

<b>Docket Number:</b>	20-BUSMTG-01
<b>Project Title:</b>	2020 Business Meeting Transcripts
<b>TN #:</b>	235801
<b>Document Title:</b>	November 10, 2020 Business Meeting Transcript
<b>Description:</b>	N/A
<b>Filer:</b>	Cody Goldthrite
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	11/24/2020 1:24:55 PM
<b>Docketed Date:</b>	11/24/2020

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of: )  
 ) 20-BUSMTG-01  
 *Business Meeting* )  
 \_\_\_\_\_ )

REMOTE ACCESS ONLY

*The California Energy Commission's November 10, 2020 Business Meeting will be held remotely, consistent with Executive Orders N-25-20 and N-29-20 and the recommendations from the California Department of Public Health to encourage physical distancing to slow the spread of COVID-19. The public is able to participate and observe the meeting consistent with the direction in these Executive Orders. Instructions for remote participation can be found in the notice for this meeting and as set forth below in this agenda.*

TUESDAY, NOVEMBER 10, 2020

10:00 A.M.

Reported by:  
Peter Petty

APPEARANCES

Commissioners (Via Remote)

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

Staff Present: (Via Remote)

Drew Bohan, Executive Director  
Allan Ward, Assistant Chief Counsel  
Noemi Gallardo, Public Advisor  
Cody Goldthrite, Secretariat

	Agenda Item
Tim Olson	3
Ken Rider	3
Siva Gunda	4
Terra Weeks	4
Bryan Early	4
Courtney Smith	4
Heather Raitt	4
Linda Spiegel	4
Chris Davis	5
Monica Rudman	6
Kevin Uy	7

Others Present (Via Remote)

Presenters:

Stan Greschner, Chair, Disadvantaged Communities 2  
Advisory Group (DACAG)

Interested Parties

Chris Kimball, West Coast Code 5  
Consultants, Inc. (WC3)

Public Comment (Via Remote)

None

I N D E X

	Page
Proceedings	6
Items	
1. Consent Calendar. (Items will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)	8
a. GEOTHERMAL RESOURCES COUNCIL	
2. Disadvantaged Communities Advisory Group's (DACAG) 2019 Annual Report	9
3. Order Instituting Information (OII) Proceeding (20-TIRE-01) - Data and Information Collection for the Replacement Tire Efficiency Program.	30
4. 2021 Integrated Energy Policy Report (IEPR) Scoping Process (21-IEPR-01).	41
5. West Coast Code Consultants, Inc.	62, 67
6. City of Oakdale	64
7. Frito-Lay, Inc.	73
8. Minutes	81
9. Lead Commissioner or Presiding Member Reports Member Reports	81

I N D E X (Cont.)

10.	Executive Director's Report	96
11.	Public Advisor's Report	97
12.	Public Comment	98
13.	Chief Counsel's Report	99
	a.	Pursuant to Government Code Section 11126(e), the CEC may adjourn to closed session with its legal counsel to discuss any of the following matters to which the CEC is a party:
	i.	<i>In the Matter of U.S. Department of Energy (High Level Waste Repository) (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy (9th Cir. Docket No. 09-71014)</i>
	ii.	<i>Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller, (Alameda County Superior Court, Case No. RG13681262)</i>
	iii.	<i>State Energy Resources Conservation and Development Commission v. Electricore, Inc. and ZeroTruck (Sacramento County Superior Court, Case No. 34-2016-00204586)</i>
	iv.	<i>Natural Resources Defense Council, Inc., et al. v. United States Department of Energy (Federal District Court, Northern District of California, Case No. 17-cv03404)</i>

I N D E X (Cont.)

	Page
13. Chief Counsel's Report (Cont.)	99
v. <i>In re: PG&amp;E Corporation and In re: Pacific Gas and Electric Company</i> (United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 19-30088)	
vi. <i>State Energy Resources Conservation and Development Commission v. HyGen Industries, Inc.</i> (Sacramento County Superior Court, Case No. 34-2019-00252543)	
vii. <i>Olson-Ecologic Testing Laboratories, LLC v. CEC.</i> (Orange County Superior Court Case No. 30-2019-01115513)	
viii. <i>Interlink Products International, Inc. v. Xavier Becerra, Drew Bohan, Melissa Rae King</i> (United States District Court for the District of New Jersey, Case No. 2:20-cv-10566)	
ix. <i>Southern California Gas Company v. California State Energy Resources Conservation and Development Commission</i> (Orange County Superior Court, Case No. 30-2020-01152336-CU-WM-CXC).	
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..	
 Adjournment	 99
 Reporter's Certificate	 100
 Transcriber's Certificate	 101

P R O C E E D I N G S

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

NOVEMBER 10, 2020

10:02 a.m.

CHAIR HOCHSCHILD: All right, well welcome and good morning to everyone. Today is Tuesday, November 10, and we're going to begin our Energy Commission Business Meeting. Let's begin by having Vice Chair Scott do the Pledge of Allegiance for us.

VICE CHAIR SCOTT: Good morning, everyone.

(Whereupon the Pledge of Allegiance is recited.)

CHAIR HOCHSCHILD: Thank you, Madam Vice Chair.

Again, the COVID pandemic continues and in fact is worsening, so please continue to exercise discretion, wear a mask, wash your hands frequently, and keep your distance. And let's stay vigilant.

I do want to make a few remarks about the moment that we're in. We obviously just concluded a very, very lengthy and very contentious presidential election. That election has concluded, we have a new President Elect, Joe Biden, and Vice President Elect Kamala Harris. And I know that tensions are still high. I think it's really important for all of us collectively to try to take the temperature down in this country and really listen to our better angels come together. This is what our country has done in every election since our founding.

And you know for those Americans, you know, whose

1 candidate didn't win it's really important you know that we  
2 recognize everybody has a role to play in the next chapter  
3 of our country's history and building this country up. We  
4 need your talent, your skills, your patriotism, your  
5 dedication. This is a time to come together and work to  
6 improve the plight of all Americans. And so I really want  
7 to just appeal to everybody to be the best citizens we can  
8 possibly be. Listen to each other, hear each other, be  
9 empathetic, be supportive and to try to come together.  
10 This is a really, really critical moment and we've got to  
11 lead, all of us, by example.

12           So with that, let's get into the meeting agenda.  
13 Today's meeting is being held remotely without a physical  
14 location for any participant consistent with Executive  
15 Orders N-25-20 and N-29-20 and the recommendations from  
16 the California Department of Public Health to encourage  
17 social distancing in order to slow the spread of COVID-19.  
18 The public may participate and/or observe the meeting  
19 consistent with the direction of these executive orders.

20           Instructions for remote participation can be  
21 found in the notice of this meeting as set forth in the  
22 agenda posted to the Energy Commission website for this  
23 business meeting. Pursuant to California Code of  
24 Regulations Title 20 Section 1104(e) any person may make  
25 oral comments on any the agenda item. To ensure the



1 orderly conduct of business, such comments will be limited  
2 to three minutes per person.

3 As to each item listed on the agenda, that will  
4 be voted on today, any person wishing to make comment on  
5 information items or reports, which are non-voting items,  
6 shall reserve their comment for the general public comment  
7 portion of the meeting agenda. And you'll have three  
8 minutes total to state all the remaining comments.

9 All right, so let's -- let me just also reiterate  
10 today if all the items are approved we'll be approving \$6.5  
11 of grants coming out today, including one ECCA loan. This  
12 is going to help contribute to California's economic  
13 recovery, so really proud of all of the stakeholders and  
14 the staff who have been working on these.

15 So let's turn now to Item 1, the Geothermal  
16 Resources Council.

17 Is there -- yeah, who's on staff? Is that James  
18 Folkman?

19 MS. GALLARDO: Chair, it's a Consent Calendar  
20 item, so there is no presentation.

21 CHAIR HOCHSCHILD: Excuse me, you're right. It  
22 is a consent item. I'm sorry, this -- so there's no  
23 presentation from Jim. Okay. Are there any public  
24 comments on Item 1?

25 MS. GALLARDO: No public comment.

1 CHAIR HOCHSCHILD: Yeah, are there any  
2 Commissioner comments?

3 (No audible response.)

4 CHAIR HOCHSCHILD: I'm hearing none. Is there a  
5 motion, Vice Chair Scott, to approve the Consent Calendar?

6 VICE CHAIR SCOTT: Yes. I'll move approval of  
7 Item 1.

8 Commissioner, Douglas, would you be willing to  
9 second that?

10 COMMISSIONER DOUGLAS: Yes, I second item one.

11 CHAIR HOCHSCHILD: Okay, all in favor say aye.  
12 Vice Chair Scott?

13 VICE CHAIR SCOTT: Aye.

14 CHAIR HOCHSCHILD: Commissioner Douglas?

15 COMMISSIONER DOUGLAS: Aye.

16 CHAIR HOCHSCHILD: Commissioner McAllister?

17 COMMISSIONER MCALLISTER: Aye.

18 CHAIR HOCHSCHILD: Commissioner Monahan?

19 COMMISSIONER MONAHAN: Aye.

20 CHAIR HOCHSCHILD: And I vote aye as well. That  
21 item passes unanimously. Thank you.

22 Let's go now to Item 2, Disadvantaged Community  
23 Advisory Group 2019 Annual Report.

24 MS. GALLARDO: Hello, Chair, Vice Chair and  
25 Commissioners, this is Noemi Gallardo, the Public Advisor.

1 It is my honor to introduce to you, MR. GRESCHNER: who is  
2 the DACAG Chair and that's D-A-C-A-G. It's how we lovingly  
3 refer to the Disadvantaged Communities Advisory Group. So  
4 MR. GRESCHNER: is the Chair of the DACAG and will be  
5 presenting today's report.

6 Stan, I'll hand it over to you.

7 MR. GRESCHNER: Thank you very much, Noemi. And  
8 good morning, Commissioners, I'm Stan Greschner, the Chair  
9 of the DACAG as Noemi noted. Thank you again for the  
10 invitation for Angela Islas and I to join you this morning  
11 to discuss the work of the DACAG. Unfortunately, Angela's  
12 work pulled her away from today's meeting. So I'm all you  
13 get today and will make the best of it.

14 But I wanted to begin by thanking all of you for  
15 your engagement with the DACAG over the past year. And  
16 bringing your policy areas, your questions and your  
17 openness to dialogue to the DACAG's monthly meetings. You  
18 know, we are your advisory group, so without your  
19 participation and the participation of your teams and staff  
20 we couldn't be the effective body that aims to bring the  
21 voices and perspectives of underserved communities to the  
22 CEC discussions. And you all have been very thoughtful  
23 collaborators with the DACAG. And we appreciate all of the  
24 time that you give to our meetings.

25 And we also couldn't do our work without the

1 support of key team members at CEC and the PUC. The CEC,  
2 especially I want to acknowledge and thank directly Kristy  
3 Chew, Noemi Gallardo, Dorothy Murimi, Galen Lemei, who is  
4 now at PUC (indiscernible) and Renee Webster Hawkins. And  
5 PUC staff definitely are to be commended, Kathryn Yip and  
6 Jason Reiger, as well as the many CEC staff who  
7 participated in the DACAG meetings. On behalf of the  
8 DACAG, I want to express our sincerest gratitude to you  
9 Commissioners, and CEC staff for supporting our work.

10 And I'm sorry, can you advance to the next slide?  
11 Here's the members of the Advisory Group, next slide?

12 So in 2019 we identified 12 topics that covered  
13 the main proceedings and programs at the Commission that  
14 the DACAG prioritized. And many of these topics cross both  
15 CEC and the PUC, some are very specific to one Commission  
16 or the other. I won't go over these in detail, but I'll  
17 dive in a little deeper into a few of them later. But I  
18 just wanted to show you these and highlight the breadth of  
19 issues that the DACAG engages in with the CEC and PUC over  
20 the course of our work. Next slide.

21 So let me go through (indiscernible) on the  
22 overall objectives with the separate advisory and advocacy  
23 work that we do at the Commission. These kind of sit above  
24 the issue areas, the topic areas and define what we aim to  
25 do within those specific policy areas.

1           So first you know we advocate for the DACAG's  
2 equity framework to be applied to existing and future  
3 programming at the CEC and PUC. And this is an equity  
4 framework that we developed in our first year of existence,  
5 two years ago. And really is the filter that we put all of  
6 your programs through and our advocacy through. And this  
7 equity framework focuses in on five key areas in addition  
8 to defining the communities that we aim to serve.

9           Those focus areas are maximizing health and  
10 safety in the Commission's programs; access, number two is  
11 access and education; maximize the impact, the financial  
12 impact of the investments we're making and those impacts on  
13 the communities we're aiming serve. The fourth is economic  
14 development and the fifth is maximizing consumer protection  
15 in the programs that you and the PUC roll out.

16           Our next kind of overarching objective is asking  
17 ourselves and asking you, the Commission, where are there  
18 opportunities for interagency collaboration and  
19 coordination among your complimentary programs? You know,  
20 how can we be coordinated on outreach, on leveraging each  
21 of the Commission's programs and not offering them in a  
22 silo or in a way that creates confusion where there are  
23 other opportunities to be collaborative.

24           And we also collaborated with other state  
25 agencies beyond the PUC and CEC since many of your programs

1 overlap with, or have complimentary programs with other  
2 agencies as well. So that's something we focus on as we  
3 look at different programs being brought to the DACs we  
4 represent.

5           And then finally, and maybe this should be the  
6 lead objective, on when we started to expand direct  
7 community participation it transformed our advisory and  
8 advocacy roles within the Commission. So in addition to  
9 the DACAG being made up of members of advocacy and policy  
10 leaders in the environmental and social justice  
11 communities, we are also actively soliciting engagement  
12 with other organizations and other community members to  
13 join our discussions, that then in turn help inform your  
14 decision making process and the advocacy work that we do  
15 with you. So, next slide please.

16           So let me just highlight three thematic areas  
17 that kind of drew lines through many of our discussions in  
18 our 2019-2020 term. They're resiliency and the public  
19 safety power shutoffs, PSPS, transportation  
20 electrification, and kind of the umbrella issue of removing  
21 fossil fuels from our energy needs more broadly. And you  
22 know, that's within all of the programs that we engage in.

23           So I guess let's take it in reverse order. That  
24 third point is actually our first guiding principle of  
25 defined dynamics (phonetic) in the DACAG's Charter, which

1 is to increase access to clean energy technologies in  
2 disadvantaged communities. So that is always kind of the  
3 starting place in any of the programming discussions we  
4 engage in. And certainly as you have worked with us over  
5 the past year, I'm sure in the sense that that's where we  
6 start, and that's what we're trying to get to is more clean  
7 energy in the communities we represent.

8           Going to number two, equity in transportation  
9 electrification was a major topic area at the CEC through  
10 the Clean Transportation Program. At the PUC, through the  
11 Transportation Electrification Framework that they were  
12 discussing. And at ARB in the many programs it has for  
13 equity consideration, you know, over the past 12 to 18  
14 months. And I joined you at your last meeting where you  
15 approved the Clean Transportation Program, but I just want  
16 to acknowledge again Commissioner Monahan and the Fuels and  
17 Transportation Division that spent a significant amount of  
18 time with the DACAG over the past 12 to 18 months.

19           It seems like every other meeting either the  
20 Commissioner or staff were soliciting feedback from the  
21 DACAG as the CTP was iterated on multiple times. We were  
22 brought into the discussion early and often and really  
23 appreciate being able to inform that topic.

24           You also had CPUC Commissioner Rechtschaffen and  
25 the Transportation Electrification Framework team all

1 working with the DACAG as they simultaneously developed  
2 their framework.

3           And as I noted the Air Resources Board joined  
4 multiple meetings, tuned into the DACAG both on our Medium-  
5 Heavy Duty and Light Duty Equity programs, which again are  
6 complimentary to the efforts of the Commission and we know  
7 you all are more and more collaborative in your work  
8 together.

9           And now with the 100 percent mandate that the  
10 Governor announced recently we expect even greater  
11 opportunity for equity programming in the transportation  
12 and electrification space.

13           And then finally one of the themes of last year  
14 that was added to our priority areas halfway through the  
15 term was the PSPS events and community resiliency that  
16 related to them. And so it was a consistent topic within  
17 our meetings from October 2019 (sic) to April of last year.  
18 And certainly in subsequent months the issues we've talked  
19 about were in the framework of PSPS as well and loading  
20 shutoffs or whatever event there was that turned off the  
21 lights. So for those six months we discussed and debated  
22 the PSPS impacts in the communities that we represent.

23           And I want to highlight that in addition to  
24 supporting CEC and the CPUC and hosting your teams in this  
25 conversation, we also brought together several other state



1 agencies who were offering equity programming or a grant or  
2 assistance to serve DACs, so Cal OES, OPI, the Office of  
3 Planning and Research and the Strategic Growth Council,  
4 CalEPA. We brought everyone together in a few meetings to  
5 have a comprehensive understanding of who is doing what in  
6 DACs related to increasing resiliency in those communities  
7 within households, you know, related to these PSPS events.

8           And in that conversation it was noted by one of  
9 the agencies that there was no coordinating body that  
10 worked across the many different state agencies who are  
11 developing programs are offering funding to help mitigate  
12 against some of the most severe consequences of the TOR  
13 (phonetic) shutoffs. And the DACAG was asked to consider  
14 being that coordinating body. And though we didn't  
15 necessarily pick up that mantle officially, you know, there  
16 was a recognized gap and opportunity and we continue to  
17 bring together those voices to inform our work related to  
18 PSPS and resiliency. So that we could be kind of a  
19 collective resource for the CEC and PUC and others to bring  
20 their ideas to.

21           Additionally, we hosted the VPs of three IOUs who  
22 were charged with the PSPS planning and spent hours with  
23 them discussing the challenges and opportunities to better  
24 support DACs leading up to the events and during those  
25 events.

1           And then most importantly, we also hosted other  
2 community leaders within the access and functional needs  
3 community, tribal communities, and the impacted  
4 disadvantaged communities to directly engage impacted  
5 individuals to bring their perspectives to these  
6 conversations.

7           So in the past year the DACAG has very  
8 effectively served the CEC and the PUC, and most  
9 importantly the communities that we represent, in these  
10 energy policy discussions. And I hope you feel the same  
11 way. So we're looking forward to the current team or  
12 current term that comes through Q1 of next year. Let's  
13 move to the next slide.

14           These are the priority areas that we're focusing  
15 on, that we've focused on since we adopted these back in I  
16 believe it was April or May of this year. Similar to last  
17 year's or the previous year's list we've added  
18 environmental and social justice action plans to the list.  
19 And some COVID-19 response, telecom and broadband divide  
20 that we see in the communities that we represent and the  
21 issues related to that as well as the power goes down. So  
22 there's 14 topic areas that we are engaged in this year.  
23 So next slide, please.

24           So in closing what we're looking forward to this  
25 year that I would love to get your feedback on -- what we'd

1 love to continue working with you on over the next several  
2 months on a couple of different things is one, we'd like  
3 to work with you to develop a framework for the CEC -- kind  
4 of setting the CEC's North Star for equity programming  
5 throughout all of its programs in whatever form that takes.  
6 I know Chair Hochschild when you joined us you spoke a lot  
7 about the initiative idea, the X Initiative, (phonetic)  
8 maybe it's that framework.

9           Again, we worked with the PUC last year to help  
10 develop their environmental and social justice action plan.  
11 And, you know, within that they kind of set their North  
12 Star on how equity was going to be a thread through all  
13 their programs. And they'll work with you over this next  
14 year to create a similar blueprint for that equity  
15 programming.

16           And as we've done over the past year is to  
17 continue looking at existing programs and identify  
18 opportunities to be more impactful for disadvantaged  
19 communities in all of those programs that the Commission is  
20 leading on. And whether it's applying our equity framework  
21 or a framework to develop to ensuring equity is centered in  
22 the discussions you're having around for different program  
23 offerings.

24           So thank you again for inviting us to join your  
25 meeting today and I welcome any questions or feedback.

1 CHAIR HOCHSCHILD: Well, Stan let me begin by  
2 behalf of all of us thanking you for your hard work. I  
3 know these committees, they become really a second job  
4 unpaid but you are making an impact. All your colleagues  
5 are making an impact. And we want to thank all of you for  
6 the work you've done.

7 And before I turn it over to Vice Chair Scott to  
8 make a few remarks, I just want to say it's really  
9 important that we follow the money with these things. I  
10 mean, I think a lot of times people can say all the right  
11 things and the money doesn't change. And I am really,  
12 really proud of what the Energy Commission is doing in  
13 terms of how our spending priorities have evolved. I'm  
14 reminded of that phrase, you know, we're still not what we  
15 ought to be, but thank God we're not where we used to be.

16 And I look around right, I want to just  
17 acknowledge Vice Chair Scott and the whole EPIC team, 65  
18 percent of our clean energy demonstration projects from the  
19 Energy Commission's EPIC program are in low-income  
20 disadvantaged communities.

21 I want to acknowledge Commissioner Monahan. We  
22 just approved this \$384 million clean transportation  
23 investment plan, 50 percent of the infrastructure going to  
24 low-income and disadvantaged communities.

25 Commissioner Douglas has been spectacular on a

1 number of issues, but most especially on the tribal  
2 engagement. We're getting the tribal planning grants going  
3 and she's been leading that.

4 And Commissioner McAllister has played an  
5 instrumental role in standing up country's first building  
6 electrification exclusively for low-income customers, the  
7 Build Program, which is going to be supporting all-electric  
8 homes for low-income communities.

9 And so I just want to recognize my colleagues and  
10 all of the Energy Commission staff for the progress there  
11 as well as the tremendous work of the DACAG. And we're  
12 going to need you guys going forward, because this  
13 template, the way that we're thinking about this, we want  
14 this to spread. And I know I worry a little bit I repeat  
15 myself at some of these meetings.

16 But I thunderously agree with what I've said  
17 before, so I'm going to reiterate again the SB 100 bill  
18 that got passed and signed exactly two years ago was seen  
19 as mythology. It was seen as impractical. It passed.  
20 Okay, it's now the law of the land in 17 states as well as  
21 DC in Puerto Rico and the 100 percent platform is in  
22 President Elect Biden's energy platform. Okay, we want the  
23 equity lens to have the same trajectory. We really want  
24 this is the way to do energy policy going forward and it  
25 applies to poor communities in places like Appalachia and

1 around the country that have been neglected for too long.

2 And this is the right way to do it.

3 We're enthusiastic. The Governor's enthusiastic  
4 and the Legislature, I believe. So we have to live this up  
5 and make it work, not just for California, but really as a  
6 national model. So with that, let me turn it over to Vice  
7 Chair Scott for some comments.

8 MR. GRESCHNER: Let me just say Chair you noted  
9 SB 100 and I just want to say thank you for using that as a  
10 lever to center equity in the future programming that  
11 California is going to be doing. Because (indiscernible)  
12 that we worked on with you and it is great to hear a report  
13 come out where equity is going to be centered in that going  
14 forward. So thanks for noting SB 100.

15 CHAIR HOCHSCHILD: Thank you, and let's  
16 acknowledge as well Tara Weeks for leading the SB 100 work  
17 for the Energy Commission. She has been phenomenal and  
18 working super hard on this report, so thank you, Stan, for  
19 that.

20 VICE CHAIR SCOTT: Yeah, and I would just add my  
21 thanks as well, and heartily echo what you heard Chair  
22 Hochschild say, Stan. Thank you so much for being here at  
23 our meeting today, and to Angela. I know she's thinking  
24 about us while we're here talking. And really to the full  
25 DACAG for all of the terrific work that you have done and

21

1 the thought and care that you have put into the advice that  
2 you're giving to both the Energy Commission and to the  
3 Public Utilities Commission.

4 I can't overemphasize how much we appreciate your  
5 expertise and your depth of knowledge and that you all take  
6 the time to come and share it with us. So I just really  
7 want to say thank you so much to you, to Angela, and to the  
8 full DACAG for that work.

9 And I echo many of the things that you said, I  
10 mean, one of the things we're thinking about a lot is how  
11 do we have a broader reach with the Energy Commission and  
12 its Energy Commission programs. And the change that we're  
13 trying to affect right across to get to 100 percent clean  
14 energy standards, to get to a decarbonized world. And we  
15 certainly can't do that without low-income communities,  
16 without tribal communities, without CalEnviroScreen  
17 disadvantaged communities. And with our rural communities.

18 And so just having again that kind of thought and  
19 care that you bring to this, how do we broaden the reach so  
20 that people can really engage with us, is so important.

21 And I want to make sure, to continue to make sure that we  
22 have access to the Commission and its programs. And that  
23 we're giving communities of voice, and that we really are  
24 listening. And tweaking and editing and updating and  
25 always just working together to do better and better and

1 better to reach communities.

2           And I think that's what we're doing right, we're  
3 truly trying to develop our solicitations, our projects,  
4 the other work that we do in a way that that benefits  
5 communities in the places where it's most needed. And we  
6 have ideas here at the Commission, and our staff does a  
7 great job in that space, but all of the information and  
8 data and input that we can get from thoughtful communities  
9 around the state makes a huge difference. And so I hope  
10 that the DACAG is seeing that in the work that you see  
11 coming out of the Commission as well. This is really  
12 important and it's really serious.

13           And so I just appreciate again taking the time to  
14 have a chance to talk to you and the fellow Commissioners  
15 here, kind of on our business meeting stage, so that others  
16 can also hear about the important work that's taking place.  
17 So again, thank you so very much. And I'll let some other  
18 Commissioners speak if they'd like.

19           CHAIR HOCHSCHILD: Yeah, thanks.

20           Commissioner Monahan, would you like say a few  
21 words?

22           COMMISSIONER MONAHAN: Yeah, I just wanted to  
23 say, Stan, I thought it was kind of ironic that you were  
24 thanking us for at reaching out to you to engage with the  
25 Clean Transportation Program. I would thank you for



1 advising us, so really it's we that are benefiting and the  
2 Clean Transportation Program. You guys, whenever that was,  
3 a year-and-a-half ago, really, really helped us in that  
4 initial refresh. Helped us recognize that we needed to  
5 have a refreshed advisory committee with a strong focus on  
6 equity and community engagement, which we did. And all the  
7 support that you have provided and guidance you provided in  
8 terms of increasing our investments in disadvantaged  
9 communities.

10 But also, and this is something I am committed to  
11 working with you and others, to make sure that we broaden  
12 our characterization of benefits. To really drill down  
13 into what is going to help communities be more mobile, have  
14 cleaner air, you know, we need to just think more  
15 creatively about what it means to benefit communities. And  
16 I'm really looking forward to your partnership and the  
17 partnership of other DACAG members in that journey.

18 You mentioned IDEA X (phonetic) and I think  
19 that's going to be a place of note. Our Public Advisor,  
20 Noemi Gallardo, is very committed to this as well. So  
21 hopefully there are lessons learned, I think, not just for  
22 the Clean Transportation Program, but broadly in the entire  
23 portfolio of investments we're making here at the Energy  
24 Commission. But also what's happening at the Air Resources  
25 Board, what's happening at CPUC, I mean is I think a

1 transition that we need to encourage in this kind of multi-  
2 agency way.

3 So I just look forward to working with you more  
4 and appreciate all the help that you've given us so far.

5 CHAIR HOCHSCHILD: Thank you, Commissioner.  
6 Commissioner Douglas?

7 COMMISSIONER DOUGLAS: Yes, absolutely. So,  
8 Stan, thank you. Thanks for being here today and I just  
9 want to thank you and all of the DACAG members, past and  
10 present, for your service on this group. And your  
11 completion of a successful and obviously very challenging  
12 year. Extra challenges with the pandemic and shifting to  
13 remote work and everything that we've all had to done, but  
14 you found a way to continue to support our efforts through  
15 all of that.

16 And I've seen firsthand the benefits the benefits  
17 that Energy Commission staff, and also of course PUC staff  
18 and Commissioners, have gotten from dialogue with the  
19 group, from the input the group's been able to give us.  
20 And I have no doubt that it's made our work better and  
21 improved what we've been able to do at the Commission. So  
22 thank you for that.

23 I also want to thank Noemi and Energy Commission  
24 staff supporting the DACAG for their tremendous work,  
25 because it's never easy. They've worked very hard.

1 They've been very, very committed to making this work on  
2 the PUC side as well, of course. And I really think we've  
3 got a great partnership and relationship with the DACAG.  
4 We very much value what you all have to say and value the  
5 opportunity to work with you. So thank you.

6 And I think I agree with the comments made by my  
7 colleagues as well, I just appreciate it. Thanks very  
8 much.

9 CHAIR HOCHSCHILD: Thank you, Commissioner.  
10 Commissioner McAllister?

11 COMMISSIONER MCALLISTER: Yeah, so not to repeat  
12 others, I will just second everything that's been said so  
13 far. Stan, and your colleagues, thanks so much for being  
14 here.

15 And I think this is a transition, the bureaucracy  
16 as a way of functions. And having your lens applied to  
17 everything we do, it helps fill a vacuum. It helps  
18 recognize and acknowledge and describe the gaps of myopia  
19 trying to get to a certain quality policy goal. Well, you  
20 know, looking through the lens of equity is arguably it  
21 must be the primary lens. Not just a lens or an additional  
22 lens, it really needs to be the primary lens that we look  
23 through on how we achieve our goals. And so making sure to  
24 raise the flag when we're not doing something or help us do  
25 something better. You know, participate in stakeholder

26

1 discussions and really not just us, but hold everybody kind  
2 of to a standard that's going to really bring everyone  
3 along with our policies.

4           Because we're talking, as the Chair said, we're  
5 talking real money in these programs in the tens of  
6 billions of dollars of direct investment, leveraged  
7 investment, private capital partner investment that needs  
8 to go to our transportation, to our buildings, to our power  
9 sector. And it has to have that equity lens through or  
10 we're going to actually fail. I mean, it's not just the  
11 right thing to do. It's also a must do to get to our  
12 goals.

13           So I really, I think, you know, the DACAG  
14 structure, this model that that we've constructed in the  
15 state is really something that's essential. It's critical.  
16 It's not a nice to have. It's a must have. So really I  
17 appreciated coordinating with staff and giving you a view  
18 of some of the things in my world that we're working on.  
19 And your feedback on those and your continued care and  
20 chiming in as those initiatives moved forward.

21           And I know all of our colleagues feel the same  
22 way. So really, thanks for all the value you're bringing  
23 all that and all the attention that you're providing to our  
24 process. So I appreciate your being here today and I look  
25 forward to working with you.

1 CHAIR HOCHSCHILD: Thank you, Commissioner.

2 And again I just especially wanted to recognize  
3 Vice Chair Scott who's been working on these issues for us  
4 all for a long, long time, and really doing a tremendous  
5 job. It's just amazing to see this vision, you know,  
6 really begin to blossom.

7 I actually wanted to take a special departure  
8 from protocol and ask our Public Advisor to kind of step  
9 out of her role as Public Advisor for a moment to just  
10 share a few thoughts of her own on these.

11 One of the reasons you know we pursued  
12 Noemi Gallardo so hard, in addition to being super talented  
13 at everything she does and an intelligent attorney helping  
14 us run these meetings, and get the money out to all these  
15 good organizations, she has been working on these issues  
16 for a long time. And is really a spectacular leader in her  
17 own right on them.

18 And so Noemi, I just wonder if you could share a  
19 few thoughts from your perspective?

20 MS. GALLARDO: Hi there, thank you so much.  
21 You're making me blush with all those very generous and  
22 kind words.

23 So everything I'm hearing here is music to my  
24 ears. And it makes my heart so happy that the Commission  
25 is so dedicated to ensuring that we do put an equity lens

1 on all of the efforts that we've got. And I think the  
2 DACAG has been really helpful to us. You are one of our  
3 North Stars, I'd say, and it's an advisory group, but  
4 really they function as partners to us.

5 And I think one of the things I've been really  
6 grateful for in seeing how the Energy Commission works, is  
7 that we're very receptive to the input and the feedback and  
8 the guidance that we get from the DACAG and our other  
9 stakeholders. And because we're receptive I think it makes  
10 it even more constructive, because it'd be easy just to get  
11 the feedback and then not do anything with it, but it means  
12 a lot to us and I love that we are all in on this.

13 So, Stan, thank you for being such a wonderful  
14 partner to us. You and I were friends before we got into  
15 these roles and I really appreciate the fact that we can  
16 continue our friendship and our partnership through this  
17 work on energy.

18 And I want to also emphasize that we are doing a  
19 lot to advance the IDEA Initiative, which stands for  
20 Inclusion, Diversity, Equity and Access, so I-D-E-A. We  
21 had to have an acronym of course for this initiative and  
22 you'll be hearing a lot more about it. I will speak to it  
23 during our Diversity Report at the next business meeting  
24 November 16th. And there's a lot you know a lot of us  
25 investing a lot of time to ensure that we're doing our best

1 to advance these principles, both internally and externally  
2 through our programmatic work. So I'll leave it there.

3 Thank you so much to all of you for being such  
4 great leaders and just really appreciate being here and  
5 working with you on this.

6 CHAIR HOCHSCHILD: Well, thank you, Madam Public  
7 Advisor, you are making a big difference as are you, Stan,  
8 and all the rest of the DACAG. Let's keep at this and  
9 let's make some good things happen for the state in 2021 as  
10 we push ahead here.

11 Let's turn now to Item 3, Order Instituting  
12 Information Proceeding: Data and Information Collection for  
13 the Replacement Tire Efficiency Program.

14 MR. OLSON: Thank you, Chairman, my name is Tim  
15 Olson, Senior Policy Advisor in the Fuels and  
16 Transportation Division, and let's go to the next slide.

17 We are seeking your approval of this Order  
18 Instituting Information Proceeding as an effort to update  
19 information that could lead to tire efficiency regulations.  
20 Our previous studies, and those studies conducted by other  
21 countries and other organizations, indicate that the use of  
22 low rolling resistance tires, replacement tires, in  
23 passenger cars and light trucks will improve vehicle fuel  
24 economy. And result in significant public benefits,  
25 including the following things on this slide. Reduction in

30

1 greenhouse gas emissions may be in the range of 1 million  
2 metric tons of CO2 reduction per year. And if we if we  
3 achieve that, that would place this type of topic, this  
4 program in the top four or five California government  
5 interventions regarding transportation greenhouse gas, the  
6 reduction of those. Yeah, the greenhouse gases in that  
7 sector.

8           It's also worth noting that the South Coast Air  
9 Quality Management District has done some work indicating  
10 that tire efficiency could also reduce ozone forming  
11 tailpipe emissions.

12           The thrust of all this low rolling resistance  
13 tires is there's a fuel economy benefit of the vehicle that  
14 translates to lower fuel costs. And we also think that we  
15 have evidence that this enhances electric vehicle  
16 performance, particularly maximizing the range of the  
17 vehicle.

18           It's also worth noting that original tires sold  
19 in new vehicles are more efficient than normal replacement  
20 tires. This slow rolling resistance replacement effort  
21 would provide efficiency equivalent to the original tires.  
22 And we also think that this measure is a very affordable  
23 way for individuals to directly reduce greenhouse gas  
24 emissions. Many of you know you've purchased tires in the  
25 past, this is roughly in the range of \$400 or \$600 for four



1 tires. You can pay up to \$2,000 for a set of four. You  
2 can buy retread tires for a much lower cost, in some case  
3 under \$100 for four tires. Let's go to the next slide.

4 So the Energy Commission has unique authority to  
5 adopt tire efficiency regulations in two primary areas.  
6 One of those is establish a tire rating system to offer  
7 consumers ways to compare tire efficiency and their  
8 purchase decisions. The second area is establish a minimum  
9 tire efficiency standard.

10 So a little bit of history on this, we initiated  
11 a tire efficiency program several years ago, completed tire  
12 testing, gathered information from the tire industry,  
13 evaluated tire labeling options and evaluated different  
14 elements to establish a tire efficiency standard. This  
15 work was paused in 2012 and California action was deferred  
16 to the federal government, specifically the National  
17 Transportation Safety Administration, Highway  
18 Transportation Safety Administration, to create a  
19 nationwide program at the same timeframe we were going  
20 through this process.

21 That agency, that administration, NTSA, referred  
22 to as NTSA, went through several steps in their regulation  
23 process, but suspended the rulemaking in 2017. So this OII  
24 provides a mechanism to update our information in a number  
25 of areas to help us consider how to proceed with

1 regulations. And some of those information gathering areas  
2 emphasize first, a look at what's happened in tire  
3 regulations throughout the world, particularly in Europe,  
4 Canada, and of course let's take a look at what's happening  
5 on the national level through NTSA.

6           And some of that look will examine tire rating,  
7 tire testing, tire efficiency standards, integration of  
8 tire efficiency with safety factors such as tread wear and  
9 wet traction. We want to take a look at evaluation of the  
10 tire market trends, turnover rates, what California tire  
11 sales include, what the existing adoption of low rolling  
12 resistance is today, the cost of the tires. And of course,  
13 things like tire recycling.

14           We also will be revisiting quantification of  
15 those public benefits I mentioned earlier. And examining  
16 methods to form consumer awareness programs. This also  
17 implies that we need to explore collaboration and a way to  
18 harmonize with the federal efforts and exchange information  
19 with other countries.

20           At the state level we will also do some  
21 coordination with CalRecycle, the California Air Resources  
22 Board, and other state agencies. Let's go to the next  
23 slide.

24           The OII will culminate in a staff report focused  
25 on two objectives: creating this tire rating system and

1 establishing the minimum replacement tire standards. We  
2 will also, as I mentioned earlier, look at the -- will  
3 provide recommendations on consumer awareness programs.  
4 And we're also going to look at options to incentivize  
5 efficient tire purchase.

6           Particularly one area we'll look at is examining  
7 whether the low carbon fuel standard could be an incentive  
8 option. As you know that low carbon fuel standard, LCFS,  
9 is a life cycle. It covers the life cycle of  
10 transportation options. Tires are one of those areas in  
11 the life cycle, is the energy efficiency rating of the  
12 vehicle. And right now tires have not been singled out as  
13 part of that EER analysis. We want to look into that and  
14 see whether that that LCSF can be a monetary benefit for  
15 tire purchases. So let's go to the next slide.

16           And I'd like to thank you very much for allowing  
17 us to bring this forward. We're looking for your approval  
18 of this Order Instituting Information Proceeding and look  
19 forward to that discussion.

20           I'm also joined by our co-leader Ken Rider, our  
21 lead attorney, Renee Webster Hawkins, and our project  
22 manager Sabastian Serrato to answer any questions you may  
23 have.

24           CHAIR HOCHSCHILD: Thank you so much, Tim.

25           Let's go to public comment on Item 3 first.

1 MS. GALLARDO: This Noemi Gallardo, Public  
2 Advisor, we do not have any public comments.

3 CHAIR HOCHSCHILD: Okay. Let's turn to  
4 Commissioner discussion, Commissioner Monahan?

5 COMMISSIONER MONAHAN: Well, first I want to  
6 thank Tim. Tim has been a real leader in this space for a  
7 long time. He had to dust off some old documents to  
8 explore this topic. And he really has been helping us  
9 understand on the technical side, the political side and  
10 international side what's -- to ground at least the start  
11 of this Order Instituting Information Proceeding.

12 So I also want to thank Ken Rider. Ken was one  
13 of the keys to identifying and scoping out this this  
14 opportunity. He's got a long history in efficiency and he  
15 was like, let's take efficiency to transportation. And  
16 this will be the first time I think ever, is that right  
17 Tim, that the Fuels and Transportation Division is  
18 considering doing this type of proceeding.

19 MR. OLSON: Yes, it is.

20 COMMISSIONER MONAHAN: And this is something, you  
21 know, the Efficiency Division has a lot of expertise in  
22 this, so they're helping out. Thanks to everybody in the  
23 Efficiency Division, Mike Sokol, Christine Collopy, Corrine  
24 Fishman, others. We really appreciate the fact that this  
25 is a cross-agency collaboration. And the Chief Counsel's

35

1 Office, as Tim said Renee has been involved in helping us  
2 understand the legal lay of the land. There's a lot of  
3 coordination with the Air Resources Board since this is  
4 more their space than ours in terms of kind of  
5 understanding the issues at play. So it's a cross-intra  
6 and interagency collaboration I would say, just to explore  
7 where the data is, what the tire manufacturers are telling  
8 us. That there's a lot of information we need to collect  
9 just to better understand what the emission reduction  
10 potentials could be of replacement tires.

11 But, you know, this is a point when we've got to  
12 turn over every rock. Transportation pollution has been on  
13 the rise. It's our biggest source of greenhouse gas  
14 emissions, about half. And as Tim said this could be low-  
15 hanging fruit in terms of saving consumers money and  
16 helping reduce emissions. And even just getting the right  
17 information out there so consumers can make informed  
18 decisions is better than where we are today.

19 So I think also want to emphasize as Tim said,  
20 this could be really important for electric vehicles.  
21 They're heavier than conventional vehicle, so they have  
22 greater rolling resistance. So even, you know, in terms of  
23 increasing range this is a way that we could do it while  
24 saving money. So I think there's no downside to getting  
25 data in this space, so I'm looking forward. I hope others

1 agree that this makes sense to move forward on.

2 CHAIR HOCHSCHILD: Thank you, Commissioner I  
3 apologize if I missed it. Tim, or Ken, can you articulate  
4 the total greenhouse gas savings we could expect over time  
5 from this?

6 MR. OLSON: Well, yeah. I'll go through this.  
7 This is an estimate and so we have roughly 28 million  
8 passenger vehicles and light trucks in California. The  
9 historic turnover on tire replacement is about 3.5 percent  
10 of that market per year. And I estimated that if we take  
11 this, increase the awareness and basically go through this  
12 regulation process. And we achieve maybe a third of that  
13 turnover per year, that would equate to a million metric  
14 tons per year of greenhouse gas emission reductions. And  
15 if this action increases the uptake of low rolling  
16 resistance tires it could be even greater than that.

17 And if you remember in our AB 32/SB 30 scoping  
18 plan we've got to get to 68 million metric tons for the  
19 fair share transportation area. Frame of reference, the  
20 low carbon fuel standard is roughly about 5 maybe 6 million  
21 metric tons reduction. And that's the top program in  
22 Transportation in terms of reduction. So this is an  
23 example as Commissioner Monahan said, of turning over  
24 another rock and seeing what we can get out of this. And a  
25 lot of this is going to be adoption rates, what's the

37

1 adoption of this, and are people aware of what are the  
2 benefits of tire efficiency?

3 CHAIR HOCHSCHILD: Great, helpful.

4 Okay, let's go to Commissioner discussion, Vice  
5 Chair Scott or anyone else? No comments?

6 VICE CHAIR SCOTT: No.

7 COMMISSIONER DOUGLAS: Sorry, this is  
8 Commissioner, Douglas. I just wanted to say briefly, I got  
9 a briefing on this from staff, which was very helpful. I  
10 had the opportunity to work on this issue years ago with  
11 Jim Boyd, and we took our best shot at it. And the Energy  
12 Commission's had to come back to this issue a couple times,  
13 because it's not easy. There are significant potential  
14 gains here.

15 There's also been movement. There's been --  
16 there was some movement at the federal level, although  
17 that's stalled. And that's something we've got to keep a  
18 close eye on with the incoming Administration in  
19 particular. And then there's been movement internationally  
20 and I'm hopeful that we'll learn about that there are some  
21 clear opportunities and there's some potentially very good  
22 data from some of that work.

23 So I fully support and endorse the idea of going  
24 forward with an OII and gathering information on this  
25 topic. And hopefully setting ourselves up for an

1 opportunity to put in place some very good efficiency rules  
2 that will help us reduce emissions on the transportation  
3 side.

4 CHAIR HOCHSCHILD: Great, thanks Commissioner.  
5 Commissioner McAllister?

6 COMMISSIONER MCALLISTER: Yeah. So thanks, I'm  
7 really happy to see this going forward, and thanks  
8 Commissioner Monahan, for your leadership, Time, Ken and  
9 the whole team there.

10 I have been -- so stakeholders have brought this  
11 to me a couple of times over the years that I've been on  
12 the Commission. And sort of similar to Commissioner  
13 Douglas within the Efficiency Division we couldn't just  
14 quite find the bandwidth to do it. I'm really glad to see  
15 this across divisional collaboration, because the  
16 opportunity was clear that it was there. But it was a  
17 little bit of a different neither fish nor fowl from the  
18 traditional way we do efficiency regs. And so I'm really  
19 glad to be building or kind of exercising this new muscle a  
20 little bit, because I think it'll pay off in the long term.

21 I also think that there's a tremendous benefit as  
22 there is in the appliances realm for other states to  
23 benefit from this. And to have some spillover effects much  
24 beyond California's border. So I think that's really  
25 great.



1           And then, you know, just the understanding of the  
2 marketplace, and in particular the educational impact of  
3 this when we actually turn around and systematize the  
4 information that's available to the world on this. Because  
5 if anybody -- I don't know if you've bought tires recently  
6 or if you've actually tried to find out, or ask your  
7 dealer, ask the person who you're buying the tires from,  
8 what's the rolling resistance? They have no clue as a  
9 rule, and so if you really want to actually play the role  
10 of an informed consumer, it's actually quite difficult.  
11 And so hopefully the impact of this can also be a sort of a  
12 broad socialization education effort where people  
13 understand actually what the products do and don't do and  
14 differentiation in the marketplace.

15           So I think there's a lot of potential upside to  
16 this. And I'm really glad to see it happening, so thanks  
17 to the team.

18           CHAIR HOCHSCHILD: Okay. Thank you,  
19 Commissioner.

20           Okay, Commissioner Monahan, would you be willing  
21 to make the motion?

22           COMMISSIONER MONAHAN: If I can get myself off  
23 mute I'm happy to do it. So I move to approve Item 3.

24           CHAIR HOCHSCHILD: Okay. Vice Chair Scott, would  
25 you be willing to second?

1 VICE CHAIR SCOTT: Yes, I will second.

2 CHAIR HOCHSCHILD: Okay. All in favor,  
3 Commissioner Monahan?

4 COMMISSIONER MONAHAN: Aye.

5 CHAIR HOCHSCHILD: Vice Chair Scott?

6 VICE CHAIR SCOTT: Aye.

7 CHAIR HOCHSCHILD: Commissioner McAllister?

8 COMMISSIONER MCALLISTER: Aye.

9 CHAIR HOCHSCHILD: Commissioner Douglas?

10 COMMISSIONER DOUGLAS: Aye.

11 CHAIR HOCHSCHILD: And I vote aye as well. Item  
12 3 passes unanimously. Thanks, everyone.

13 MR. OLSON: Thank you.

14 CHAIR HOCHSCHILD: Let's move on to Item 4, 2021  
15 Integrated Energy Policy Report Scope process.

16 MR. BOHAN: Great. Good morning, Chair,  
17 Commissioners. This morning staff would like to provide  
18 you with an overview of the topics we've been considering  
19 for the 2021 Integrated Energy Policy Report. The formal  
20 scope is going to take place a little bit later this year  
21 in December. This morning we just want to invite your  
22 input on the main topics we're considering before we move  
23 to the formal scope.

24 As you know, as we speak, we're still finalizing  
25 the 2020 IEPR Update that focuses on decarbonization of one

41

1 of the most important sectors, which is transportation.  
2 And so my colleagues this morning are going to briefly  
3 describe each of the four topics we're contemplating for  
4 2021.

5 Briefly, the first is reliability. It is  
6 paramount that we work with our sister agencies to do  
7 everything in our power to avoid electricity interruptions.

8 Second is SB 100, our SB 100 work has revealed  
9 that achieving 100 percent carbon free electricity is  
10 achievable. And it's also revealed that we will need  
11 substantial new electricity resources in the coming years  
12 to meet our goals.

13 The third topic is building decarbonization. And  
14 we want to focus on how all of our different building and  
15 decarb efforts work together to reduce GHGs from the  
16 building sector.

17 And finally natural gas, as California continues  
18 to decarbonize its economy through electrification of end  
19 uses, increased use of RNG, hydrogen and other fuels, it's  
20 essential to comprehensively discuss the strategy  
21 transition away from fossil natural gas.

22 And finally, as we heard earlier, we need to  
23 listen to DACAG and others and be mindful of how our  
24 activities impact low-income customers and disadvantaged  
25 communities. And as the Commissioners pointed out, this is

1 a must have, not a nice to have.

2 I expect you'll have comments and questions, so  
3 I've asked each of my colleagues to be very brief. Siva  
4 Gunda will be our first presenter.

5 MR. GUNDA: Yep, thank you, Drew.

6 If I can ask the slides to be moved a couple, to  
7 the next one, please?

8 Thank you Chair, Vice Chair AND Commissioners,  
9 the current slide provides a summary of the three  
10 contributing causes that CPUC, CAISO and CEC collectively  
11 identified in the Preliminary Root Cause Analysis that was  
12 published in October, as having led to the outages in  
13 August. And first, the very first chart you see there, the  
14 existing liability planning processes are not designed to  
15 fully address an extreme heat storm like the one  
16 experienced in mid-August. CPUC's audit process currently  
17 plans for one-in-two demand with a 15 percent PRM or  
18 Planning Reserved Margin. And we have experienced a demand  
19 way past that, because of the heat storm we experienced.

20 Second is the deficiency in planning, which is  
21 essentially saying that as we are transitioning to a  
22 reliable clean and affordable resource mix, planning  
23 targets have not kept pace to lead to sufficient resources  
24 that can be relied upon to meet demand in the early evening  
25 hours, not just the peak hours. As you see in the second

43

1 chart there the outages actually occurred during the net  
2 peak times and not the peak times. This makes balancing  
3 demand and supply more challenging. These challenges were  
4 further amplified because of the heat storm that we've  
5 experienced. As seen in the second chart, again pointing  
6 out that that really the outages actually occurred at the  
7 net peak hours and not the peak hours.

8 Finally, the third chart in there just points to  
9 some of the market practices and deficiencies that occurred  
10 in the day ahead energy market. And this has since been  
11 addressed by CAISO and they're continuing to work on, as a  
12 part of the recommendations. But the first two of these  
13 three causes are part of active investigation and  
14 assessments for CEC moving into 2021. The data request --  
15 move to the next slide, please?

16 So as part of the preliminary root cause analysis  
17 we've developed a bunch of recommendations collectively.  
18 And the recommendations fundamentally fell into four  
19 categories, so ensuring emergency procurement to ensure  
20 that we have a liability in summer 2021, if we were to  
21 experience a similar heat storm again.

22 And second, improve situational awareness by  
23 developing a variety of assessments that will actively  
24 inform the decision makers and the planning agencies to  
25 adequately consider the needs of resource adequacy.

1           Third improve communications protocol to make  
2     sure that all three agencies as well as the state as a  
3     whole is on alert. If we were to forecast an event like  
4     the one that we experienced in August or September to occur  
5     with adequate time to react to it.

6           And finally, as we found out what are the issues  
7     with the market practices and continue to enhance them.

8           The CEC has an active role in the first of the  
9     three bullets that are mentioned here. CEC committed to  
10    developing a statewide summit assessment by April 2021,  
11    providing an assessment of resource efficiency for summer  
12    of 2021.

13           CPUC in its proposed OAR due to be voted on  
14    November 19th, aimed to identify and execute all actions  
15    within its statutory authority to ensure reliable electric  
16    service in the event that an extreme heat storm occurs in  
17    the summer of 2021. Noted that if the CEC develops a  
18    summer assessment report before the summer of 2021 the data  
19    from this report could be used to revise the resource  
20    adequacy procurement requirements.

21           The summer assessment will be a springboard to  
22    augment, expand, and revise analytical products aimed at  
23    assessing statewide and required resource sufficiency in  
24    the (indiscernible) timeframe for resource adequacy 10  
25    years ahead framework for transmission planning. And the

1 25-year time horizon, which is the SB 100.

2 A critical element of the planning processes  
3 moving forward into 2021 is really the harmonization of  
4 these different aspects and ensuring that reliable, clean  
5 and affordable electricity is available for the state.

6 With that I will pass it on to my colleague,  
7 Terra, to discuss the continued work in SB 100.

8 MS. WEEKS: Great, thanks Siva. So next slide  
9 please?

10 And I'll start by saying that the analysis we did  
11 for this SB 100 report is just the first step in the  
12 modeling process and will be fine-tuned to reflect  
13 reliability considerations as well as land use planning and  
14 a number of other factors.

15 But what we did get from this year's analysis is  
16 directional insight into the amount and types of resources  
17 that will be needed to implement SB 100. And so what we're  
18 projecting is an approximate tripling of the current  
19 electric grid in terms of in-state resource build out. And  
20 I'll point out that this is driven by the requirement to  
21 switch to clean energy resources, but also overall  
22 increases in electricity demand and electrification trends,  
23 including transportation.

24 So what you can see here on this slide is that  
25 this will require sustained record setting build rates for

1 new generation. So on the left here are historic build  
2 rates for solar, wind and battery resources. And these are  
3 on average about one gigawatt for solar, 330 megawatts for  
4 wind. And in the storage build that has been fairly  
5 minimal historically.

6 And the single largest build out year for solar  
7 is about 2.7 gigawatts. And about 1 gigawatt for wind.

8 And so now, looking ahead to our projected 2045  
9 portfolio under the high electrification assumptions that  
10 we're looking at needing average build rates that are equal  
11 to those max levels for solar and wind every year for 25  
12 years. And this annual storage build out -- and the annual  
13 storage build out is projected to be somewhere around 2  
14 gigawatts per year.

15 So even if these numbers change somewhat due to  
16 new storage or flexible generation options that can impact  
17 what a 2045 portfolio might look like we are directionally  
18 still expecting an incredibly high new resource build out  
19 needed over the next 25 years. So this is a major topic  
20 for consideration in upcoming IEPRs. And with that, I will  
21 hand things over to Bryan Early to talk about building  
22 decarb.

23 MR. EARLY: Thank you, Terra. Next slide,  
24 please? There we go.

25 Hi, everyone. I'm Bryan Early with Commissioner



1 McAllister's Office. I'm here to briefly discuss our plans  
2 for building decarbonization and the 2021 IEPR. There are  
3 many pieces of statute that govern the Energy Commission's  
4 work on buildings. A central goal of the 2021 IEPR will be  
5 the scope out a pathway to help ensure that these disparate  
6 buildings activities are all working with building  
7 decarbonization as a primary objective.

8           In this way, a 2021 IEPR will help provide a  
9 unified pathway for building decarbonization while  
10 satisfying the Energy Commission's buildings statutory  
11 requirements. Central to this work will be continuing the  
12 analysis called for by Assembly Bill 3232. AB 3232  
13 required the CEC to assess the potential of achieving a 40  
14 percent reduction in GHG emissions and buildings by 2030.  
15 The Energy Commission intends to publish a draft of this  
16 report next month, and to follow up with a final report  
17 early next year.

18           To satisfy AB 3232 Energy Commission staff  
19 conducted a cost assessment of building decarbonization  
20 strategies that took into account both supply and demand.  
21 These strategies included fuel substitution or replacing  
22 gas appliances with highly efficient electric appliances  
23 like heat pumps, space and water heaters, and induction  
24 cooktops.

25           This was the strategy found to have the most

1 decarb potential at achievable costs: building and  
2 appliance energy efficiency, rooftop solar, load management  
3 or electric load flexibility strategies, a decarbonization  
4 trajectory of the electricity system, and the potential for  
5 the decarbonization of the gas system. IEPR 2021 will  
6 continue to refine this analysis.

7           Additionally, IEPR 2021 will revisit Senate Bill  
8 350's requirement that the Energy Commission periodically  
9 update targets to achieve a statewide doubling of energy  
10 efficiency by 2030. We'll be focusing on the extent to  
11 which the trajectory to achieve the goal -- which when we  
12 last conducted analysis in 2019 it was looking difficult --  
13 could be changed for the better by taking into account the  
14 efficiencies achieved by the fuel substitution called for  
15 by AB 3232.

16           Additionally, we will continue our action  
17 planning on how to achieve deep investments in existing  
18 buildings, as called for by Assembly Bill 758 since  
19 building decarbonization is primarily an existing building  
20 problem.

21           For new buildings, the 2021 IEPR will help  
22 summarize the Energy Commission's addition to decarbonize  
23 new construction via the 2022, 2025 and subsequent new  
24 building code cycles.

25           Lastly, we will be continuing our focus in the

1 2021 IEPR on electric load flexibility in buildings, both  
2 as a building decarbonization strategy, but also primarily  
3 as a grid reliability, and cost containment strategy.

4 Now let's turn it over to Courtney Smith to  
5 discuss the gas system.

6 MS. SMITH: Thanks, Bryan.

7 Another critical topic we propose be tackled as  
8 part of the 2021 IEPR is an exploration of the future of  
9 the natural gas system in California. California's  
10 ambitious clean energy and climate global goals are  
11 dramatically remaking our energy system here in California  
12 and our natural gas system is no exception.

13 In short, meeting the state's ambitious mid-  
14 century carbon neutrality goals cannot be done if we  
15 continue to use fossil natural gas into the future as we  
16 are today. As the state transitions away from fossil  
17 fuels, it's critical that we do so in a thoughtful  
18 strategic way. In a way that doesn't compromise  
19 reliability, that protects customers from avoidable cost  
20 increases, and that does not lead to the unfair burdening  
21 on some customers of the financial liability of the entire  
22 natural gas system.

23 We also have to ensure pipeline and system safety  
24 for workers and communities, especially in light of recent  
25 disasters that have occurred, including the 2011 San Bruno

1 Pipeline explosion and the 2017 Aliso Canyon leak.

2           Recognizing the need for long-term natural gas  
3 system planning, the CPUC opened a proceeding at the  
4 beginning of this year to examine many of these issues and  
5 has recognized the need to coordinate their work with us.  
6 So to best position the CEC to collaborate with the CPUC,  
7 and to establish an evidentiary record to inform future CEC  
8 policy and programmatic decisions, we propose conducting a  
9 comprehensive assessment of the natural gas system as part  
10 of the 2021 IEPR.

11           This assessment will look at anticipated natural  
12 gas use in California, issues surrounding natural gas  
13 infrastructure, including how and where we appropriately  
14 downsize the distribution system, natural gas design  
15 standards to inform possible updates to protect safety and  
16 reliability. And it will look at the impacts this  
17 transition may have on gas prices and rates.

18           Through the CEC's robust public engagement  
19 process, we're confident we'll be able to help lead the  
20 state's efforts to transition away from fossil fuels in a  
21 way that's strategic and doesn't leave anyone behind. I'd  
22 like to now turn it over to Heather Raitt.

23           MS. RAITT: Thank you, Courtney.

24           And good morning Commissioners, I'm Heather  
25 Raitt, the Program Manager for the IEPR. I'll just close

51

1 by giving some more information about the schedule building  
2 (indiscernible) as already mentioned.

3 We will be posting a draft scoping order for the  
4 2021 IEPR before the end of this calendar year. The public  
5 will have an opportunity to comment on it. Under the  
6 direction of the Lead Commissioner, we will carefully  
7 consider public comments received before releasing a final  
8 scoping order in early 2021.

9 I also wanted to mention that the schedule for  
10 the 2020 and 2021 IEPRs are overlapping. The draft 2020  
11 IEPR update, which is being led by Commissioner Monahan  
12 also will be posted for public review next month in  
13 December. We will then develop the final report and  
14 consideration of public comments with possible adoption  
15 plans for March.

16 The schedule for the 2020 IEPR update is a little  
17 delayed, largely because we had to pivot to virtual  
18 workshops due to COVID-19. But as you can see on the  
19 slide, we were able to make the workshops engaging and we  
20 will likely continue to hold virtual workshops again next  
21 year.

22 I hope that clarifies the next steps. And with  
23 that I'll turn it over, back to Drew. Thanks.

24 MR. BOHAN: Thank you, Heather, and thanks  
25 Courtney, Bryan, Terra and Siva.

1           With that Commissioners, we invite you to share  
2 any thoughts you may have or ask questions of the team.

3           CHAIR HOCHSCHILD: Thank you, Drew. And let me  
4 just thank Heather and Courtney and Bryan, Terra, Siva,  
5 incredible work and just so fortunate to have all the  
6 talent that we do on staff to lead us through this.

7           So just to reiterate, I've asked Commission  
8 McAllister to be Lead on the 2021 IEPR. I will be  
9 Associate Commissioner, and I want to just give a special  
10 appreciation to Commissioner McAllister, because as I  
11 reflect back I've been now on the Energy Commission coming  
12 up on eight years in March. And every year I kind of look  
13 at the portfolio of each of the Commissioners and the  
14 workload. And you know, I usually look at it and say, "Oh,  
15 this is a big year for Commission McAllister." And it's  
16 sort of been that way every single year.

17           And this trend continues, because in addition to  
18 be willing to take on the IEPR for next year, Commission  
19 McAllister has been a fantastic help to me on SB 100 and on  
20 all our reliability challenges. As well as getting the  
21 build program up and running and supporting the Vice Chair  
22 in getting 841 up and going. And so I don't know how you  
23 do it, Andrew, but I just wanted to recognize the  
24 incredible work and thank you for taking on the IEPR,  
25 again.

1           COMMISSIONER MCALLISTER: Absolutely. Should I  
2 comment, is this my cue?

3           CHAIR HOCHSCHILD: Yeah, go ahead.

4           COMMISSIONER MCALLISTER: Well, thanks Chair and  
5 I mean yeah, totally it does -- I guess maybe that's I'm  
6 feeling a little bit overworked. Maybe, just a little bit.

7           But one of the great things about this job is  
8 that for those of us, you know, who have been so inclined -  
9 - and I've been an energy person since I took  
10 thermodynamics in college and just found that as my calling  
11 really -- and I know all my colleagues have some similar  
12 analogous story. But the ability to be at the Energy  
13 Commission doing this work is just an incredible gift.

14           And we have incredible stakeholders, we have a  
15 big state, and incredible this huge diversity. And lots of  
16 needs obviously, lots complexity. But that's where a rich  
17 environment, you know, a rich complicated petri dish is  
18 where life originates, right? So I think that's the beauty  
19 of working in California at this moment. And it has been  
20 over the last four years, particularly so. I think we've  
21 particularly kind of been singled out as a key place where  
22 innovation was critically needed, more so than ever.

23           Certainly, looking forward to having sort of  
24 broader partnerships in a thicker deeper network, you know,  
25 both within the state and particularly beyond the state's

54

1 borders. But yeah, thanks for trusting me with this IEPR.  
2 This will be my third IEPR. And this one in particular, I  
3 think the timing is quite is good. And I just wanted to  
4 make a couple of comments here.

5 First of all, I wanted to thank the staffs,  
6 Heather and her team of course, but all of the staffs that  
7 have informed the presentations that you just saw, the  
8 modules there that you just saw. But in particular the  
9 Assessments Division staff and the Efficiency Division  
10 staff. I think probably this IEPR will be a particularly  
11 heavy lift for EAD. And I just want to acknowledge all the  
12 work that they've been doing to prepare for this on the  
13 forecast, on getting our data ducks in a row, the modeling  
14 supporting SB 100, the natural gas work, which we've made a  
15 ton of progress kind of becoming subject matter experts in  
16 areas across the board in gas, electricity, planning,  
17 modeling.

18 That really those sharpened skills are going to  
19 come or are going to be critical for the IEPR this coming  
20 year. And so I'm excited to be leading it. It really is -  
21 - there's an incredible urgency and the various efforts  
22 that you just heard about are foundational to putting  
23 California on a firm decarbonization track. You know, the  
24 system level, the fuels and how we integrate the discussion  
25 across fuels instead of in silos. That really with fuels



1 substitution there's a lot of nuance to that appreciation.  
2 We're building the tools to actually quantify how that  
3 needs to move forward in terms of the interplay between  
4 fuels.

5           And so I think there's a -- and then the  
6 buildings, obviously we have the system level, you know, on  
7 the planning with ISO and the PUC procurement and  
8 transmission and reliability, which is incredibly  
9 foundational. Reliability is job one, all the way down to  
10 the buildings, individual buildings, devices within those  
11 buildings and the protocols that link the top to the  
12 bottom. And so that's how we're going to manage the grid  
13 for decarbonization and reliability. And so I think those  
14 themes will be stitched together through the process of  
15 this either in a way that will really last. I think it'll  
16 provide a great basis for the coming decades as we move  
17 towards 2030, 2045. So very looking forward to that.

18           I do want to make a point about natural gas. I  
19 want to sort of exhort us to extirpate the word "natural."  
20 You know, there are different flavors of gas and we need to  
21 be more precise. And so as sort of a best practice, I  
22 think there's fossil gas, there's renewable gas, there's  
23 synthetic gas, there's hydrogen gas, lots of different  
24 flavors of gas. Whether or not they're natural, I think  
25 increasingly a material and "natural" is kind of just an

1 imprecise word. So I want to kind of start thinking about  
2 our terminology that we use, so we can be more precise.  
3 And really understand the complexity that is emerging in  
4 this arena.

5           So, yeah, I think the last thing I wanted to say  
6 is just this is, I think, also a reflection of the fact  
7 that the joint agency work is more critical than ever. So  
8 it's certainly top of mind and functionally in place at the  
9 100 for example. But and in the forecast, where we produce  
10 the forecast and that the PUC and the ISO are consumers of  
11 that forecast. But the iteration between agencies is ever  
12 more fast.

13           You know, it's quicker every day and the  
14 reliability discussions really forcing those together with  
15 the ISO, the PUC, and the ARB to really keep in touch. And  
16 so we're building tools that are going to enable that,  
17 communications that are going to really I think  
18 functionally enhance our relationship over time as well.

19           And the timing here is opportune, because with  
20 the RA discussion certainly the three energy agencies  
21 involved with that, the natural gas rulemaking at the PUC,  
22 we'll be able to build on as Courtney said our discussion  
23 in the IEPR for next year. And then beyond that the  
24 scoping plan at ARB, so the timing, the sequential nature  
25 of it is really important. So this work next year in April

1 will be foundational.

2           So anyway, I wanted to just highlight a few of  
3 those aspects of the IEPR. And why the themes that you  
4 just heard about are actually there, because they are  
5 really critical and they're time critical as well for  
6 moving forward in the broad decarbonization discussion in  
7 the state.

8           So thanks for entrusting me with that and I look  
9 forward to working with you all on it. So, and working  
10 with you, Chair.

11           CHAIR HOCHSCHILD: Thank you, Commissioner.

12           Comments from other Commissioners, Vice Chair  
13 Scott? Or yeah, Vice Chair?

14           VICE CHAIR SCOTT: I do. I do have some  
15 comments. I want to say again, thank you to Commissioner  
16 McAllister for his strong lead coming up on this next IEPR.  
17 It's a lot of critical topics, which as we all know are  
18 just important for the state. And thinking about how to  
19 accelerate the progress that we're making, so that we're  
20 able to stay under the 1.5 degrees warming. So that we're  
21 transitioning in a really smooth and smart way, is just  
22 incredibly important.

23           And I appreciate the presentation from the whole  
24 team, the thought and care that's gone into scoping out  
25 this upcoming IEPR. There's just so many critical pieces

1 that we need to think through and talk about right now.  
2 And so including the critical items for reliability and  
3 resource adequacy. And I think it's just a really -- we  
4 need to take a thoughtful look at our overall energy  
5 systems to truly understand the actions that we need to  
6 take to make sure this transition to a decarbonized world  
7 goes smartly and smoothly.

8           And one of the things that I think that is the  
9 power of the IEPR is the ability to bring together deep  
10 knowledge and expertise across the realms that we'd like to  
11 talk about. And also to have decision makers from across  
12 the state, and even we've often had federal folks sitting  
13 with us on the dais as well to really listen and hear this  
14 level of information. I mean, it's like PhD level  
15 information sometimes I think that we have at these  
16 workshops to really get everything on the table that we  
17 need in order to think through how to make a smooth, smart,  
18 fast transition.

19           So I appreciate the care that's gone into shaping  
20 the scope. And Commissioner McAllister, again, thanks for  
21 your upcoming lead on that. Anyway, I just wanted to weigh  
22 in briefly there.

23           CHAIR HOCHSCHILD: Thank you, Vice Chair Scott.  
24           Any other comments, Commission Douglas?

25           COMMISSIONER DOUGLAS: You know, I just wanted to

1 say that I appreciate the presentation. I think it was  
2 really great to just hear the thinking on some of these  
3 different topics. And I certainly think that these are the  
4 right topics for the Energy Commission to cover in 2021.  
5 I'm really glad to see it and I look forward to working  
6 with Commission McAllister, and the Chair, and really all  
7 of my colleagues as this process moves forward. So thank  
8 you.

9 CHAIR HOCHSCHILD: Thank you.

10 Any comments, Commissioner Monahan?

11 COMMISSIONER MONAHAN: Well, I was thinking that  
12 maybe Commissioner McAllister can also take over my  
13 transportation electrification portfolio, because I just  
14 think he doesn't have enough to do so. So yes, kudos to  
15 Commissioner McAllister for taking this on, and for his  
16 leadership broadly, and for the whole team. I agree these  
17 are the right set of issues.

18 I was really glad to hear Commissioner McAllister  
19 talk about the distinction of all the gases. I think it  
20 really is -- and I'm assuming that means that we're going  
21 to be looking more broadly at all the gas. Is that right,  
22 Commissioner McAllister?

23 COMMISSIONER MCALLISTER: Yeah. I'm definitely  
24 going to be starting the various -- you know there are  
25 different phases. So it's not all like lock step, but yeah

60

1 absolutely. We've got to start making those distinctions.

2 COMMISSIONER MONAHAN: Yeah, I mean think we have  
3 a shared interest in learning more about what is the role  
4 of hydrogen in our grid. And more broadly for urbanization  
5 beyond transportation, so I'm glad that at least we'll be  
6 starting to scratch the surface of that topic in this IEPR.

7 And I want to say, working with Heather and her  
8 team has been fabulous. That they really are tracking all  
9 this and making sure that we are, as much as possible,  
10 meeting our deadlines. It can be hard in the year of COVID  
11 to do that.

12 And I think we're finding that the remote -- at  
13 least in this last IEPR, (indiscernible) using new kind  
14 works. In some ways it works a lot better, so that people  
15 don't have to fly everywhere. We can reduce carbon  
16 emissions and be in our own homes with our dogs barking in  
17 the background. For good or for bad there's some benefits  
18 to being able to branch out to a broader set of  
19 stakeholders, when we are remote.

20 So I'm looking forward to the upcoming year and  
21 to all of the workshops.

22 CHAIR HOCHSCHILD: Thank you so much,  
23 Commissioner, and thanks to all the staff.

24 I believe, Linda Spiegel had a comment. Is that  
25 right, Noemi?

1 MS. GALLARDO: Yes, she has her hand raised. So  
2 let me open up her line real quick.

3 Linda, your line is open. Please feel free to  
4 speak.

5 MS. SPIEGEL: I'm sorry, that was an error.

6 MS. GALLARDO: Okay, thanks Linda.

7 CHAIR HOCHSCHILD: Well, Linda. We're always  
8 eager to hear from you whenever you have anything to say  
9 so.

10 Okay, this is a non-voting item, so we're not  
11 otherwise taking comments I believe. So unless there's a  
12 further Commissioner discussion let's move on to Item 5,  
13 West Coast Code Consultants, Incorporated. Chris Davis?

14 MR. DAVIS: I'm the Compliance Office Manager for  
15 Siting, Transmission and Environmental Protection Division.  
16 I'm here this morning to request approval of an agreement  
17 with West Coast Code Consultants, Inc. or WC3 are on-call  
18 (indiscernible) professional services.

19 Back in June the Commission released the  
20 (indiscernible) -- (audio cuts out.)

21 CHAIR HOCHSCHILD: I'm sorry, Chris. We're  
22 losing you, can you still hear us?

23 MR. DAVIS: I can hear you, am I losing my audio?

24 CHAIR HOCHSCHILD: You're fading in and out there  
25 and now you're on mute it looks like.

1 MR. DAVIS: There was just that it --

2 COMMISSIONER MONAHAN: Sometimes it helps, Chris,  
3 if you turn off everything that you're using on your  
4 computer that might be taking bandwidth.

5 MR. DAVIS: Okay.

6 CHAIR HOCHSCHILD: Maybe go, Chris if you maybe  
7 just go turn off your video and just go all audio that  
8 might help a little bit too.

9 MR. DAVIS: (Indiscernible) at my house for some  
10 reason. Is that better?

11 CHAIR HOCHSCHILD: It's a little better. Yeah.

12 MR. DAVIS: Okay, let's see, next slide please?

13 (Audio continues to cut in and out.)

14 MS. GALLARDO: Hey, Chris? We're losing you, are  
15 you on mute?

16 (Colloquy re: audio issues.)

17 CHAIR HOCHSCHILD: I'm going to make a  
18 suggestion, which is maybe, Chris, you call in to do it by  
19 phone without video. And in the meantime we go on to Item  
20 6 and come back to this one?

21 Noemi, does that make sense to you?

22 MS. GALLARDO: Yes, that works. And we can have  
23 Patty and Stan reach out to Christ to help set him up.

24 CHAIR HOCHSCHILD: Yeah, let's do that. Chris,  
25 just stand by and we'll come back to you after we do Item



1 6. So let's move on to Item 6, City of Oakdale. Is Monica  
2 Rudman ready to present?

3 MS. RUDMAN: Good morning, Hochschild and  
4 Commissioners. My name is Monica Rudman and I am with the  
5 Renewable Energy Division and I'm here to present an  
6 agreement with the City of Oakdale for a \$3 million ECCA  
7 loan.

8 The ECCA program is a long-standing successful  
9 program established in 1979 and provides energy efficiency  
10 upgrade loans to public entities like the City of Oakdale.  
11 Next slide, please.

12 Benefits to California of ECCA loans may include  
13 improved health outcomes, especially for communities like  
14 Oakdale that are considered low-income disadvantaged  
15 communities. The project will also create construction  
16 jobs and economic benefits. This slide reflects Oakdale as  
17 a pollution burdened area according to CalEnviroScreen 3.0.  
18 Next slide, please.

19 The City of Oakdale is proposing to finance this  
20 energy project using a \$3 million ECCA 1 percent simple  
21 interest loan. Staff reviewed the supporting documentation  
22 and concur that the project is technically sound. The  
23 project involves adding solar voltaic systems to four  
24 sites. These are 115.2 kW AC carport system installed on  
25 an existing parking lot cover structures at the City Hall.

64

1 A 36 kW AC roof mounted system at the community center. A  
2 27 kW AC roof data system at the senior center. And a 625  
3 kW AC ground mounted system on an abandoned and unused  
4 retention basin at a wastewater treatment facility. Next  
5 slide, please.

6 The project is estimated to generate 1,644,860  
7 kilowatt hours of electricity, resulting in projected  
8 annual cost savings of \$180,772. This reduction in energy  
9 bills will benefit the City of Oakdale. The simple  
10 repayment terms on the \$3 million loan is 16.6 years, well  
11 within the 20-year ECCA requirement. It's actually 17  
12 years for the ECCA regular, ECCA-Ed would be 20 years.

13 Legal staff found this project exempt from the  
14 Environmental Quality Act. And Energy Commission staff  
15 recommend approval of this loan. Thank you for your  
16 consideration. And if you have any questions, I'd be happy  
17 to answer them.

18 CHAIR HOCHSCHILD: Thank you.

19 Let's see if there's any public comments on Item  
20 6, before we go to Commissioner discussion.

21 MS. GALLARDO: This is Noemi Gallardo, the Public  
22 Advisor, there is no public comment.

23 CHAIR HOCHSCHILD: Okay. You said this is an  
24 ECCA, correct?

25 MS. RUDMAN: Yeah, ECCA regular loan.

1 CHAIR HOCHSCHILD: Well, let's go to Commissioner  
2 McAllister.

3 COMMISSIONER MCALLISTER:

4 Sure. Thank you, Monica, I appreciate that. And  
5 I don't have any particular comments about this, but I  
6 think your description of ECCA is an apt one. We all know  
7 it's very successful. And I think, you know, just by way  
8 of general comment about ECCA I think that this model and  
9 both our grant programs and our loan programs are going to  
10 really need to be amped up if we're going to do all the  
11 things we talked about earlier with the DACAG. And get to  
12 the billions of dollars into our existing building stock  
13 and across all building sectors, and so I think it's a  
14 model that that is replicable and scalable.

15 So it's really great to have it announced here,  
16 but I honestly support this project.

17 CHAIR HOCHSCHILD: Any other Commissioner  
18 comments before we vote for the item?

19 (No audible response.)

20 CHAIR HOCHSCHILD: Okay, hearing none, Commission  
21 McAllister, would you be willing to make the motion?

22 COMMISSIONER MCALLISTER: Yes, I will move this  
23 item.

24 CHAIR HOCHSCHILD: Commission Douglas, would you  
25 be willing to second?

1 COMMISSIONER DOUGLAS: Yes, second.

2 CHAIR HOCHSCHILD: Okay. All in favor say aye.  
3 Commissioner McAllister?

4 COMMISSIONER MCALLISTER: Aye.

5 CHAIR HOCHSCHILD: Commissioner Douglas?

6 COMMISSIONER DOUGLAS: Aye.

7 CHAIR HOCHSCHILD: Vice Chair Scott?

8 VICE CHAIR SCOTT: Aye.

9 CHAIR HOCHSCHILD: Commissioner Monahan?

10 COMMISSIONER MONAHAN: Aye.

11 CHAIR HOCHSCHILD: And I vote aye as well, so  
12 that it passes unanimously. Let's return to Item 5 and see  
13 Chris Davis is ready to present to us by telephone

14 Chris, are you there?

15 (No audible response.)

16 CHAIR HOCHSCHILD: Drew had texted me that he's  
17 available to present the item if Chris is not. Drew, would  
18 you like to take this one?

19 MR. BOHAN: Yeah, happy to do so why don't we go  
20 to the next slide. And I think Chris talked about this.  
21 Let's go to the next one.

22 So this was a competitive process where we select  
23 DCBO and their job is to make sure that the power plants  
24 that we license are certified properly. So the list, you  
25 see before you are the things that the power plants are

1 required to comply with. So obviously all the conditions  
2 of certification imposed by you, when you vote all LORS as  
3 we call them, Laws Ordinances Regs and Standards. And of  
4 course other applicable law, including the Warren-Alquist  
5 Act. Next slide.

6 The DCBO that we will be hiring, WC3, supports  
7 all 79 facilities in the state. And there are work  
8 authorizations that we utilize to have them do particular  
9 work in any one of those when the need arises. And as you  
10 see here, there are a number of particular ones that have  
11 that are listed here. But it varies year to year. Next  
12 slide.

13 And with that, we just ask that you approve this  
14 contract. Thank you.

15 CHAIR HOCHSCHILD: Can I just ask a question?  
16 You know, when we contract out something like this what is  
17 -- and if Sean is online maybe he'd to speak to this, or  
18 Commissioner Douglas, just in terms of what we believe we  
19 can do effectively in-house versus contracting out? Just  
20 the thinking on the skill sets there.

21 COMMISSIONER DOUGLAS: You know, if Sean's on he  
22 can take this, but I can speak to it as well. So Sean turn  
23 on your video if you want to speak to this.

24 I think, you know, one of the benefits of the  
25 DCBO contract is that we can very quickly act on amendments

1 or emergency compliance issues such as when some facilities  
2 were affected by fires, for example. And we need to get  
3 somebody out there quickly or we need to do code  
4 compliance. You know, a lot of these jurisdictional power  
5 plants are all over the state. And so the DCBO is somebody  
6 who will most likely be on site and will sometimes make  
7 multiple site visits or personally supervise aspects of  
8 construction, for example, or demolition or whatever the  
9 case may be on site.

10 So I think there's a lot of efficiency in having  
11 a contract, so that we can have quick access to resources  
12 to do that. But I will ask Chris, I see he's back on if he  
13 wants to address that question.

14 Chris, did you hear the question?

15 MR. DAVIS: Yeah, DCBOs provide services that we  
16 don't have at the Commission like reviewing the plans for  
17 power plants. And those include all kinds of things like  
18 for earthquake safety, so that they have engineers that  
19 review the plans. And they also have inspectors that are  
20 out there and make sure that each step of the construction  
21 is done according to the California Building Code.

22 And so those are very specific skill sets that  
23 the Commission doesn't have. And it's one of those kinds  
24 of things where there's a need and then there's not. And  
25 so it's hard to keep a group of people on staff with all

1 those skill sets that we need to conduct this function.

2 CHAIR HOCHSCHILD: Great, thank you.

3 MR. DAVIS: Does that answer your question?

4 CHAIR HOCHSCHILD: Yeah, that's very helpful and  
5 makes perfect sense to me.

6 So let's go to public comment on Item 5. Madam  
7 Public Advisor do we have anyone wishing to make public  
8 comment on this item.

9 MS. GALLARDO: Yes, this is Noemi, the Public  
10 Advisor. We have one person on the line for comment. That  
11 is Chris Kimball, Vice President of West Coast Code  
12 Consultants.

13 MR. KIMBALL: Yeah, hi. Can you hear me?

14 CHAIR HOCHSCHILD: Yes, we can. Good morning.

15 MS. GALLARDO: Yes, we can.

16 MR. KIMBALL: All right, good. Thank you. Thank  
17 you, I appreciate this opportunity is to speak, but I just  
18 wanted to say we had a previous contract (indiscernible)  
19 on-call DCBO work for the CEC. And we really, really  
20 enjoyed it. We've worked with the CEC as the DCBO on a lot  
21 of projects throughout the past decade or so, and really,  
22 really enjoyed the energy work.

23 And just to let you know a little bit about it.  
24 We do have -- we have offices in Northern California and  
25 Southern California. And have qualified inspection staff

70

1 that have experience on energy projects. So that we can  
2 quickly go to a lot of these sites that occur throughout  
3 the state.

4 And as Chris Davis was saying, it is it is hard  
5 to have all of the required qualifications to review these  
6 grants. To make sure not only are they meeting the  
7 Conditions of Certification, but also all the laws  
8 ordinances regulations and standards. And then the same  
9 thing with inspection staff. And so it's very hard to do  
10 that.

11 When we do it we, if there's a plan review that  
12 we have to do to issue permitted documents before  
13 inspections occur, we break it up by discipline. Where  
14 you'll have a licensed structural engineer Look at the  
15 seismic items like Chris mentioned. You'll have a licensed  
16 electrical engineer looking at their specific scope,  
17 mechanical engineer, or a certified accessibility  
18 specialists and things that look at their specific scope.

19 And it really does vary what the needs are. It's  
20 like Chris said, in the previous three-year contract there  
21 wasn't a lot that we did the first year-and-a-half. And  
22 like this last year that there's actually been quite a lot  
23 of work that's been occurring on these on-call projects.  
24 And you just never know when they're able to do it and you  
25 have to be able to just go at a moment's notice to assist.

71



1 And because we have offices and people located assisting a  
2 lot of jurisdiction throughout California, we're able to go  
3 and hit these spots as needed.

4 But we love working for the Energy Commission,  
5 and we really look forward to continuing to do so.

6 CHAIR HOCHSCHILD: Well, thank you.

7 Unless there's any other public comments, let's  
8 move on to Commissioner discussion, Commissioner Douglas?

9 COMMISSIONER DOUGLAS: I just want to say I  
10 definitely support this item. It's a very important part  
11 of allowing us and enabling us to fulfill our obligations  
12 efficiently and quickly. And so I recommend it for  
13 everyone's support here.

14 CHAIR HOCHSCHILD: Okay, any other Commissioners  
15 wishing to make comments on this item?

16 All right, hearing none, Commissioner Douglas,  
17 would you like to make the motion?

18 COMMISSIONER DOUGLAS: Yes, I move approval of  
19 this item.

20 CHAIR HOCHSCHILD: Okay, Vice Chair Scott, would  
21 you be willing to second?

22 VICE CHAIR SCOTT: Yes. I second.

23 CHAIR HOCHSCHILD: Okay, all in favor,  
24 Commissioner Douglas?

25 COMMISSIONER DOUGLAS: Aye.

1 CHAIR HOCHSCHILD: Vice Chair Scott?

2 VICE CHAIR SCOTT: Aye.

3 CHAIR HOCHSCHILD: Commissioner McAllister?

4 COMMISSIONER MCALLISTER: Aye.

5 CHAIR HOCHSCHILD: Commissioner Monahan?

6 COMMISSIONER MONAHAN: Aye.

7 CHAIR HOCHSCHILD: And I vote aye as well. That  
8 item passes unanimously thanks to all the staff.

9 Let's move on now to Item 7, Frito-Lay,  
10 Incorporated.

11 MR. UY: All right. Greetings, Chair, Vice Chair  
12 and Commissioners. My name is Kevin Uy and I'm with the  
13 Energy Research and Development Division. Staff is  
14 providing a presentation on the Food Production Investment  
15 Program, followed by a recommendation to approve one award.  
16 This presentation summarizes the results of the Food  
17 Production Investment Program over the past two years.  
18 Next slide, please.

19 The Food Production Investment Program or FPIP  
20 funds drop-in and emerging technologies at food production  
21 facilities in California. FPIP is part of California  
22 Climate Investments, a statewide initiative that puts  
23 billions of Cap and Trade dollars to work reducing  
24 greenhouse gas emissions, strengthening the economy, and  
25 improving public health and the environment, particularly

1 in disadvantaged communities. Next slide, please.

2 California is the largest food producer in the US  
3 with over 5,700 facilities. Food production is a key  
4 economic sector in California and contributes \$82 billion  
5 annually to the economy, provides 198,000 direct jobs and  
6 562,000 indirect jobs.

7 Food production is also a large contributor of  
8 greenhouse gas emissions, with about 3.2 million metric  
9 tons of CO2 equivalent emissions per year. Next slide,  
10 please.

11 Scoping of the FPIP program was done in  
12 collaboration with key stakeholders. Before the program  
13 started a working group was created, which included public  
14 agencies, utilities, researchers, trade organizations and  
15 most importantly food producers. On this slide, you'll see  
16 the list of organizations represented in the working group.

17 In addition to public workshops, several working  
18 group meetings were held to get feedback on the program as  
19 it was formed. The result was a program, which was easy to  
20 apply to, conforms to the seasonal schedules of food  
21 producers, and provided funding for what they needed most,  
22 implementing modern technologies. In essence, FPIP was  
23 designed by food producers for food producers. Next slide,  
24 please.

25 This slide shows a map of FPIP project locations

1 including Tier I and Tier II projects. Tier I provides  
2 funding for drop-in technologies such as boilers,  
3 compressors and refrigeration systems while Tier II  
4 provides funding for emerging technologies such as micro  
5 grids, solar thermal, and electrification technologies. 87  
6 percent of FPIP projects are located in and benefiting  
7 disadvantaged and or low-income communities. Next slide,  
8 please.

9 FPIP funding has gone to a variety of facilities  
10 including animal feed and ethanol, beverage breweries and  
11 wineries, dairy processing, prepared food, meat and  
12 rendering and fruits, vegetables and nuts. The number of  
13 awards each type of facility are provided on this slide.  
14 Next slide, please.

15 This slide shows FPIP by the numbers. FPIP is  
16 allocated \$111 million across for 4 funding opportunities  
17 to 45 projects, resulting in about 152,000 metric tons of  
18 CO2 equivalent annual emission reductions. That's  
19 equivalent to removing 33,000 passenger vehicles from the  
20 road. Next slide, please.

21 As previously mentioned FPIP is part of  
22 California Climate Investments. Updates on FPIP and other  
23 CCI programs can be found in the CCI Annual Report to the  
24 Legislature. The 2020 report was published in April. On  
25 the left, you'll see the title page. In the middle is the

75

1 FPIP summary page. And on the right is a profile write-up  
2 for one of our projects at the SUN-MAID raisins facility in  
3 Kingsburg. Next slide, please.

4 I will now present the recommended award. Next  
5 slide, please.

6 So first, why are micro grid systems beneficial  
7 to food production facilities and to California? First,  
8 planned and unplanned outages result in significant  
9 financial and product losses for California food producers.  
10 When they occur it is common for facilities to lose one or  
11 more days of production.

12 Second, solar micro grid systems provide not only  
13 operational security, but a renewable alternative to diesel  
14 backup generators.

15 Finally, battery energy storage systems provide  
16 cost savings and resiliency to the customer, while also  
17 providing support to the grid through strategic dark  
18 charging and discharging. Next slide, please.

19 The proposed project would fund design,  
20 installation and operation of a micro grid system at Frito-  
21 Lay's snack food manufacturing facility in Rancho  
22 Cucamonga. The system will consist of rooftop and carport  
23 mounted solar PV panels and a micro grid controller both  
24 provided by SunPower. And a battery energy storage system  
25 provided by Tesla.

1           The micro grid will be capable of operating an  
2 island in mode to provide power to critical loads for up to  
3 six hours. The system will produce approximately 35  
4 megawatt hours of renewable electricity, and reduce  
5 facility greenhouse gas emissions by 850 metric tons of COs  
6 annually.

7           Finally, I'd like to note that although this is  
8 the final FPIP from the previously released solicitations,  
9 staff does plan to release a new FPIP solicitation later  
10 this month using funds from previously cancelled projects.  
11 That solicitation will be in the amount of \$7 million and  
12 will fund Tier I drop-in technologies only. Next slide,  
13 please.

14           Staff recommends approval of this award, as well  
15 as staff determination that this action is exempt from  
16 CEQA. I am available to answer any questions you may have.  
17 In addition, Frito-Lay has prepared a written response that  
18 they would like read into record. Thank you.

19           CHAIR HOCHSCHILD: Thank you so much.

20           All right, let's go to public comment, Noemi?

21           MS. GALLARDO: Yes, we have one comment from  
22 Frito-Lay, which I will read now.

23           "Frito-Lay, a division of PepsiCo, is dedicated  
24 to sustainable business practices. As a global food and  
25 beverage leader we have a responsibility to help build a

1 resilient and sustainable food system, including driving  
2 the systemic change needed to address the challenges we are  
3 all facing.

4 "From the way we source our crops to the energy  
5 we use in creating and distributing our products, we are  
6 taking action throughout our global value chain to drive  
7 down emissions. This includes spurring the use of  
8 renewable electricity like wind and solar, both in the US  
9 and around the world.

10 "The proposed micro grid and battery storage  
11 project at the Frito-Lay plant in Rancho Cucamonga,  
12 California is part of our sustainability journey. The  
13 project will leverage roof mounted and carport mounted  
14 photovoltaic panels to offset approximately 15 percent of  
15 the plant's current electric grid purchased electricity  
16 consumption of 25,433 megawatts per hour a year with a  
17 sustainable and renewable alternative. Installation of  
18 this technology will reduce the facilities greenhouse gas  
19 emissions by 868 metric tons or the equivalent of 188  
20 passenger vehicles driven for one year.

21 "In addition, this project will include a battery  
22 energy storage system that enables optimal demand  
23 management capability to reduce plant load during on-peak  
24 hours, while also providing an operational resiliency  
25 during times of power disruption. This is an incredibly

1 valuable tool, which will allow critical plant distribution  
2 operations to run through unplanned power outages thereby  
3 minimizing the impact on our customers.

4 "This project is another meaningful stride in  
5 PepsiCo's ongoing commitment to source 100 percent  
6 renewable electricity for company owned and controlled  
7 operations by 2030. And across all operations, including  
8 franchised and third-party operations by 2040."

9 That concludes the comment.

10 CHAIR HOCHSCHILD: Thank you, Noemi.

11 Let's move on to Commissioner discussion, Vice  
12 Chair Scott?

13 VICE CHAIR SCOTT: Yes. Well, this really is an  
14 exciting project. I want to say thank you to PepsiCo and  
15 Frito-Lay for sending in a statement for us to hear about  
16 how excited they are also about carrying out this project.  
17 And a big thanks to Kevin and the rest of the FPIP team. I  
18 really appreciate the FPIP refresher for us, because it has  
19 been a little while since we've done a few of those  
20 projects.

21 This project, to me, is a really exciting  
22 project. You heard all of the details about it, but just  
23 two things that I would really like to highlight for you.  
24 One is that we will in learn how to install this kind of  
25 project in a facility that basically works 24/7. They're

79



1 only off maybe one or two days out of an entire year. So  
2 how you get upgraded technology, and more efficient  
3 technology, into an operation that's running 24/7 will be a  
4 really interesting piece of data that we can bring out of  
5 this. And talk to other folks who also have these kind of  
6 types of 24/7 365 types operations, you can be able to  
7 upgrade efficiently and effectively.

8           And I also think, and you heard a little bit  
9 about this both from Kevin and in the PepsiCo comments, the  
10 ability to take this and replicate it across the industry  
11 is huge. And so like so many of these projects, I'm  
12 already waiting to see what it looks like when it's  
13 finished. And then be able to take the good word onto the  
14 road, so that others are able to incorporate these  
15 technologies and save energy, which of course then saves  
16 greenhouse gases. And oftentimes, saves water in these  
17 projects as well.

18           So with that, if there are no other questions or  
19 comments, I would move approval of Item 7.

20           CHAIR HOCHSCHILD: Thank you.

21           Any other comments from the other Commissioners?  
22 Okay, Commissioner Douglas, would you be willing to second?

23           COMMISSIONER DOUGLAS: Yes, second.

24           CHAIR HOCHSCHILD: All right, all in favor say  
25 aye. Vice Chair Scott?

1 VICE CHAIR SCOTT: Aye.

2 CHAIR HOCHSCHILD: Commissioner Douglas?

3 COMMISSIONER DOUGLAS: Aye.

4 CHAIR HOCHSCHILD: Commissioner McAllister?

5 COMMISSIONER MCALLISTER: Aye.

6 CHAIR HOCHSCHILD: Commissioner Monahan?

7 COMMISSIONER MONAHAN: Aye.

8 CHAIR HOCHSCHILD: And I vote aye as well. That

9 item passes unanimously.

10 Let's turn now to Item 8, approval of the October

11 14th, 2020 Business Meeting Minutes.

12 Any public comments on this?

13 MS. GALLARDO: This is Noemi Gallardo, the Public

14 Advisor, no public comment.

15 CHAIR HOCHSCHILD: Okay, let's move to

16 discussion. Can we have a motion, Vice Chair Scott?

17 VICE CHAIR SCOTT: Yes, I move approval of the

18 minutes.

19 CHAIR HOCHSCHILD: Okay, Commissioner Douglas,

20 are you willing to second? Commissioner Douglas?

21 COMMISSIONER DOUGLAS: Yes, sorry. Sometimes my

22 screen disappears and I have to find it again in order to

23 find my mute button. Yes, second.

24 CHAIR HOCHSCHILD: This is our new Zoom world

25 here.

1 All in favor say aye. Vice Chair Scott?

2 VICE CHAIR SCOTT: Aye.

3 CHAIR HOCHSCHILD: Commissioner Douglas?

4 COMMISSIONER DOUGLAS: Aye.

5 CHAIR HOCHSCHILD: Commissioner McAllister?

6 COMMISSIONER MCALLISTER: Aye.

7 CHAIR HOCHSCHILD: Commissioner Monahan?

8 COMMISSIONER MONAHAN: Aye.

9 CHAIR HOCHSCHILD: And I vote aye as well. Let's  
10 move on to Item 9, Lead Commissioner or Presiding Member  
11 Reports. Let's start with Commissioner Monahan.

12 COMMISSIONER MONAHAN: Well, I wanted to start  
13 just by saying something, which I think is shared among all  
14 the Commissioners, which is this real deep appreciation for  
15 how the CEC is turning its attention to equity inside the  
16 organization and outside the organization. And I think  
17 that Stan and the DACAG presentation is an action of some  
18 of our work outside the agency.

19 But internally I just was really touched by the  
20 diversity celebration that Noemi and other members of the  
21 Idea End Group (phonetic) helped pull together. And if you  
22 haven't seen it, Courtney, I mean carousel singing at the  
23 end was pretty -- will bring tears to your eyes.

24 And just this idea that this is an area that  
25 never arrived at a perfectly equitable fair system, but we

1 have to strive for it. And recognizing especially I think  
2 of the issues around racial justice over our country's  
3 history and it's just really important that we as an  
4 organization, just always strive to do better. And I feel  
5 like we're doing that.

6           And I want to give the Chair recognition for the  
7 speaker series. I mean, it's really been phenomenal and  
8 again has brought equity to the forefront in helping us  
9 wrestle more with what does it mean to tackle these really  
10 challenging issues? And really critically important to  
11 make sure that we are a fair organization and we're  
12 creating a fair society going forward. So I just want to  
13 say thank you to everybody that's been involved in this.  
14 There's a lot of folks involved in the IDEA N and the IDEA  
15 X. (phonetic) And I know there's a lot of interest within  
16 the CEC staff. And participating in this I just feel  
17 really good about the fact that we are taking this on. So  
18 thanks to everybody who's been involved in in that.

19           So I also wanted to just touch on the fact that  
20 we're exploring securitizing The Clean Transportation  
21 Program, which if you are like me and you didn't know what  
22 that meant at first is basically means moving monies  
23 forward that you would otherwise be spending at a later  
24 date. And the Chair has really been pushing us to look  
25 more creatively at how we can help implement the Governor's

1 executive order on electric vehicles.

2           And looking at creative financing, that's all  
3 part of that. So GO-Biz has been really helpful. And Dan  
4 Adler, in particular, has been a thought leader on this and  
5 Hannon Rasool is leading that work within the Fuels and  
6 Transportation Division. And he's really taking this on in  
7 a really thoughtful way with other team members, so I don't  
8 know where we're going to land on that. But I think this  
9 exercise is really important. And I think we're learning  
10 new things about what we can and cannot do. So hopefully  
11 at a future date we can either share that with you or you  
12 all can reach out to Hannon on your own. But it may be  
13 something eventually we want to bring to a business meeting  
14 just to socialize what we're learning.

15           And in that same space the CPUC, Commissioner  
16 Shiroma reached out to Commissioner McAllister and me about  
17 participating in OIR on financing. So basically, it's  
18 going to be examining options to assist electricity and  
19 natural gas customers to decrease energy use, reduce GHGs,  
20 and use creative financing to be able to do that.

21           I would say like us, everybody's trying to figure  
22 this out. And they engaged members of the Air Resources  
23 Board, GO-Biz, the Office of Planning and Research to help  
24 brainstorm ideas. They want to have a kickoff in Q4 with a  
25 workshop on this topic. And Commissioner McAllister and I

1 decided that, because of PK (phonetic) issues we wanted to  
2 be like super sensitive and err on the side of caution and  
3 not have both of us. So I guess I don't know if I drew the  
4 big straw or the short straw at this point, so there'll be  
5 more on that agency collaboration.

6           And lastly we're in the midst of trying to get --  
7 on the staffing side we're in the midst of trying to get  
8 another executive fellow. We had a rock star last year  
9 with Pilar Manriquez, who is now actually at the CEC. And  
10 we're looking to have another executive fellow continue the  
11 work that Pilar started on equity and other issues around  
12 the (indiscernible) program implementation. So fingers  
13 crossed, we'll know today and that's it.

14           CHAIR HOCHSCHILD: Thank you, Commissioner.

15           Let's move on to Vice Chair Scott.

16           VICE CHAIR SCOTT: All right. Hello, can you  
17 hear me?

18           CHAIR HOCHSCHILD: Yeah.

19           VICE CHAIR SCOTT: I don't see myself popping up.  
20 Okay. All right, great. Well, I had a couple of things  
21 that I wanted to speak with you all about. I wanted to  
22 echo what Commissioner Monahan said about our diversity  
23 celebration. I thought it was really wonderful and I  
24 appreciate the heartfelt stories that we heard from our  
25 staff as part of that. And really the whole celebration of

85

1 diversity, just it was very meaningful. There were points  
2 in time where I had tears in my eyes and I'm sure that  
3 others did too.

4           And it really is one of those things that gosh  
5 you want to do in person, because you just want to hug  
6 everybody and celebrate being together. But it was nice to  
7 be able to celebrate ourselves over Zoom in that way. So  
8 my kudos to everyone for putting that together and making  
9 it such a meaningful part of our conversation.

10           I also had a chance to speak at the Bay Area Air  
11 Quality Management District's Cleantech Marketplace  
12 Conversation. And that was really awesome. It was just a  
13 chance to highlight how investments from the state, and  
14 also investments from local can really help move clean  
15 technologies in any of the areas where we are trying to  
16 decarbonize.

17           I was joined by Kate Gordon from OPR and a few  
18 others on that excellent panel and enjoyed the ability to  
19 highlight the EPIC Program and Peer Natural Gas (phonetic)  
20 as well as FPIP. And how these investments that the state  
21 makes really can unleash and unlock private capital, and  
22 can also accelerate how we're moving in the -- how quickly  
23 we move in the clean tech space. That was a fun  
24 opportunity. I appreciate the Bay Area for reaching out  
25 and inviting me to be part of that and then

1           And then I really wanted -- believe it or not, it  
2 feels like our last business meeting was just the other  
3 day. But also, like many moons ago. In between our last  
4 business meeting and now we have done the EPIC Symposium,  
5 the EPIC Symposium was three days: October 19th, 20th and  
6 21st. And I thought that it was just really well done. We  
7 had all kinds of high caliber speakers.

8           And I wanted to give you some numbers that the  
9 consultant shared with me. We had almost 1,700 registrants  
10 for the EPIC Symposium, which is fantastic. On the days we  
11 had about 975 people who were actually attending and  
12 listening. The exciting difference between the attendees  
13 and registrants is people have signed up after the  
14 symposium, so that they can get access. You just have to  
15 sign up, but then you can get access to all of the data and  
16 material and information and watch the videos. And so it's  
17 exciting that there's that much momentum behind it, so many  
18 more people excited to see what we were talking about.

19           We had more than 92 speakers and so I really want  
20 to say thank you to everyone who took the time to provide  
21 their expertise and lend their knowledge and really helped  
22 make the EPIC Symposium exciting. It was more than 15  
23 hours of content. All of you helped participate, so thank  
24 you so much for that.

25           We had Governor Newsom as well, which I thought



1 was just a really exciting treat and so thankful that he  
2 would take some time to join us for a few minutes there.

3           And I want to send a shout-out to the CEC team.  
4 I'm going to read the names in by first name alphabetical  
5 order. So I want to say thank you to Eric Stokes, to  
6 Katrina Leni-Konig, to Lori ten Hope, to Linda Spiegel, to  
7 Lindsay Buckley, to Maggie Deng, to Mona Badie, to Rachel  
8 Salazar and to Rhetta DeMesa. There's lots of folks who  
9 worked on this together. But this was kind of the core  
10 team that did a lot of the planning and a lot of the  
11 outreach, the day-to-day work with our consultants. And I  
12 really appreciate the great work that they did to put  
13 together a fantastic EPIC Symposium.

14           You can imagine us in February or March, where we  
15 were all just about to go for the in-person one in April  
16 and then figuring out how to pivot, what kind of technology  
17 can you use to do a meeting where you've got 1,000 people  
18 wanting to participate. And getting that pulled off by  
19 October was just really impressive. And I really -- my  
20 heartfelt thanks to the team.

21           And with that, I might just close by saying also  
22 I want to say thank you to the entire Energy Commission  
23 staff across every group that we work with, for the  
24 continued excellent work. I know the shift to telework and  
25 working from home is a challenge. And it's a challenge

1 each and every day. But people I think have really stepped  
2 up. We're doing a great job.

3 I think folks around the state government, and  
4 also the people that we work with, are pleased with the  
5 work that the Energy Commission is doing. And the way that  
6 we're engaging with folks in a way that continues to be  
7 accessible and transparent in this virtual world. And I  
8 know that that's due in no small part to everybody kind of  
9 rolling up their sleeves and putting in some extra hard  
10 work. And so I do appreciate that. And I want to make  
11 sure everyone across our staff knows how much we appreciate  
12 the work that they do.

13 So with that, thank you.

14 CHAIR HOCHSCHILD: Thank you, Vice Chair Scott.

15 Let's move on to Commissioner McAllister.

16 COMMISSIONER MCALLISTER: Great. So yeah, just  
17 briefly, it feels like it's been a while since the last  
18 business meeting, but it hasn't actually been that long.  
19 But I guess just highlighting so much speaking. There's so  
20 much interest in what we're doing I think we're all getting  
21 way more requests to speak than probably we can even do.

22 But there's a lot of interest in how we're  
23 weaving together all these narratives and certainly  
24 supporting reliability, the Root Cost Analysis, and the  
25 follow on work from that. And in my world obviously the

1 buildings and the load flexibility is something whose time  
2 has arrived really. And kind of trying to make sure the  
3 messaging around that is clear and as concise as possible,  
4 even though it's a little bit of a complex issue. So  
5 getting upcoming actually talking to the Demand Management  
6 Council and a number of other groups about that. Both  
7 national and international actually, there's lots of  
8 interest in that, so that's good to see.

9 I think a lot of light bulbs are going on across  
10 the globe that grid management is something that we can  
11 really modernize and bring into the 21st century, so it's  
12 pretty excellent.

13 Other than that, I think I have just a bunch of  
14 thank yous. Our staff is working so hard and so well.  
15 And, you know, for me that means the big lift right now, or  
16 one of them, is the Title 24 Update for 2022. There's just  
17 a massive effort in the Building Standards Office. My  
18 Advisor, Bill Pennington, has just been critical as well:  
19 Mazi and Payam and then the whole team in the Building  
20 Standards Office. Will DeSent (phonetic) who's the new  
21 office manager has really stepped in and gotten both feet  
22 wet right from the beginning. So I want to just call out  
23 that team .

24 The 3232 team, Mike Sokol who is the Lead of the  
25 Efficiency Division, and just various strands within the

1 Efficiency Division, Jennifer Nelson and others there. And  
2 then also coordinating with the Assessments Division on the  
3 analysis of the building decarbonization, so with Siva and  
4 his team and Matt Caldwell and his team.

5           It's really a lot of a lot of innovative work.  
6 It's plowing new ground. And so it has a little bit fits  
7 and starts, but that's all that learning and it's about  
8 figuring out how to do things better. So I really  
9 appreciate everyone's volunteerism there.

10           And then the Title 24 data update. We had a  
11 workshop in the last couple weeks, a couple workshops about  
12 that actually recently. And that is critical for sort of  
13 keeping Commissioner Monahan's data comments earlier in the  
14 meeting today, keeping that data flowing and sort of  
15 formally supported by our regulations in all of our  
16 different realms. It really touches all of us and is  
17 really foundational work and keeping our I's dotted and T's  
18 crossed is really critical. So the Legal team and all the  
19 staff involved with that just thank you

20           And finally I think I wanted to just thank my  
21 office. Bryan and Bill and Fritz have just been running  
22 themselves ragged keeping up with everything. And I think  
23 with COVID, being nimble in our communications is more  
24 critical than ever obviously. And they've just done a  
25 massive, magnificent job really with that. So I want to

91

1 just thank all three of them for their efforts supporting  
2 everything my office is doing now and across the  
3 Commission.

4           And lastly, I just wanted to mention this Friday  
5 is the Leslie K. McAllister Symposium on climate and energy  
6 law at the University of San Diego. And so I'm going to  
7 moderate a session on Friday, actually it started last  
8 Friday with they've divided up into two days. But it's  
9 about regulation in times of emergency and disruption and  
10 it's very topical. And I'm always gratifying to  
11 participate in that event.

12           And I really appreciate the care and kindness  
13 that goes into that at the University San Diego. So it's  
14 got heavy legal content, because it's at the law school.  
15 So those of you who are lawyers, you should feel free to  
16 chime in. So thanks a lot.

17           CHAIR HOCHSCHILD: Thank you, Commissioner.

18           Let's go to Commissioner Douglas.

19           COMMISSIONER DOUGLAS: Great. Well, it's been a  
20 busy month and I'll just report on some of the things that  
21 I've been up to. We had our RPS workshop for the  
22 regulations. The workshop went very well. As I've been  
23 saying repeatedly look for a package to come to the  
24 business meeting in December.

25           I also enjoyed very much and appreciated the

1 diversity celebration. It was great to watch and it was  
2 great to see our staff kind of providing just some of their  
3 own stories and their own experiences. And really it was a  
4 very nice event. And so I want to thank everyone who  
5 worked hard to put that together.

6 I had a number of speaking engagements as have  
7 probably all of you. Geothermal Resources Council, I gave  
8 a keynote there. I participated in the Info Cast Clean  
9 Energy Virtual Summit talking about our SB 100 goals and  
10 technologies that can help us get to those goals. There  
11 may have been another one. Oh, I know Redwood Coast  
12 Energy Authority, they had a community forum in the evening  
13 and I participated in that. That was a really nice  
14 discussion. EPIC Symposium, a nice job Vice Chair Scott  
15 and others, you know, staff team that event went very well.

16 And the Chair and I are going to be speaking on a  
17 panel at the California Tribal Nations Conference today,  
18 the conferences yesterday and today. It's organized by the  
19 Governor's Office and Christina Snyder, the State's and the  
20 Governor's Tribal Liaison. So it's exciting to take part  
21 in that. The focus of that is infrastructure and economic  
22 development. Of course from our perspective, it's the  
23 state's shift towards meeting our clean energy goals and  
24 the opportunities that presents in the area of  
25 infrastructure and economic development. And our

1 partnership with tribes, which the Energy Commission has  
2 developed over years of work now.

3           So I think that -- oh, I also wanted to give one  
4 more shout out to the DACAG. I had the opportunity earlier  
5 in October to speak to the DACAG about a workshop that the  
6 Energy Commission is planning with the PUC and the ISO to  
7 look at energy efficiency improvement.

8           And kind of -- well it's not so much energy  
9 efficiency, but efficiency improvements at natural gas  
10 plants that allow some of these plants to operate more  
11 effectively at high temperatures. So that they don't  
12 reduce the output as much when temperatures are really  
13 high, because high temperatures tend to suppress generation  
14 at gas plants. And so there are things that can be done  
15 about it such as chillers and other technologies, some of  
16 which are very cost effective. And some of which could  
17 conceivably be in place by summer 2021.

18           And we had a very nice discussion, a very robust  
19 discussion. They were pleased to hear about the workshop  
20 and interested in participating in it more importantly.  
21 And so I think having the DACAG's participation early and  
22 discussion and dialogue early on issues like that is going  
23 to be helpful to all of us.

24           So those are some of my updates. I probably  
25 could have come up with more, but I think I'll pass on

1 anything else and pass this on to one of my colleagues.

2 Thank you.

3 CHAIR HOCHSCHILD: Great. Thank you,  
4 Commissioner.

5 I'll just keep my comments brief. I just wanted  
6 to give my thanks to the whole EPIC team and to Vice Chair  
7 Lori and everyone. That was I think the biggest and the  
8 best EPIC Symposium we've had, I believe 1,600 people all  
9 together. And I was thrilled the Governor could join us  
10 and all the other luminaries, just tremendous.

11 And the diversity celebration just couldn't have  
12 come off any better. We started planning that I want to  
13 say eight or nine months ago. And had been hoping to do it  
14 in-person with food, which we will certainly do when we're  
15 able to gather in person again, as well as music and dance.  
16 So that that was just an absolute treat to be able to do  
17 it. And I think it'll be even better when we can do it in  
18 person. So thank you, Noemi, and everyone else who was  
19 involved in making that a success.

20 I also want to give a shout out especially to  
21 Alana Sanchez who was instrumental in the success of our  
22 California-Germany Symposium. We've been doing that for a  
23 number of years. This year we focused for the first time  
24 on transportation and had a great dialogue with the Germans  
25 on that. And just incredible the momentum we're seeing.

95



1 (audio periodically cuts out.)

2 We're going to be having a guest speaker for all  
3 Energy Commission staff very soon from Ford, the new CEO of  
4 (indiscernible). They're introducing the electric F-150  
5 at the end of next year. Their new model (indiscernible)  
6 electric vehicle and just another example of the incredible  
7 progress, the Ford F-150 going electric, you know? This is  
8 something that I just don't think would be happening now  
9 (indiscernible) policy leadership. And that electric  
10 vehicle ecosystem was able to incubate here.

11 So I'll stop there, but thanks everyone for an  
12 incredible year so far. A lot of challenges, but a lot of  
13 progress. So with that let's go to Item 10 Executive  
14 Director's Report.

15 MR. BOHAN: Thank you, Chair just one item I  
16 would like to raise and that is session we held last week  
17 with all staff. And it was about rethinking our workplace.  
18 We had one of our Zoom licenses that allows up to 500  
19 people we maxed, so 500 staff stepped up and wanted to  
20 participate. And I know a couple of you did as well. This  
21 is on video if anyone wanted to go back and look at it.  
22 But I was really heartened to see the questions. We got  
23 about 60 questions at the end that staff asked that just  
24 reflected an engagement and enthusiasm for figuring it out.

25 It's a brave new world and we wanted to come in

1 as management not with answers, but with questions, and  
2 staff stepped up. So we're now doing -- we've put out  
3 another survey to really ask questions very specific to  
4 telework and what do we want the office to look like, and  
5 that sort of thing. And we've established some focus  
6 groups in our consultant, RedRhino, which is composed of  
7 folks that used to work at WeWork and are just excellent  
8 are going to have that conversation. And we're wanting to  
9 figure out how we're going to reconfigure our office when  
10 we're given the green light sometime next year, presumably  
11 to be able to go back. So thank you very much.

12 CHAIR HOCHSCHILD: Yeah, that was absolutely  
13 spectacular, Drew. Thank you on behalf of all of us for  
14 that.

15 All right, let's turn now to Item 11, the Public  
16 Advisor's Report.

17 MS. GALLARDO: Hi there, Chair, Vice Chair and  
18 Commissioners. Thank you. I want to start out by saying  
19 that I really appreciate you giving kudos to the staff who  
20 helped put on the diversity celebration, and all of those  
21 who were also willing to share so much of themselves in  
22 that celebration. And looking forward, and we're going to  
23 hold ourselves accountable to providing food, music,  
24 dancing games and whatnot once we're in person to do our  
25 next diversity celebration.

1           Also I want to take this opportunity to invite  
2 our audience to join us for the Energy Commission's  
3 Inaugural Clean Energy Hall Of Fame Awards. We'll announce  
4 the winners shortly. It's an incredible cohort, very  
5 inspiring work that they've done to contribute to our 100  
6 percent clean energy future. And I want to make sure that  
7 you can all help us celebrate them, so the awards event is  
8 happening on Thursday, December 10th at 2:00 p.m. It'll be  
9 virtual on Zoom and we'll send out more detail shortly.  
10 Those will also be posted on our homepage of our website at  
11 energy.ca.gov.

12           And that concludes my comments. Thank you.

13           CHAIR HOCHSCHILD: Thank you.

14           All right, let's move on to Item 12, Public  
15 Comment. Any public comment on this, Noemi?

16           MS. GALLARDO: So Chair, I'll read the  
17 instructions first, just to give folks a chance. So this  
18 is the period for any person wishing to comment on  
19 information items or reports of the meeting agenda. You  
20 will have three minutes total to give comments and may be  
21 limited to one representative per organization.

22           As a reminder, we are not accepting public  
23 comment through the Zoom system. Please call our Verizon  
24 line at 888- 823-5065 as you see on the screen. You still  
25 have time to hop on if you act quickly. The pass code is

98

1 "business meeting." And after your line is opened please  
2 spell your first and last name, state your affiliation if  
3 you're representing an organization. Do not use the  
4 speakerphone when talking, because we won't hear you  
5 clearly. And if you're also on Zoom either mute or leave  
6 them to avoid the feedback.

7 So I do not have any written comment, Chair, and  
8 it looks like we do not have anyone on the line, either.  
9 So we can we can move forward to the next item.

10 CHAIR HOCHSCHILD: Okay, thank you, Noemi.

11 Let's move on to Item 13, Chief Council's Report.

12 MR. WARD: Good afternoon. This is Allan Ward,  
13 an Assistant Chief Counsel in the Chief Counsel's Office.  
14 I'm here just substituting for Darcie Houck. And I wanted  
15 to report that we have no report out today.

16 CHAIR HOCHSCHILD: Okay, thank you. Thank you  
17 for your report there.

18 And with that we're adjourned.

19 (The Business Meeting adjourned at 12:15 p.m.)

20 --oOo--

21

22

23

24

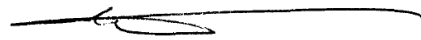
25

**REPORTER' S CERTIFICATE**

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of November, 2020.



---

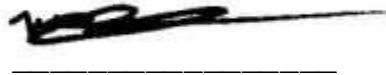
PETER PETTY  
CER\*\*D-493  
Notary Public

**TRANSCRIBER'S CERTIFICATE**

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of November, 2020.



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