

BEFORE THE STATE OF CALIFORNIA
THE NATURAL RESOURCES AGENCY
CALIFORNIA ENERGY COMMISSION (CEC)

In the Matter of:)
) Docket No. 10-ALT-01
2011-2012 Investment Plan for the)
Alternative and Renewable Fuel and)
Vehicle Technology Program)

2011-2012 Advisory Committee Meeting for the Alternative and
Renewable Fuel and Vehicle Technology Program

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

TUESDAY, NOVEMBER 30, 2010

Reported by:
Peter Petty

Commissioners (and their advisors) Present (WebEx)

James D. Boyd, Vice Chair and Presiding Member, Transportation
Committee

Tim Olson, Advisor to Commissioner Boyd

Anthony Eggert, Commission and Associate Member, Transportation
Committee

David Hungerford, Advisor to Commissioner Eggert

Staff Present:

Peter Ward

Pat Perez

Jim McKinney

Advisory Committee Members Present

Jack Michael, Recreational Boaters of California

Barbara Halsey, California Workforce Investment Board

Peter Cooper, California Labor Federation

Andy Panson, Air Resources Board (for Tom Cackette)

Leslie Brown Garland, Western Propane Gas Association

Joe Norbeck, Professor, University of California Riverside,

Director of (former) Environmental Research Institute

Bonnie Holmes-Gen, American Lung Association

Tim Carmichael, California Natural Gas Vehicle Coalition

Howard Levenson, for Mark Leary, California Department of

Resources Recycling and Recovery

Shannon Baker-Branstetter, Consumer Union

*Roland Hwang, Natural Resources Defense Council

* Daniel Emmett, Energy Independence Now

*John Shears, Center for Energy Efficiency and Renewable
Technologies (CEERT)

*R. Brooke Coleman, New Fuels Alliance

Justin Ward, Advanced Program Powertrain Manager, Toyota Motor
Engineering and Manufacturing North America

Also Present

Public:

Ed Imai, Assembly Transportation Committee

Carrie Cornwell, Senate Transportation Committee

Sabrina Means

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1

1 P R O C E E D I N G S

2 NOVEMBER 30, 2010

1:07 P.M.

3 VICE CHAIR BOYD: Well, good afternoon, ladies and
4 gentlemen. I think I'll invoke the almost 10-minute rule
5 and get us started. Welcome to this meeting of the - we'll
6 call it the 2011-12 Advisory Committee for the Alternative
7 and Renewable Fuel and Vehicle Technology Program. The
8 Transportation Committee is hosting - convening this meeting
9 and I'm Jim Boyd, the Presiding Member of the Transportation
10 Committee and to my immediate right is Commission Anthony
11 Eggert, Association Member of the Transportation Committee.
12 And I'll call upon Anthony in a moment to say his opening
13 remarks.

14 I want to welcome you all, I want to thank you all
15 for being here. We didn't promise you warm weather, but at
16 least we got you dry weather, nippy out there the last few
17 days. This is - I forgot the number of meetings we've had,
18 but we've gotten to be, some of us, a fairly regular group.
19 And to the new members, I welcome you. We'll go around the
20 table in just a moment and folks can do introductions. And,
21 Pat, I don't know, are there Committee Members on the phone,
22 to your knowledge?

23 MR. PEREZ: It's my understanding we may have one
24 or two on the phone.

25 VICE CHAIR BOYD: Okay, we'll call for them at

1 the appropriate time, then. We appreciate the time you all
2 give to give us advice and counsel on how best to prepare
3 the Investment Plan for this program, for each fiscal year.
4 As some of you are very familiar, the first two years were
5 rolled together into kind of an over-arching plan, and now
6 we've moved into individual years and, as you've heard and
7 will hear more today, the Legislature has changed the ground
8 rules and the timetable for us with regard to the submission
9 of these plans. And the staff will take you more through
10 that. What it means, we have to meet earlier and quicker
11 with each succeeding fiscal year. We get until next March
12 to turn in this plan, and the following year has to be
13 turned in with the Governor's Budget in January, so at an
14 ever accelerating pace.

15 I think we promised to discuss with you kind of
16 progress against plans so far, and the staff will give you a
17 rundown on the awards that have been made to date out of the
18 first allocations of monies, consistent, we think, with the
19 Investment Plan. And as we discussed in the past, we and
20 some of you and some of the public have been more than
21 concerned with the seemingly slow pace of the program, and
22 we've explained that these are tough times in California
23 Government, and so on and so forth, you'll get a little more
24 insight into that from the staff. Just let me say, we're
25 not giving you this presentation to whine, although it kind

1 of looks a little whiny, but it's really just to explain
2 what it is we've had to deal with, with the
3 recession/depression we've been in, the budget cuts, the
4 handling of Economic Stimulus money, and what have you.

5 So, we'll go through some presentations and then
6 have some feedback from you. This will be kind of a good
7 news bad news day, good news with regard to - we've got a
8 lot of Program Opportunity Notices out the door, and have
9 made a lot of awards, we've awarded almost all the money
10 that was available to us in spite of the bad news of the
11 amount of time it took. Staff has taken on that herculean
12 task and done quite well under the circumstances that
13 they'll explain. And we'll explain a little bit more as we
14 go into this program the likely possibility that there will
15 not be full funding for this program in the future, not
16 because of any action taken by outside parties, other than
17 the economy and the revenue that is available to us has
18 fallen, we're told, fairly significantly and we won't be
19 able to carry out all that we would like to carry out in the
20 immediate future, anyway. And I think staff can talk about
21 that more.

22 So, again, welcome, thank you all for being here.
23 Commissioner Eggert, a few words, and then we'll go around
24 the table and ask the Advisory members to introduce
25 themselves.

1 COMMISSIONER EGGERT: Thank you, Commissioner.
2 Again, I also want to thank everybody for participating in
3 today's meeting. I'm looking forward to the conversation.
4 I think, as Commissioner Boyd mentioned, we have faced some
5 fairly significant challenges within the program, which we
6 will be discussing, and we have accomplished quite a bit
7 within the program, over \$100 million worth of awards have
8 been made, matched with over \$100 million in Federal funds,
9 and well over \$100 million in private funding. And these
10 are some really fantastic projects. I would encourage you
11 to take a look at the hand-out, there is a listing organized
12 by sort of technology area of all the currently awarded
13 funded projects, and we've really, I think, done a great job
14 at identifying some of the best opportunities that exist
15 within the state through the solicitation, the competitive
16 solicitation process. And the programs are underway and
17 will be delivering benefits to the California economy.

18 And I think, also just again to remind folks, the
19 purpose of this is to achieve a number of goals, including
20 the environmental goals of reduced greenhouse gas and other
21 emissions, petroleum consumption reduction, as well as
22 economic growth within the state in this new area. Despite
23 the accomplishments, we know we can do better. Things still
24 take too long, some of this, we have the opportunity to
25 control, and other things we can't. But for those that we

1 can, we should always be looking for opportunities to do
2 things better and we're going to be asking for your advice
3 and guidance on that. For those involved in the automotive
4 industry, a couple of terms come to mind, sort of continue
5 process improvement or, if you're working for one of the
6 Japanese companies - I see some folks here - the term is
7 Kaizen, which is always looking for incremental and
8 continuous improvement. You should never be satisfied with
9 where you are, there are always opportunities to do better.

10 We are going to have new challenges, as
11 Commissioner Boyd mentioned, both in terms of process, as
12 well as it relates to the resources that will be available
13 to us, but I think, with your good guidance and advice, and
14 the excellent staff that we have available to us, I'm
15 confident that we can still do tremendous things with this
16 program. So, I look forward to the discussion and I guess
17 I'll turn it back to the Chair.

18 VICE CHAIR BOYD: Thank you, Commissioner. I
19 think we'll just go from my left side here around the room
20 and have the committee members introduce themselves. And
21 for those of you who are new to this group, maybe just a few
22 words of background.

23 MR. MICHAEL: I'm Jack Michael. I'm representing
24 Recreational Boaters of California. I've spent some time in
25 Sacramento, but have been retired for 12 years and my first

1 time with this group, and I look forward to learning
2 something and hopefully contributing something.

3 VICE CHAIR BOYD: Well, welcome and thank you. I
4 don't know if Sacramento has changed much since you were
5 last year, but hopefully.

6 MR. MICHAEL: Sacramento, I don't think, has
7 changed for 30 years.

8 MR. OLSON: Tim Olson, Advisor to Commissioner
9 Boyd.

10 MS. HALSEY: Good afternoon, Barbara Halsey,
11 California Workforce Investment Board, also representing
12 Doug Hoffner from the Labor and Workforce Development
13 Agency.

14 MR. COOPER: Good afternoon, Peter Cooper with the
15 California Labor Federation.

16 MR. PANSON: Andy Panson with the Air Resources
17 Board. I'm representing Tom Cackette today, who had a
18 conflict.

19 MS. GARLAND: Lesley Garland, Western Propane Gas
20 Association.

21 MR. NORBECK: My name is Joe Norbeck. I'm a
22 Professor at the University of California Riverside and a
23 Director of what was called the Environmental Research
24 Institute.

25 VICE CHAIR BOYD: Welcome, Joe.

1 MS. HOLMES-GEN: I'm Bonnie Holmes-Gen, with the
2 American Lung Association in California and continuing
3 Advisory Committee Member.

4 MR. CARMICHAEL: Tim Carmichael with the Natural
5 Gas Vehicle Coalition, also a continuing member. Just to
6 make a request, at some point, it would be good to know who
7 is on the Advisory Committee that wasn't able to make it
8 today because I haven't seen that information, I don't see
9 it in the packet. Not urgent, but it would be helpful at
10 some point to know that.

11 MR. LEVENSON: Howard Levenson with the Department
12 of Resources Recycling and Recovery, otherwise known as Cal
13 Recycle, and I'm taking over for Mark Leary, who served last
14 year.

15 VICE CHAIR BOYD: Welcome.

16 MS. BAKER-BRANSTETTER: Hi. I'm Shannon Baker-
17 Branstetter with Consumers Union and I'm also a continuing
18 member.

19 MR. MCKINNEY: Jim McKinney, Energy Commission
20 staff.

21 MR. PEREZ: I'm Pat Perez, the Deputy Director for
22 the Energy Commission's Fuels and Transportation Division.

23 MR. WARD: Peter Ward, Energy Commission.

24 VICE CHAIR BOYD: Now, are there any Advisory
25 Committee members on the phone who would like to identify

1 themselves, please?

2 MR. HWANG: Roland Hwang with Natural Resources
3 Defense Council.

4 VICE CHAIR BOYD: Hi, Roland. We've got a pretty
5 scratchy reception, though, hopefully it improves.

6 MR. HWANG: I will put myself on mute.

7 VICE CHAIR BOYD: Excuse me, Roland, it's not you,
8 apparently it's the system. Go ahead, I'm sorry.

9 MR. EMMETT: This is Daniel Emmett, Energy
10 Independence Now, also a former member of the committee.

11 MR. SHEARS: John Shears, Sempra Energy Efficiency
12 and Renewable Technologies, also a continuing member of the
13 Advisory Committee.

14 VICE CHAIR BOYD: Hi, John.

15 MR. COLEMAN: Brooke Coleman, New Fuels Alliance,
16 continuing member, as well.

17 VICE CHAIR BOYD: Hello, Brooke.

18 MR. COLEMAN: Hi, there.

19 VICE CHAIR BOYD: Anyone else? We're picking up
20 background conversation and a lot of static. I'm not quite
21 sure whether it's even our people or something is bleeding
22 into the system. Anyway, welcome everybody. We have two
23 guests that we invited to come to the table, but they've
24 opted to stay in the audience, Ed Imai, am I saying that
25 right, who is from the Assembly Transportation Committee.

1 Staff? Where are you, Ed, so I can get your - ah, did I get
2 your name reasonably right? Good. And Carrie Cornwell, the
3 Senate Transportation Committee. Hi, Carrie. All right, I
4 think with that, Pat, can the staff later provide a list of
5 all the advisory committee members? I think that was a good
6 request by Mr. Carmichael, so we can see who is not here.
7 The only person who I know who is not here is Jan Sharpless
8 who sent in an e-mail just a short time ago saying she had
9 kind of a late conflict. So, with that, I guess we can turn
10 to the first item on the agenda, a staff presentation by Pat
11 Perez and Jim McKinney. So, take it away, please. We've
12 got these microphones tuned way up so we can hear all side
13 discussions here when you're talking about us, but otherwise
14 be so cautioned.

15 MR. PEREZ: All right, good afternoon,
16 Commissioners, Advisory Committee members, as well as award
17 recipients that are here today, and especially legislative
18 staff for being here this afternoon, we really appreciate
19 your interest and continued support on this very ambitious
20 effort here to get our transportation energy funds out into
21 the marketplace.

22 With that, today, a couple of things we want to
23 cover, first of all, I'm going to be doing a joint
24 presentation with Mr. Jim McKinney and, as part of this
25 presentation, we're going to talk a little bit about the

1 lessons learned based on some of the challenges we faced in
2 getting this program up and operating, identify some of the
3 issues that we're working on, but, more importantly, we'd
4 like to engage you to get feedback and assist us in
5 improving upon the process of, not only developing the
6 Investment Plan, but for getting money out in a more timely
7 fashion. So, that is our goal today, is to get your input
8 and ideas on how to improve the Investment Plan development,
9 as well as reduce the time required to get the funding out
10 on the streets. That's paramount and extremely important
11 for us because we've heard from all of you, whether it's at
12 the Legislature, stakeholders, award recipients, or those
13 that may be awarded down the road, that our process is slow
14 and we would agree with you.

15 So, with that, what I'd like to do is just quickly
16 cover the three areas and difficulties we've faced with
17 respect to implementation of the AB 118 program. I'm going
18 to talk a little bit about the role, the importance, and
19 effect of the American Recovery and Reinvestment Act of
20 2009, and what that meant to internal resource needs and the
21 impacts on the AB 118 program, in particular, since the
22 Energy Commission received \$314 million to administer, and
23 therefore that caused us a significant shifting in internal
24 resources here. I will talk about some of the resource
25 challenges for program development. Mr. McKinney will be

1 going into depth as to the steps, the process that we
2 followed, areas for improvement, as well as the
3 Commissioners pointed out, we are in the midst of an
4 economic downturn and that certainly had an impact on
5 revenues and, more importantly, on the resources within this
6 Energy Commission in terms of developing the solicitations
7 and the Investment Plan.

8 One of the greatest opportunities for putting
9 Californians back to work arrived with the passage of the
10 American Recovery and Reinvestment Act, and as many of you
11 recall, one of the directives provided by Governor
12 Schwarzenegger to not only the California Energy Commission,
13 but to all State agencies and departments, is that he
14 encouraged and directed us to go out and capture as much of
15 the competitive funding that was available out there, to
16 benefit California. And the Energy Commission and staff did
17 respond to that directive by providing funding in the amount
18 of about \$36.5 million in AB 118 funding as matched to a
19 track and capture, what we consider a significant share of
20 Federal dollars to California. Now, this, of course, is a
21 one-time, but it is a multi-year effort and one of the
22 things that we learned from this exercise as we went out
23 there, is we had no idea that we were going to get such a
24 demand and interest in these matching funds, and I can tell
25 you, you can look at the statistics here on the slide, over

1 193 pre-proposals and 112 final proposals were reviewed,
2 evaluated, and scored by staff, pretty much an unprecedented
3 number of interests in our program for the matching fund.
4 And as you might expect, that took significant time,
5 weekends, and holidays, to actually review, score, and
6 evaluate these proposals. So that was workload we did not
7 originally anticipate as part of the AB 118 program. But
8 I'm also happy to say, and very grateful for the dedicated
9 staff we have here at the Energy Commission, that we were
10 able to leverage about \$105 million in Federal funds and the
11 other \$106 million in private funding to California that
12 will ultimately benefit all of us down the road for a
13 variety of projects. That is very exciting news that,
14 despite these challenges, we are making progress.

15 In terms of the workload impact on AB 118,
16 certainly the ARRA work became not only the top priority
17 here at the Energy Commission, but at other State agencies
18 and departments because of the driving need to put
19 Californians back to work, or to retain their jobs here in
20 the state. So, that is why that became the number one
21 priority. And as a result of that high priority, we had to
22 shift staff resources and administrative support to cover
23 that \$314 million in new Federal funding that came to the
24 Energy Commission, and that did result in causing a slight
25 delay in the processing of AB 118 Agreements. As you can

1 only imagine, our Administrative Contracts, Grants and Legal
2 Offices were heavily engaged with staff to address more
3 than, and develop 240 ARRA Agreements, loans, and grants
4 that were processed; that is a phenomenal amount of
5 processing that took place here at the Energy Commission.

6 Now, certainly as you heard earlier, the economic
7 downturn, the delay in the State Budget, which had an impact
8 on getting spending authority for some of our partner
9 agencies on some of the programs that we're working on, did
10 have an impact, but it's not unique just to the Energy
11 Commission, certainly other agencies and departments are
12 also facing some of these constraints, but really where the
13 impact came in is on staff resources. Certainly, furloughs
14 had a huge impact, and we had some critical - we'll have to
15 admit right up front, we had some significant departures of
16 key managers, supervisors, and a number of engineers within
17 the Division, and we have not been able to backfill those
18 positions because of a hiring freeze. On the other hand,
19 the staff that we do have, have been able to pick up much of
20 that workload by putting in extra hours, and we're very
21 grateful for that.

22 Jim McKinney is going to cover the next array of
23 items and explain the processes for the development of the
24 solicitations, as well as the evaluation processes, the
25 scoring of the proposals, the releasing of Proposed Awards,

1 as well as some of the localized health impact studies and
2 California Environmental Quality Act determinations that we
3 had to go into, the time expended in developing and
4 negotiating the final agreements with our award recipients,
5 and also the development of the Investment Plans, those are
6 all critical. But, I can say, and I will leave on this
7 positive note, that despite some of these difficulties and
8 challenges, we are making significant progress, at least
9 certainly over the last several months, as we move forward,
10 our Business Meeting has been full of exciting news with
11 awards. After tomorrow's Business Meeting, we will have
12 roughly \$80 million in AB 118 projects that have been
13 encumbered, and there will be more coming later in December
14 and January, so we are making progress. So, with that, I'm
15 going to turn it over to Mr. McKinney, who will fill you in
16 on the details and, again, we look forward to getting your
17 input on how we can streamline our processes, be more
18 receptive to your needs, and get the money out the door
19 quickly. So, thanks once again.

20 VICE CHAIR BOYD: Let me ask if anybody had any
21 questions of Pat before we start with Jim McKinney.

22 MR. MCKINNEY: Okay, let me check the mic sound.
23 Hi, I'm Jim McKinney. I'm here in a new capacity, I'm now
24 the Office Manager for the Emerging Fuels and Technologies
25 Office, filling in as best as I can on Chuck Mizutani, who

1 retired and, as I understand, is reading Proust in a café in
2 Paris someplace, he never comes to visit us anymore. I'm
3 happy to be working with Pat, my new boss, and the Deputy
4 Director for this program, so we are pretty excited about
5 the management challenges and changes that we're working on
6 here.

7 So what I want to do here, as I think Commissioner
8 Boyd alluded, I'm not going to whine, I save that for the
9 dinner table when I've had a tough day, but I do want to
10 help everybody understand the series of steps and processes
11 that we go through to convert a good idea into a final grant
12 agreement or award with the technology providers here in
13 California. So, in terms of a program timeline, the statute
14 was passed in '07, many of you here at the Advisory
15 Committee helped work on that. We got the regulations up
16 and running in February '09, and let me say, it was a sprint
17 from the beginning, there really hasn't been a down time in
18 this at all. Then we started working on the Investment
19 Plan, so the first one was June '08 to April '09, and I
20 think a lot of you participated in that, helped to craft
21 that and shape it, that was under Mike Smith's leadership -
22 welcome back, Mike, he can't stay away. And then the second
23 one was also under Mike's leadership with Leslie Baroody as
24 the Project Manager, now Charles Smith, if you want to raise
25 your hand, he got the short straw, or the promotion, to

1 Project Manager for the next Investment Plan. Thanks,
2 Charles, for all your good work. But one thing I want to
3 point out here is, again, we've dedicated at least two
4 senior staff, almost on a continuous basis to crafting the
5 Investment Plans, that's a fairly heavy, serious commitment
6 of staff resources to get this document prepared. And then,
7 wow, I really apologize for the formatting here. In April
8 '09, we hit the streets with the first of the ARRA
9 solicitations and then followed up pretty quickly in
10 November through June '09-'10, with Biomethane meeting
11 Heavy-Duty Advanced Technology Vehicles, CPIP, or the
12 California Ethanol Producers Incentive Program, Fueling
13 Infrastructure, Biofuels, Manufacturing, and then Hydrogen
14 Fueling Stations.

15 So, I'm going to really kind of dig into the nuts
16 and bolts of our program here. This is a status report on
17 where we are. As Pat mentioned, we've had seven
18 solicitations thus far, we've reviewed a total of about 313
19 Proposals across a wide array of technologies and fuel
20 types, and we have 65 grant awards that we are now
21 converting to final contracts or agreements. So,
22 "Executed," that means those are finalized, we have 12,
23 that's about 20 percent; going down from that, we have four
24 that are in final review with the Grants Office; we have 15
25 that are in Final Drafts in review or in development with

1 our Division of Administrative Unit; we have 17 with our
2 staff, the Emerging Fuels and Technologies Office, that's
3 the first draft of the Agreement; and then we have 17 that
4 are awaiting CEQA compliance, or further information from
5 the Applicant for that. And, as Commissioner Eggert said, I
6 want to refer you to what I called a "Compendium of
7 Projects," it's really exciting, it may look like a dry
8 hand-out, but if you take the time to read through there and
9 kind of let the range of technologies, the Alternative
10 Fuels, the Vehicles, you know, light-duty vehicle through
11 heavy-duty, it's exciting, and there's a lot of excitement
12 at the Business Meetings, as we bring these forward and the
13 Commission approves them, and as somebody said, we have six
14 more tomorrow at the Business Meeting.

15 So these are the seven steps that it takes us to,
16 again, go from a good idea to a Final Grant Agreement with
17 our Applicants. As Pat has said, we are not satisfied with
18 the length of time it is taking us, and, again, our goal
19 here is to be transparent and tell you where we think the
20 issues are and room for improvement, and ask for your input,
21 as well. And, you know, I took this position August 15th,
22 Pat sat me down and said, "Jim, we've got a lot of work to
23 do to really streamline this." I developed some good
24 systems and training, we have a lot of new staff in several
25 departments here, and I think that is going quite well.

1 Also, as Pat said, the retirements, coupled with the hiring
2 freeze, has been a challenge, we are currently down six
3 positions out of 25, and I keep thinking that the Giants
4 have put five or six guys on the field, it would have been
5 tougher for them to win the World Series, but they would
6 have tried hard.

7 Okay, so the first step, Develop and Post a
8 Solicitation, this comes directly from the categories
9 identified in the Investment Plan. We have to define the
10 market and technology parameters we want to look at, the
11 minimum qualifications, and develop a scoring criteria. Our
12 staff in the Emerging Fuels Office drafts those up, and then
13 it goes through extensive review with our legal office and
14 our grants office. We also have a bidders workshop that we
15 host to explain the process and the expectations to
16 applicants. The second step is to review, score, and rank
17 the proposals. This is quite a level of effort for our
18 staff and for other agency staffs to participate, both the
19 ARB staff and Cal Recycle assisted us on that, and we thank
20 them for that and we look forward to working with them
21 further on different subject areas. This takes about 40-90
22 days from the receipt of the proposals to final staff
23 recommendations to the Transportation Committee, so
24 Commissioners Boyd and Eggert. Then we post the Notice of
25 Proposed Award, or NOPA, a lot of people are excited, and

1 many more are disappointed that they didn't win an award.
2 Then, there's a series of steps that takes place between the
3 NOPA and the Business Meeting, so one is the Localized
4 Health Impact Report, that has taken us 15 to 90 days to
5 prepare those, we then post them for 30 days, and this is
6 one question I would pose here: are we getting value added
7 for that report? Does it make sense to look at localized
8 health impacts for things like heavy-duty vehicles for
9 residential electric chargers? I can't really think of any
10 possible public health effects from that, but we're
11 obligated to do that, thus far. So I think that might be an
12 area that we could discuss later on. CEQA compliance is
13 taking one to 12 months, this has been a point of confusion
14 and concern with the Applicants, we're working very closely
15 with Counsel's Office, Renee and Kristin are both here, they
16 put in a lot of extra hours working with the Applicants to
17 convey the information that is needed. We then go to the
18 Business Meeting, and then, finally, we develop and execute
19 the Agreement. This takes coordination between four
20 internal offices, three of which have new staff, so, again,
21 training, development of procedures and systems is one of my
22 goals as the new manager.

23 What this slide is intended to show, it's a
24 comparison between two real life projects, sample projects,
25 the one on your left is Motiv Power Systems, they are doing

1 an all-electric Class IV electric package delivery vehicle,
2 and that was under the medium- and heavy-duty vehicles
3 solicitation. On your right is a project that was awarded
4 for 10 CNG and LNG fueling stations in Southern California,
5 that is a partnership with the South Coast AQMD and Clean
6 Energy.

7 I just want to walk you through this so you can
8 kind of see how different types of projects play out in our
9 timeline. So, the first step is solicitation and
10 development, and that is this line up here, and that takes
11 five to six weeks to get that through and, again, that goes
12 from concept to final approval by Legal and Grants and the
13 commissioners. We post a solicitation, get proposals back,
14 and then staff digs in and starts its review work. So, the
15 medium-duty and heavy-duty took staff 84 days, working days,
16 to review all those proposals and make the final
17 recommendations to the Committee. It's a little shorter for
18 the one on the right, the infrastructure. Post the NOPA's
19 is about a month apart, May for the Infrastructure and
20 Natural Gas LNG, June for the Medium-Duty and Heavy-Duty
21 Vehicles. Now, you start to see some differences. So, CEQA
22 review for that was perfunctory, there really is no adverse
23 possible effect to the environment, so that was a pretty
24 quick turnaround. For the South Coast Clean Energy Project,
25 that is still in review. We then go to the Business Meeting

1 and then we work on the Agreement development, in this case,
2 for Motiv Power, that took about four months staff time and
3 we completed that just before Halloween.

4 This is a busy slide with a lot of information,
5 but, again, we're trying to be transparent here, so I will
6 walk you through this. We have the main solicitations that
7 we've done thus far, I'll start up here with ARRA on the top
8 row, we posted that April '09, got them back in May '09, as
9 Pat said, 193 pre-proposals, 112 proposals, a total of 80
10 working days for staff to review. This was a
11 disappointment, there were only nine awards that DOE made
12 out of those 112 that we recommended for funding, seven of
13 those have been approved at the Business Meeting, and those
14 seven have been executed, there are two that are hung up
15 with some DOE - I'm actually not clear on what it is, but
16 there are a series of issues between DOE and SMUD on the
17 other two that need to be worked out.

18 Biomethane, and this is the first of three that
19 you'll see we did concurrently, Biomethane and Medium-Duty
20 and Heavy-Duty, and Alt Fuels Infrastructure. So, again,
21 for Biomethane, we posted that late November - let me say,
22 too, so after ARRA we were quite disappointed not to have
23 gotten more Federal awards out of that, so we immediately
24 turned around and, again, I give Mike Smith a lot of credit
25 for this, and crafted three additional solicitations to get

1 out the door, to really try to backfill those technology
2 areas where DOE did not make awards that we were expecting.
3 And you can see for Biomethane, there were a total of 27
4 proposals, we made four awards, it took 45 days for staff to
5 evaluate and recommend those. One has been approved at the
6 Business Meeting, these are production plants, you'll see
7 them listed in the compendium, and three are still awaiting
8 CEQA clearance. For the Medium-Duty and Heavy-Duty, 49
9 proposals, eight awards, 84 working days, this was a tough
10 one, we were not adequately staffed in this technology area,
11 and this is one where we're consulting with PIER and some
12 other folks at ARB on really how to kind of enhance our
13 technical capacity in the medium- and heavy-duty advanced
14 vehicle technology sector. And of these eight, my notes
15 show that I think we've completed four, so about half way
16 through there on the ones that were awarded.

17 The Infrastructure, again in November '09, 53
18 proposals, 19 awards, about 70 days to review. Ten of those
19 have cleared CEQA and gone to the Business Meeting, nine are
20 remaining. So that's probably enough.

21 Let me finish up here with the Hydrogen one, we
22 posted that NOPA just quite recently, so I think we're going
23 to get a total of 11 hydrogen fueling stations primarily in
24 the Southern California area out of that. We learned a lot
25 from the Hydrogen solicitation, Pete Ward and Toby Smith

1 [sic] - I mean Toby Meunch - headed that up, and we really
2 liked the way - they really focused it quite well in a
3 technical area, solicited data from the OEMs on where the
4 fuel cell vehicles would be deployed, and we really tried to
5 match vehicle deployment with fueling station infrastructure
6 location, and I think we learned a lot of good lessons from
7 that one.

8 So that's a quick walkthrough of the status and
9 progress to date, the steps we need to go through, and now
10 let me tell you what we've identified, as staff, as lessons
11 learned in the efficiency measures that we're implementing
12 right now. So, the first issue is, again, kind of a lengthy
13 proposal review time, so 40-84 working days. In our office,
14 the Emerging Fuels Office, we had three or four all-staff
15 roll up your sleeves lessons learned discussions, they were
16 quite frank, and many of these come from that, and I want to
17 thank Alicia Macias and Jennifer Allen for leading that
18 effort. I think the biggest thing we identified is that we
19 need more tightly crafted and focused solicitations. We
20 really need to zero in on the technologies that we're
21 looking for and the technical parameters for those
22 technologies, eligibility requirements, and scoring
23 criteria. One of the challenges that we faced in reviewing
24 the proposals is that we would have a wide array of
25 technologies within a specific technology band, maybe

1 different fuel types, and frankly just very different levels
2 of completeness from the Applicants. So, some, we've had to
3 work extra hard to make sure that they have provided all the
4 information that we needed to score them adequately. So, we
5 think we can get a lot of efficiencies from that. Second,
6 as I alluded to earlier, better use of technology experts
7 from other parts of our agency and other agencies. We have
8 ideas for how to continually improve our scoring and ranking
9 process, and then training, just making sure everybody
10 understand the instructions as we bring new staff in,
11 getting them up to speed, as well.

12 The Committee, so Commissioners Boyd and Eggert,
13 asked us to look at options to the PON or solicitation and
14 proposal process. I think a couple of the good ones that
15 we're looking at will be called "Continuous Solicitations,"
16 this is basically you set eligibility requirements for a
17 technology area, this works very well for standardized
18 technologies, say, where vehicles are ready to be deployed,
19 whether it is light-duty, medium-duty, or heavy-duty
20 vehicles. We can shape the criteria, and then it's just
21 first in, first out; if you got a proposal, or a fleet that
22 meets those requirements, and you give us a good
23 application, that money goes out the door. The idea is that
24 we can just replenish that on an annual basis, as needed,
25 making adjustments as needed. But then it's kind of hands-

1 free driving. The second option, I see our third option
2 fell off of this slide, block grants and pass-through grants
3 with partner agencies, those can be fellow state agencies
4 like the Air Board. I think we have \$2 million or \$5,
5 excuse me, do you remember, Andy? Two, excuse me, \$2
6 million that we're shifting to ARB for light-duty vehicle
7 deployment, we're crafting that interagency agreement right
8 now. We've also been consulting with air districts and Cal
9 Recycle, who is here today, on opportunities for joint
10 funding and partnership.

11 California Environmental Quality Act compliance,
12 again, there has been a fair amount of confusion on this
13 one, on what our agency's expectations are, and some of the
14 periods have been quite lengthy to get the information
15 needed to confirm CEQA compliance. Some of the staff
16 recommendations here are, we think we can do a much better
17 job of putting in the information needed and the legal
18 requirements to Applicants, upfront there in the
19 solicitation. I think that would help alleviate a lot of
20 the confusion. I think we might look at shaping
21 solicitations around CEQA compliance levels and, by that, I
22 will give you an example. Say, with infrastructure
23 development, whether it's E85, or natural gas, or LNG, we
24 could say we would give preference to those companies that
25 can come in with projects that already meet categorical

1 exclusion guidelines for that class of project, so Propel
2 Biofuels was able to do that for a lot of their E85
3 stations, and they kind of whizzed through; others are
4 having to do more background work than they anticipated at
5 this phase of the process.

6 There has also been a fair amount of confusion on
7 the pre-development and feasibility grants. Staff's intent
8 on this was to help fund companies as they get to that kind
9 of first edge of the Valley of Death, going from a good
10 concept, bench scale project, to start to do the ground work
11 for EIR approval and the feasibility studies therein. So,
12 this one, I think we'll hear from some Awardees later today
13 on how that part is going. And then, finally, coordinate
14 with local lead agencies on their expectations on CEQA for
15 each of these specific projects after the NOPA is released.

16 Just kind of what seemed to be a fairly obscure
17 part of our program regulations, but it has turned out to
18 have a relatively large impact, so, the timing of match
19 funding expenditures. In other words, when can an Awardee
20 spend money that can be counted for a grant? And we've
21 heard directly from several Awardees that, because of the
22 slow pace of our grant approval process here, kind of again,
23 the overall process, that some people are at risk of losing
24 Federal match funding because they can't meet our deadline,
25 or their overall project is delayed because they can't spend

1 capital funds they've already acquired because it would be
2 outside of the window that we require for a match funding.
3 So, we're trying to better understand this issue, we're
4 working directly with several of the Awardees on this.
5 We're looking at projects on a case by case basis and some
6 options, I think, for us to explore are could we allow match
7 funding expenditures at the date of the NOPA, or the
8 Business Meeting, and so that's something we're looking
9 into.

10 Now, we've talked about ARRA quite a bit. I
11 guess, in my view, high risk, high effort, modest levels of
12 return. I think this gives a hint at what could have been,
13 but we got a lot of electric vehicle charging stations out
14 of this, the next line is a typo, so my apologies for that,
15 that should be a reference to E85 fueling stations, and
16 we're getting 75 of those through ARRA, a large amount of
17 demonstrations for medium- and heavy-duty sector, and then
18 workforce development and training. One thing that we
19 learned and would recommend on this is to do much more pre-
20 planning with the Federal agencies that are floating these
21 large dollar grants and, in particular, U.S. Department of
22 Agriculture, we understand, will be stepping up and trying
23 to fill in some of the void on biofuels production in
24 California that was not funded originally by Department of
25 Energy.

1 Program information, this has also been, I would
2 say, a weak part of our program. I personally have been
3 surprised at the amount of information that is not readily
4 available to Managers and Commissioners on our program. I
5 think we have got that together.

6 Again, these status reports you've seen in here
7 are relatively new, the compendium of awards is relatively
8 new, and so we want to get all that on the website. These
9 are the different things we're doing, so we'll have full
10 project summaries, maps, workforce partnerships and
11 development information, sustainability, kind of a more
12 centralized location for funding information on these, we
13 want to have fuel and technology overviews, we want to have
14 a special page for fleet investors and audiences, and then
15 just a new section. Alicia Macias is working very closely
16 with our Media Office on that and we look forward to a
17 revamped webpage; I think early January is our target for
18 the first phases of that.

19 And then, finally here, let me talk a little bit
20 about the investment plan. So, as I mentioned earlier, it's
21 pretty much been continuous action on our part to develop
22 the investment plan. A lot of information needs to be in
23 there, a lot of technical information and a lot of policy
24 discussions in these forums. And one question I'll put out,
25 and I am not trying to gore anybody's ox here, I'm just

1 trying to be candid as the new manager looking for ways to
2 improve program efficiency. Is the level of effort that we
3 expend in this volume, is this really commensurate with the
4 program needs? Is this the right thing to be spending staff
5 resources on? I personally don't know the answer, but I do
6 know that, as we're looking to distribute medium- and heavy-
7 duty natural gas vehicle deployment money in the coming
8 year, I wanted to know, well, what's the best strategic
9 approach? Is it goods movement, as Mike Smith has been
10 working on? Or can we get an equal bang for the buck on
11 carbon intensity reduction by going to fleets around the
12 state? And we were silent on that in the Investment Plan,
13 and that's really the kind of focused market and technical
14 and strategic information that we like to help solicit from
15 the Advisory Committee. And I think, as one of the
16 Commissioners said, you know, the deadlines are getting
17 shorter, so we need to have a public draft out this January,
18 so what that means is that we are not developing
19 solicitations right now. That means we are working on
20 finishing up the agreements, so converting those to
21 contracts, and the Investment Plan, and then first quarter
22 next year, after the first draft is done, then we can turn
23 our attention to solicitation development for the next round
24 And this is going to conclude the staff presentation. We've
25 queued up three questions here for the Advisory Committee,

1 and I believe the Commissioners will moderate this next part
2 of the discussion. So, we're really looking for the best
3 possible market technology and policy recommendations from
4 the Advisory Committee. So, as I gave that brief example
5 with medium-duty and heavy-duty vehicles, how can these
6 funds - and these are precious funds, I mean, this is a
7 tough economic climate, budget climate, so we have an
8 obligation to use these funds strategically. So, how best
9 can we use them to really spur different aspects of the
10 technology markets here in California? And how can we get,
11 really, this kind of in-depth market and technology
12 information from the Advisory Committee and stay away from
13 single technology advocacy? Another question I'll put out,
14 does this program have the right balance between the public
15 policy safeguards and accelerated deployment of the next
16 generation of alternative fuels and vehicles? So, we have a
17 lot of steps that we need to comply with, anti-backsliding,
18 localized health impacts, CEQA, conflict of interest,
19 sustainability, these are all really important public policy
20 objectives. The question I want to pose as the staff
21 representative is, is this the right balance when we're
22 working with companies that are doing their darndest to get
23 these advance technologies into a very very tough market
24 right now, it's a tough market out there.

25 So, with that, I will conclude the staff

1 presentation and I know Commissioners, or Pat, I don't know
2 who is going to moderate the next part of the program? Or,
3 I can take a few questions, I guess back there. Thanks.

4 VICE CHAIR BOYD: Thank you, Jim. First, while
5 you're up there, let's ask if any of the Advisory Committee
6 members have questions they'd like to put to you. Following
7 that, we'll start to surround the table discussion of what
8 folks have heard so far and any comments they might have on
9 that. Tim.

10 MR. CARMICHAEL: Thank you to Pat and Jim for that
11 presentation, it was helpful. I have a question about your
12 slide on the program statistics, the busy table that you
13 presented. And I am just curious, after the grant agreement
14 is developed, how long does it take before a project
15 proponent receives a check? So, after the last step that
16 you show here, is it really the last step and the clock ends
17 with the green, you know, bar ends there? Or is, in fact,
18 there an additional delay before the money is received?

19 MR. MCKINNEY: We do this on a pay as you go
20 basis, so there are a series of milestones built into each
21 contract, and as those milestones are reached, the Awardee
22 is reimbursed, or given that amount of money. Pete, or
23 Jennifer, do you want to add anything to that?

24 MR. WARD: All the grants that we have are cost
25 reimbursement grants, so they have to incur the costs, go

1 ahead, and then invoice us at the completion, and I think
2 there is a retention of 10 percent at the end, and once it
3 is up and operating, then all the monies are forwarded after
4 that, cost reimbursement as costs are incurred, and then the
5 final after a 10 percent retention, the facility is up and
6 operating.

7 MR. CARMICHAEL: Under the current program, an
8 Awardee can start spending money when? And not match money,
9 CEC money - AB 118 money.

10 MR. WARD: After the Agreement is finalized.

11 MR. CARMICHAEL: So, after the one to six months,
12 and then there is a milestone that could be three months, a
13 year down the road before they could get reimbursed for that
14 first phase?

15 MR. WARD: After it goes to a Business Meeting,
16 CEQA has been cleared by that time, and then after a
17 Business Meeting approves it, then it can go to an executed
18 agreement. And that's the starting point.

19 COMMISSIONER EGGERT: Maybe just to follow-up on
20 Tim's - is your question sort of when does the Grantee feel
21 comfortable actually expending money they know they can get
22 reimbursed for? And then, I guess there's - I don't know if
23 part of your question was, is there a delay between invoice
24 and check receipt?

25 MR. CARMICHAEL: It was both parts, actually,

1 exactly.

2 MR. WARD: In the State, there is a provision for
3 a quick payment after an invoice is received, and if it goes
4 any longer, then interest is due on that payment, so there
5 is a statute already existing, so once we receive an
6 invoice, we have to process it in a reasonable period of
7 time, otherwise additional interest is accrued.

8 VICE CHAIR BOYD: Shannon?

9 MS. BAKER-BRANSTETTER: Yeah, I had a clarifying
10 question on this slide, as well. And the difference between
11 the number of awards in that column and the number of
12 approved at a Business Meeting, is that difference entirely
13 because of delays in CEQA?

14 MR. MCKINNEY: Correct, yeah. That's a big part
15 of it. So, I think, in this case, it's most pronounced
16 under the Infrastructure category where about half of them
17 have been cleared. Manufacturing, you can see 10 out of 11,
18 Biofuel, nine of 12. But also, as I was trying to explain
19 earlier, say, for Biomethane Production, those are kind of
20 high volume production projects with high grant awards from
21 \$3 to \$11 million, so a full EIR is needed for three of
22 those - I'm sorry, one is Eurisko, which is an experimental
23 technology, that is a demo project, but, now, for Biofuels
24 Plants, and, again, most of these are feasibility studies,
25 so the CEQA clearance has been quite a bit quicker than it

1 would be if these were, say, grant awards for full
2 production. Am I answering your question?

3 VICE CHAIR BOYD: Joe?

4 MR. NORBECK: Yeah, first of all, I think you guys
5 are beating yourselves up a little too much. You know, I've
6 done a lot of begging for money and you guys do, from my
7 perspective, you do a pretty good job through most of the
8 process with the Energy compared to the National Science
9 Foundation, Department of Energy, ARB is pretty good, and
10 the question - the comment is, you may want to compare
11 yourself with other major broad-based programs in the
12 Federal Government and how they go about doing this. The
13 ones that come to mind, the Small Business Innovative
14 Research at DOE, and at EPA, the National Science Foundation
15 Programs, it's mostly for universities, but I think, when I
16 look at this, and my experience with CEC, you know, many
17 times the problems exist with the marriage between the
18 University and CEC in delaying it, you can put blame on
19 both. But how come CEQA takes so long? And how come you
20 can't start it earlier? I don't understand this. And why
21 is this one ARB project still not done after several years
22 when it's, to me, a no-brainer? It's LNG fueling stations.
23 So what is holding you up? That's my question. What is it
24 that's holding it up? You know, you had this example on
25 Slide 12 of South Coast and the Diesel - yeah, the heavy-

1 duty diesel vehicle thing. CEQA has not been finished and I
2 don't understand that.

3 MR. MCKINNEY: Yeah, it's my understanding CEQA is
4 almost finished, I don't know if staff counsel wants to
5 comment here; if not, it's your discretion. I believe we
6 have a representative from Clean Energy who is going to
7 speak later in the program -

8 MR. NORBECK: About that?

9 MR. MCKINNEY: Yeah, I think it might be
10 interesting to hear this from their point of view. My
11 understanding is that there are a series of information
12 requirements, these are primarily Greenfield stations, so
13 that just takes longer to get through that part of the
14 process.

15 MR. NORBECK: The other thing I would like to ask
16 is, what's your goals? If you're going to change it, what's
17 the goal for going from the beginning concept to getting the
18 check? I mean, it's going to vary. Intellectual property,
19 for example, can be a major major hold-up if you don't deal
20 with it upfront, and the reporting structure is also - the
21 Business Meeting reporting structure before that takes a lot
22 of time. But do you guys have a goal in mind as to how long
23 each of these should take? And, you know, if you don't know
24 where you're going, any path will get you there, so, you
25 know, what is the - what is your goal that you would have on

1 saying, "We're now successful because we've made these
2 changes, and this is what it is?" And I think do a lot of
3 them more in parallel. I know I'm already talking too much,
4 but I've done a lot of these over the years and my personal
5 opinion is, at least with PIER, it was pretty well defined
6 on what we had to do and we understood how to do it, I mean,
7 it still took eight months or so, but it wasn't CEC's fault.
8 So, I'm just giving you a little "atta boy" there. Okay?

9 VICE CHAIR BOYD: Thank you, Joe, appreciate the
10 "atta boy," and the questions, and maybe we'll get some
11 additional discussion on that. Leslie. Then you, Howard,
12 afterwards.

13 MS. GARLAND: I'm extremely appreciative of
14 everything the staff has done, you guys have done
15 unbelievable work and I'm the first one to understand that
16 you guys are underpaid and undervalue and overworked at this
17 point for everything that's going on. But I've got to ask,
18 it's my job to ask, our little propane program has yet to be
19 deployed, yet, from what I can tell, this seems to be one of
20 the least complicated, or could possibly be the least
21 complicated because it was a strict incentive program to buy
22 down the incremental cost of vehicles that already exist and
23 are already sitting on people's lots. If we want to talk
24 about Stimulus programs, this is about as straight up in
25 Stimulus as it possibly can get these days because I know

1 empirically that there are fleets and school districts that
2 are waiting on this money to be deployed before they
3 purchase vehicles to take old gasoline and diesel vehicles
4 off the road, to put cleaner burning propane vehicles on the
5 road. So, for what it's worth, I'll just toss the question
6 out. If anyone could - I know we had a discussion about
7 this at the last meeting, but it was, I think the lawyers
8 kind of got thrown under the bus, and I was wondering, you
9 know, is that still - is the funnel still choking at Legal?
10 Or is there something we might be able to do? I know at the
11 last meeting I offered up our organization, which is
12 basically three 501(c)(6) nonprofit, audited every year,
13 organizations, that we would be willing to do whatever we
14 had to do to provide free labor, we weren't going to ask for
15 anything in return, we were basically going to help you do
16 this program and you could come in and look at the books and
17 do whatever you had to do, we just wanted to deploy this for
18 you. And I know - I'm here again to offer my free labor.
19 So, if there is something I can do to expedite this,
20 obviously I'm here still begging, pleading, yes, I'm on my
21 begging and pleading.

22 MS. MACIAS: My name is Alicia Macias, I'm one of
23 the staff in the Emerging Fuels and Technologies office, and
24 regarding propane, I just want to say, thank you, Leslie,
25 for your input and always being very responsive to Pilar

1 when she has requests for information on how those vehicles
2 are going to be deployed, and how the allocation will be
3 used, so thank you for that. We are - we have been working
4 with our Legal Counsel and internally among staff to
5 entertain the solicitation for gaseous fuel vehicle
6 incentives. The question that Jim asked earlier about if
7 there should be a goods movement focus or if it should just
8 be a straight vehicle incentive that's offered to a
9 particular target audience is still being evaluated, but I
10 think it's something that we might be able to wrap up
11 relatively quickly, and then, as you said, it's a fairly
12 straightforward program, so we're hoping to, once we have
13 that determination, we're hoping to roll that out fairly
14 quickly and get the funds disbursed.

15 MS. GARLAND: Do we have a timeline? Because,
16 with all due respect, I've been hearing that for 18 months
17 and I'm sorry, I don't want to be fussy or whiny myself, but
18 I'm concerned because I know we have people waiting on this
19 money, and they're not making purchases to do the right
20 thing until they get this money.

21 MS. MACIAS: There's no set timeline at this
22 point, it's something that we need to discuss among
23 Management and get a determination on the direction that we
24 go with that solicitation, but I'm hoping that we can roll
25 something out within this calendar year, or very early next

1 calendar year.

2 MR. CARMICHAEL: Can I ask a clarifying question
3 about that? I'm really not familiar with that project, but
4 are we talking about a solicitation that was put out there
5 and proposal submitted, and no decision made? Or a decision
6 actually being made to make an award and it's been delayed
7 for this long - the distribution of the funds?

8 MS. GARLAND: This is \$2 million for buses and \$3
9 million for light- and medium-duty, I mean, compared to some
10 of the other monies that have gone out, I mean, this kind of
11 seems like a simple thing. And I understand it's not, I
12 understand there are so many things that have to be done so
13 we do it right, but you know -

14 VICE CHAIR BOYD: Any comment, Alicia, on that?
15 Or somebody save Alicia?

16 MS. MACIAS: No, I think we just - it's the fact
17 that we have not got the funding mechanism out that you're
18 responding to, Leslie, and it is something that we have been
19 pursuing pretty actively in trying to find a creative means
20 for disbursing the fund, but it's just one of those
21 categories, I think because it's such a small category and
22 seems straightforward, that it's been put to the side
23 temporarily, so we're hoping to bring that to the forefront.

24 MS. GARLAND: Okay, well, one more thing just for
25 what it's worth, and then I'll shut up, I swear to God, I

1 already have a rebate program in place for propane vehicles,
2 and it's as simple and as clean as humanly possible because
3 that's how I operate, as simple and clean as humanly
4 possible. So, if there's a way that we can somehow marry
5 the two of these together so that - and I don't know how,
6 the lawyers might be having an aneurism right now in the
7 back for all I know, but if there was a way that somehow we
8 could make these two work together, our programs could
9 expedite everything, then I'd love to see if there's a way
10 that we could do it.

11 MS. MACIAS: And I just want to be clear, it's not
12 our legal, they've been very helpful in helping us identify
13 a creative funding mechanism that we're reviewing right now.
14 So, before we focus on that. But right now, it's really
15 just a policy call because we have entertained this concept
16 of goods movement and we need to now just determine that is
17 going to be the focus of a solicitation or if we're doing
18 something more straightforward into a different targeted
19 audience.

20 VICE CHAIR BOYD: It's not like me to pick on staff
21 in public, but I don't understand the connection either, and
22 I do remember Leslie's offer last time, and I thought we
23 accepted her volunteerism, so we need to take a quick look
24 at this. I was going to respond to what's our timeline, our
25 timeline on everything is as soon as possible. But as

1 you've just observed, some things do get tossed under the
2 bus, I guess, or lose a priority. And in response to Tim's
3 question, the PON is not even out, so it's not a matter of
4 not selecting an Awardee, it's a matter of getting the
5 initial offering out the door.

6 MR. CARMICHAEL: Thank you for clarifying that.
7 But on this mechanism to fund, this came up last time
8 relative to light-duty vehicles, natural gas and otherwise,
9 ARB has a consultant under contract whose sole job is to
10 manage the giving away of funds and they're using them, and
11 I believe Jim's reference to the block grant to ARB was a
12 decision by - or an acknowledgement of a decision by CEC
13 that, at least for a portion of the funds, you're going to
14 use that contractor because they've got it in place, you're
15 short staffed here, is this - the Leslie example - another
16 case where you could use a contractor that is already in
17 place, granted by a sister agency, but is that the most
18 efficient way to act? And --

19 VICE CHAIR BOYD: Good question.

20 MR. CARMICHAEL: -- it needs to be looked at.

21 VICE CHAIR BOYD: Good question, particularly as
22 it relates to buses. I don't see buses entangled in the
23 goods movement issue. I would have thought that could have
24 gone out zip quick, but thanks for reminding us.

25 MS. GARLAND: And I'm cheaper than their

1 contractor.

2 MR. EMMETT: This is Daniel Emmett on the phone.
3 I think I want to just sort of re-emphasize what [inaudible]
4 [1:05] said, and it actually circles back in points to, I
5 think, one of the excellent staff recommendations on
6 alternative approaches and something that is actually
7 highlighted in statute from 118 about working with these
8 partner agencies, and it's something I've brought up in the
9 past two years. I do think in this case, in the case of the
10 propane funding, it really - this recommendation might be
11 part of the solution for getting these funds out, as others
12 have suggested. I think, also, looking back, you know,
13 hindsight is 20-20, at some of the delays, obviously ARRA
14 was a big factor, but an entity, the hydrogen funding, also,
15 which was quite delayed. I mean, there are resources also
16 at other agencies for the expeditious deployment - that
17 would help with the expeditious deployment of those funds in
18 the future for other, for future solicitations, as well.
19 So, I just want to emphasize that I think these are great
20 recommendations on this particular point and that they do
21 relate to this question of the propane solicitation that is
22 at hand right now.

23 VICE CHAIR BOYD: Thank you. Howard, you've been
24 patiently waiting and now we've added two more. Well, this
25 is the ARB, so maybe you -

1 MR. PANSON: Yeah, I just wanted to speak to the
2 issue of us - Tim's comment about us using our Grantee to
3 administer propane or CNG money, and that's something we've
4 mentioned before at the previous meetings, we've talked to
5 the Energy Commission about it, and I want to reiterate our
6 offer to do that. We have a solicitation on the street
7 right now to continue that, it's called the Clean Vehicle
8 Rebate Program for a second year, and in this solicitation,
9 even though we're still at the talking stages with CEC about
10 possibly taking some of their money, we've written into the
11 solicitation that, if that happens, you know, we've asked
12 that any Grantee that we select to agree to take on that
13 money, should it come through, so we're putting the system
14 in place so that, when - and if we do decide to work with -
15 come to agreement with CEC and work on that, we should be
16 able to just slide the money into that grant agreement. So
17 we're putting the system in place to be able to accept that
18 money. That's on the light-duty side. On the school buses,
19 also we'll reiterate our offer, we are running a lower
20 emission school bus program. We work with the Air Districts
21 and School Districts on that, and we've built up a lot of
22 relationships and I think we have a pretty good mechanism in
23 place to get money out, so, to the extent that the Energy
24 Commission is interested in directing any money for propane
25 school busses in that direction, we would again offer our -

1 would be willing to take that money.

2 COMMISSIONER EGGERT: So, I guess, might I suggest
3 that we have both a strong support for the specific
4 recommendation within the staff recommendations, that we
5 need to follow-up on, and we have an example of an
6 opportunity where it might be applied.

7 VICE CHAIR BOYD: Touché. Howard, finally.

8 MR. LEVENSON: No problem, thanks, Jim. From Cal
9 Recycle's perspective, I want to make a couple of comments.
10 First of all, I want to thank the Commission for involving
11 us in the biomethane scoring panels and that aspect, which
12 is kind of where our parochial interest lies, and we've also
13 engaged in some preliminary discussions at the staff level
14 about the possibility of taking on a portion of the funding
15 for block grants, and we have our own resource constraints,
16 but I think that is certainly an idea that is worth
17 pursuing. From a sort of bureaucratic standpoint, looking
18 at our staff reviewing proposals, I see the huge number of
19 proposals that you have to review and only a few that are
20 ending up being awarded, and it seems to me - and maybe this
21 is already being considered - some tighter eligibility
22 criteria or pre-proposal process, or some other kind of
23 screening criteria to knock down the number of proposals
24 that actually have to go to the full stage level, that would
25 be a time saver both for the project proponents, you know,

1 if they're not going to cut it, why waste their time
2 developing full proposals, certainly, as well as your staff
3 or my staff's time, or whoever is involved. So, I think
4 that's an area on any particular solicitation you all could
5 look at. The other, and this is on CEQA, and this may be
6 something that is too outside the purview of the Commission,
7 but we have been involved with the Central Valley Water
8 Resources Control Board on a collaborative effort to develop
9 a programmatic EIR for anaerobic digestion. Not picking any
10 one particular technology within that group, but trying to
11 lay out the groundwork for what is involved in those
12 technologies, what are the general impacts, sort of laying
13 the groundwork for the site specific CEQA work that is still
14 going to have to happen for a particular project, but we're
15 hoping that that may speed up the CEQA process, and maybe
16 there are some of the categories within the transportation
17 program that that might be another possible approach. I'm
18 not sure if there's conflicts of interest, or if it's really
19 doable, I just wanted to throw that idea out.

20 VICE CHAIR BOYD: Painfully familiar with the
21 programmatic EIR in the Central Valley, and fortunately that
22 was initiated quite some time ago and has taken a long time,
23 but it was initiated in anticipation of speeding up project
24 proposals when they did come in the door, and it will be
25 helpful there, but probably the elapsed time in total, if we

1 were to start with a program like this, would be pretty
2 significant. And I do recall on Slide 15, the staff did
3 say, "Need more tightly focused solicitations, etc. etc.,"
4 so your point is well taken. I think that is something they
5 have understood needs to be addressed and I think both
6 Commissioner Eggert and I and the entire staff can now
7 reflect on some of the PONs that we dealt with, particularly
8 the bigger money ones, or the really sexy attractive ones,
9 took inordinate amounts of staff debate, time, and
10 involvement, and practically anybody who was anybody on the
11 outside in terms of consultation, before processes were
12 arrived upon. So, I have a feeling that, rather than get a
13 simple easy propane out the door, it kind of got run over by
14 the electric bus, hydrogen bus, and every other conceivable
15 type of bus, so we'll move your number up in the queue,
16 believe me, after this. Bonnie. Then, Peter.

17 MS. HOLMES-GEN: Thanks. I wanted to first thank
18 you also, thank the Commission and the staff for all the
19 work that has been done on this program, it's really
20 gratifying to see the compendium of all the projects that
21 have been funded. And it'll be more exciting when we have
22 the website and we can have this kind of information up and
23 available for the public so that we can really help spread
24 the word about what the Commission is doing with this
25 program. So, I think that's terrific. And I certainly

1 agree with all the discussion about the need to find ways to
2 speed up getting the money out there, so I think that's an
3 important vein of this discussion, and the discussion about
4 more tightly focusing the proposals makes a lot of sense,
5 from my perspective. I did want to bring up - I have a
6 couple of questions I want to bring up, and one is a more
7 general question about the purpose of the Advisory
8 Committee, and kind of bringing this review back to that
9 bigger purpose in setting the priorities for this funding.
10 And I know that, during the course of the previous advisory
11 committee meetings, we've had some discussion about how are
12 the expenditures matching up to the categories and the
13 priorities that we've set and, as we're going to this
14 lessons learned session, it seems to me that a very helpful
15 area of discussion would be if we had material on how do
16 these expenditures again match up to the priorities that
17 were set in the two Investment Plans, and where has there
18 been the best match? Where have the planned expenditures
19 fallen short? And what are the reasons? Have there been
20 not enough proposals? Is it a matter of some other
21 technical issues? What exactly is the problem for not
22 getting enough funding in the categories that we've
23 identified as priorities? So I just think that kind of big
24 picture review of what's happened will be really helpful as
25 we move forward into this next period of doing another

1 report - or another Investment Plan, and wanted to put that
2 out there and see if that's something we can build into
3 maybe the next Committee meeting. And I think that would
4 also be very helpful information to have on the website as
5 we're talking about getting more information out about this
6 program, the priorities that we're pursuing as a state in
7 terms of breakthroughs in these different technology areas.
8 I think that's important to put out there. And so, that's
9 kind of one set of issues. Should I stop there and ask if
10 there is any comment on that or is that an area that we can
11 discuss in this group?

12 VICE CHAIR BOYD: Bonnie, my reflection is, at
13 that last meeting, as you acknowledged, we kind of did that
14 with regard to where things were going by the major
15 categories which were identified in the Investment Plan.
16 And your point is well made with regard to probably the next
17 meeting when we get down into, you know, where should we be
18 putting the emphasis dollar by dollar, we would want to see,
19 I agree, the tabulation on, okay, what did we do in the
20 preceding categories. Staff can correct me on a couple of
21 points I'm about to make, but, one, I think at the last
22 meeting we pretty well, to our pleasant surprise, displayed
23 that we were able to keep allegiance with all the major
24 categories. That contrary concern that we may have moved
25 money all over the place, I don't think there were any

1 categories that we didn't stay within for the most part.

2 Secondly, now I lost my second point, in any event -

3 MS. HOLMES-GEN: While you're, I mean, I think
4 there were some changes on hydrogen which we discussed last
5 time. I think that, because of the ARRA funding, there was
6 still kind of a backlog there, so it was hard to look at the
7 whole mix of what was actually funded at that time. We did
8 have a partial overview.

9 VICE CHAIR BOYD: The hydrogen was among the last
10 ones out the door, and hydrogen did fall below the amount
11 you had allocated, we agreed to allocate in that arena. And
12 that was a long long process of negotiation and discussion
13 and survey, and what have you, before the award was made,
14 and it was just recently made. But, I mean, still I would
15 agree that the Committee and all of us would need to see,
16 okay, how did it turn out. I think the other point I was
17 going to make, which came back to me, was you asked if there
18 were any areas where perhaps we didn't get enough
19 solicitations. I think we were over-subscribed in every
20 single category, to our surprise and our pleasure and our,
21 "Oh, my gosh, it's going to be tough to wade through it
22 all." And then Pat, or Peter, or Jim can correct me.

23 COMMISSIONER EGGERT: Actually, I just had a
24 follow-on question to Bonnie and that is, I was trying to
25 hear if part of your question had to do with the actual

1 performance of the grants themselves, so that - are you
2 looking to see whether or not the projects are performing
3 and delivering the benefits that we are -

4 MS. HOLMES-GEN: Well, that would be the next
5 comment I was going to make, related, that I think it would
6 be very helpful to have some tabulation of greenhouse gas
7 benefits, air quality benefits achieved, or expected to be
8 achieved from these projects, or the types of advances that
9 are going to be contributing to the future development of
10 these technologies so that we can help again to better look
11 at what we're achieving in the program and better sell the
12 program to others that are trying to follow the progress of
13 this effort.

14 COMMISSIONER EGGERT: In other words, are we
15 actually filling the gaps -

16 MS. HOLMES-GEN: Or filling the gaps, right, and
17 the whole point is to fill the gaps, we're not trying to
18 just repeat work that is being done in other areas, we're
19 trying to fill gaps, yeah. And I guess my last question was
20 just, since you brought up the health analysis, I had to
21 circle back to that and I would be interested in hearing a
22 little more what the concerns are, as it was brought up that
23 that might be an area to cut. And I, of course, think
24 that's an important part of the analysis, especially for
25 fueling infrastructure projects and I think it's a valuable

1 part of the process, so I'm curious what the concerns are
2 and what ideas you had for shifting or streamlining that
3 process.

4 MR. MCKINNEY: Yeah, thanks, Bonnie, for the
5 question. If I implied "cut," that was totally inadvertent,
6 I did not say that, to my knowledge. What I was - the
7 question I'm asking is that, given that it takes, say, 30 to
8 90 days to prepare a report for each solicitation, say, for
9 example, electric vehicle charging, I don't see criteria
10 emissions associated with that, I don't see a public health
11 risk associated with that, so I posed the question, should
12 we treat that class of technology the same way as we would,
13 integrated bio-refineries where clearly there are criteria
14 emissions and particulates, and maybe some air toxics. I
15 just see those as very different technology classes with
16 different corresponding levels of risk to public health. My
17 understanding is that the whole intent here is to identify
18 public risk in advance, so, again, I'm trying to parse it
19 out by technology and really see, given our constraints on
20 staff resources, really where is the best bang for the buck
21 on getting this information out.

22 MS. HOLMES-GEN: That's helpful and it's the first
23 time I've heard this and I think you're raising some
24 legitimate issues that we should discuss.

25 MR. MCKINNEY: And I think, to your other

1 question, in terms on benefits, stay tuned for the spring
2 and the Draft IEPR reports, and the expected benefit report,
3 that we are obligated to produce under the AB 109
4 requirements.

5 COMMISSIONER EGGERT: Yeah, I think just a
6 comment. In terms of this review, we've been looking at
7 some of these timelines and, to Professor Norbeck's earlier
8 comment, and Commissioner Boyd's response, which is, you
9 know, we want to get these things out as soon as possible
10 and I think, even though we might compare favorably with
11 other Federal programs, I think our sense is that we
12 definitely can cut days, if not weeks, and perhaps even
13 months out of some of these timelines, and every day does
14 matter, certainly a lot of the companies that are deploying
15 these technologies are looking for the opportunity to get
16 going quickly and we need them to, to realize the benefits.
17 So, I think even for things like the public health impacts
18 reports, which we think has significant value to the
19 program, you know, if there is the opportunity to help
20 facilitate a more rapid deployment of, for example, electric
21 vehicle infrastructure, you know, I think, again, every week
22 counts for that type of activity.

23 VICE CHAIR BOYD: Okay, thank you. Peter, you're
24 next, but before you speak, I want my Advisor gave me some
25 good advice a moment ago, and that was to introduce Justin

1 Ward, or have Justin introduce himself because he was a
2 little late, but he was sitting in the back of the room and
3 we coaxed him to the table, but, Justin, would you like to
4 tell everybody who you are and who you are representing here
5 today?

6 MR. JUSTIN WARD: Thank you very much. My name is
7 Justin Ward. I am an Advanced Powertrain Program Manager at
8 Toyota Motor Engineering and Manufacturing North America.
9 So, one of my responsibilities at Toyota is to do
10 development of our advanced powertrain vehicles, which
11 include everything from battery EVs, plug-ins, hydrogen fuel
12 cell vehicles, and other technologies that may be
13 commercialized in the future. I'm excited to be invited to
14 be part of this discussion and hopefully, we as Toyota can
15 provide some insight and some information that could be of
16 value for this process.

17 VICE CHAIR BOYD: Thank you, Justin. Now, Peter.
18 And then Barbara.

19 MR. COOPER: Yeah, I just have a couple of general
20 comments and questions that are things that you probably
21 have already thought about a little bit. One is kind of a
22 more general question about the amount of grants that go
23 out. Has there been any thought about like increasing it,
24 having larger grants, you know, maybe five-fold for some,
25 some really big projects that would garner more attention to

1 the program, but also maybe reduce staff time when you look
2 at the overall staff needs? So that's something to throw
3 out, perhaps, for the next Advisory Committee meeting to be
4 discussed, the amounts. And then the other thing I wanted
5 to bring forth was the idea of single entity receiving
6 multiple grants, and perhaps this is a question for Jim or
7 for Pat, if there have been situations where there have been
8 a single employer, for example, that have received maybe two
9 different AB 118 grants. What I'm thinking about is that,
10 you know, we have recipients, quite a few of them now, that
11 already know about the program, it may be worth going back
12 to them and seeing what are their new needs. From my point
13 of view, I'd like to find out if they have any workforce
14 needs that are not being met, so kind of to draw on that
15 population that already has the education on the AB 118
16 program.

17 VICE CHAIR BOYD: Barbara.

18 MS. HALSEY: Well, my comment might be a bit
19 similar to Peter's. I know the amount of work and have
20 appreciated the partnership that we've had with the staff at
21 CEC on the projects that we've partnered on, and one of the
22 most significant ones that was definitely a new venture for
23 the California Workforce Investment Board, and I think a new
24 venture for the Energy Commission under AB 118, was the
25 regional clusters work that we did. And when we started

1 that, we had 10 grantees who received, you know, had
2 articulated partnerships, and they received funding, and a
3 deep diagnostic so they could better understand what was
4 going on in their emerging economies, and through that
5 process we've identified five areas, five regions throughout
6 the state, that have focused on the kinds of industries that
7 you are funding under AB 118. And they are now developing
8 investment strategies on a regional basis to help grow these
9 industries, and bring these businesses to scale, and address
10 the workforce training needs that are emerging from those
11 businesses. So, I guess my question would be, as you look
12 to the future, is there interest in identifying where your
13 prior investments may have opportunity for continued
14 investment, or are you interested in maybe giving priorities
15 points if you see these kinds of collaboratives forming
16 where, on a regional basis, they are articulating industry
17 strengths or sector strengths and they are building a
18 comprehensive regional strategy around supporting
19 alternative transportation, alternative fuels, and they have
20 industry at the table. We have 23 sector partnerships that
21 are now formed with over 450 businesses at the table and
22 working with these groups now. So, it just seems like there
23 is some value in looking at what's happened with your
24 investment, are there opportunities, or are there emerging
25 strategies at the regional level or the local level, new

1 partnerships developing that could benefit from additional
2 funding, and is there a strategy there for additional points
3 during the proposal process? Do we call out those
4 strategies and interview them, or ask them to provide us
5 with an investment plan and then evaluate that investment
6 plan for continued funding? Just a question.

7 VICE CHAIR BOYD: Well, it's a good point and, in
8 the discussions we've had to date about what do we do next
9 time around that might speed up and improve everything from
10 larger grants to are we paying enough attention to the
11 policies of the state in our own organization, such that, in
12 writing solicitations the next time around, perhaps you
13 include some of those points. Unfortunately, I don't
14 believe we have the ability to go out and make a
15 supplemental award to anybody, we've got to go through this
16 public process, but we can make the criteria such that it
17 takes into account, as you say, perhaps bonus points, or
18 what have you, for those people who are addressing already
19 identified needs and are furthering it. So, I think that's
20 an interesting suggestion that we'll take into account in
21 designing the future. But whatever we do in the future, we
22 need to move more quickly because we're, in my opinion, and
23 I think all of us at the CEC agree, we want this thing to
24 move more quickly. We'd hoped by this point in time we'd be
25 measuring some outputs, not still waiting for some of the

1 things to get out the door. So, not being able to measure
2 outputs makes it harder to address that kind of concern as
3 you go to the next round, but it's a point we'll certainly
4 keep in mind. Let's see, I had Tim Carmichael and then Andy
5 after Tim.

6 MR. CARMICHAEL: Thank you. Just to react to your
7 last comment about the ability to do a supplemental grant,
8 if that is true, it's another example of a hurdle, or a
9 hindrance to an efficient implementation of this program.
10 There are people around this table, there are many allies in
11 the Legislature, that I think would be more than willing to
12 move legislation to make this program more efficient and to
13 enable a better running of the program. There are a couple
14 of other hurdles identified by staff today, some of those
15 you may be able to address as a commission, and some you may
16 not be able to address as a commission. So, I think that
17 should be something that we continue to discuss over the
18 next couple of months, and if we can put together a piece of
19 legislation that would address 1, 2, 3, 4 relatively small
20 corrections that would make a big difference in implementing
21 this program, let's do it. Initially, I raised my nametag
22 to ask two questions, one, feeding off the comment from the
23 gentleman from Cal Recycle about the pretty dramatic
24 reduction from proposals submitted to awards. I'm wondering
25 if staff can give a broad brush, you know, reason for that.

1 Is it primarily limited funding, and that's why you can only
2 fund 10 percent or 15 percent of the proposals you get? Or,
3 is it that a lot of the proposals you get are weak or off
4 target?

5 MR. MCKINNEY: There are - if you go down what we
6 call the "ranking list," within each solicitation, there are
7 so many worthy projects with high passing scores, and high
8 carbon intensity reduction values, that we cannot fund
9 because we don't have enough money. And I think that speaks
10 to the creativity and innovation in the state. In a lot of
11 sectors, there are a lot of really exciting technology
12 development work happening in the state, and what seemed
13 like a lot of money initially, \$100-120 million a year, is
14 not really very much money when you think about high capital
15 projects and the high R&D and development costs associated
16 with that. We have a few favorite turkeys that we have on
17 the backs of our cubicle walls for comic relief, but those
18 are a tiny tiny minority, I mean, it's really impressive,
19 and I work with this stuff every day - those of you who
20 don't get to see it, that's why we put out the compendium
21 for this meeting, it's really exciting, I mean, what's going
22 on in the state. And I think how hungry people are for
23 capital in a very very tight capital market, so I would say
24 it's much more over-subscription and very good project ideas
25 as opposed to kind of the dogs and turkeys.

1 MR. CARMICHAEL: Very good to hear that. Thank
2 you very much. And my last comment, going back to something
3 that commissioner Boyd mention at the beginning, I didn't
4 hear about it in the staff presentation and I'm curious, are
5 we going to discuss the revenue shortfall today, what the
6 impacts of that are, what the latest projections of that
7 are, and how the Energy Commission plans to address that?
8 Is that something that is going to come before this Advisory
9 Committee? Or, is that something that is going to go before
10 the Commissioners for action? And when?

11 VICE CHAIR BOYD: Since I broached it, knowing
12 somebody would raise a question about it, we were prepared
13 to discuss it today, just looking for the opportune time. I
14 want to go back to something you said earlier, first, I
15 appreciate your offer again to help us in any form,
16 Legislative or Executive Branch, to do things to speed
17 things up and, believe me, we do talk about those kinds of
18 things. I think, in a related issue, and you kind of
19 broached this, as well, of things that might be within the
20 authority of the CEC to do, I think - well, the issue that
21 Jim McKinney has brought up about the health impacts reports
22 for installing charging station vis a vis a bio-refinery, if
23 we could get a signal from this Advisory Board, or we could
24 tell you which areas where we could possibly just check the
25 box, and not go through the 30-90 day review for something

1 that seems as black and white as charging stations vs. a
2 bio-refinery, I don't think we are constrained by the
3 statute, but somebody correct me if I'm wrong, but we sure
4 wouldn't want to do it without the consent of this Advisory
5 Board, particularly Bonnie, who probably was instrumental in
6 that language, etc. etc., so Bonnie, tell us, are we
7 restricted by the legislation? Or could we go through a
8 process here of checking the box on certain categories that
9 don't have an impact vs. major manufacturing type facility?
10 That's a tiny little thing, but it's typical of the kinds of
11 things -

12 MR. PANSON: Yeah, I think it's actually more
13 driven by what is in ARB's regulation, which I apologize, I
14 didn't bring a copy of, and you know, I think clearly we all
15 agree that how you want to look at the big example you gave,
16 building of a large biorefinery vs. installation of a
17 charging station, those are two completely different things,
18 and the level of analysis and effort should be very
19 different. I think you would agree with that. And, you
20 know, maybe there's something - at the same time, I think we
21 do want to have some type of analysis, even in the case of a
22 charging station, but maybe there's a sort of blanket
23 analysis that can say, you know, "here's the impact of
24 installing this many charging stations in a neighborhood,"
25 you know, just do that once and put that out there and

1 people can see, yeah, we agree that you can put this amount
2 of charging stations in and there's not going to be a health
3 impact. You have that out there, do it once, have it out
4 there for public review, and then presumably you'll be doing
5 charging stations every year and you wouldn't have to then
6 re-do that analysis. Does that sound like something that
7 would be reasonable?

8 COMMISSIONER EGGERT: That sounds an awful lot
9 like the categorical exemption that we have within the ARRA.

10 MR. PANSON: That's kind of the model I was
11 thinking about.

12 MS. HOLMES-GEN: Yeah, I appreciate the
13 discussion, I would rather we not like solve this today in
14 this meeting because I think there's some discussion that
15 needs to happen, and there's a number of us that worked
16 closely with the ARB to establish this regulation, so I
17 think generally, as you're saying, the different level of
18 review, I think, makes sense. But I think we need a little
19 time to circle back and -

20 MR. PANSON: Well, maybe that's something we could
21 have an ad hoc meeting about. I mean, I think that's
22 something that does - I don't want to make any decision
23 today, I agree, but I think that's something that's worth
24 further discussion. And one thing I will say about our
25 regulation, it's written very broadly because we didn't want

1 to presuppose the types of projects that were going to come
2 to the program, so it was intentionally written as the
3 framework, as a pretty broad framework, but it is certainly,
4 again, I'll say it again because it needs to be said, we're
5 not saying that a charging station installation should go
6 through the same analysis as a refinery.

7 VICE CHAIR BOYD: Thank you for your confession -
8 I mean, your admission that - I had forgotten that it was an
9 ARB regulation, I am sure the staff who wasn't helping me
10 did not want to finger point either, but now I do remember
11 we've had more than one discussion about those binding ARB
12 regulations and working with them. So, maybe as a committee
13 of two or more, you could have some discussions about coming
14 up with an approach that might streamline things for these
15 purposes.

16 MR. CARMICHAEL: On these delicate matters, you
17 can sometimes walk before you run and try to open the door
18 for a subset and see how it goes, and then next year we
19 could broaden it if it is deemed to be successful.

20 VICE CHAIR BOYD: I am sure the staff has some
21 suggestions for what might be part of your pilot project.

22 MR. PANSON: And the framework of our regulation
23 would allow for something like that, so I think it does
24 allow for some creativity.

25 VICE CHAIR BOYD: Joe, do you want to get in on

1 this one?

2 MR. NORBECK: I just wanted to say, when I looked
3 at the time it takes for all the steps, that isn't the rate
4 determining step, guys, it's the grant development area and
5 CEQA, so you know, we can maybe make it shorter, but it's
6 not going to help the overall process that much. You can
7 even make it zero and it's not going to help, at least if
8 these timeframes that you're discussing or talking about are
9 valid. So, anyway, you can do something here.

10 COMMISSIONER EGGERT: So, a quick comment on that.
11 I think there is the opportunity to do it in parallel, which
12 is certainly something the staff is exercising, but there is
13 also the staff resource issue, which is a lot of the reason
14 the time that it takes to develop the solicitations and do
15 the proposal reviews has to do with the number of people
16 that we have available.

17 VICE CHAIR BOYD: Now, Andy, you had a different
18 subject.

19 MR. PANSON: Just a couple of additional
20 recommendations, potential streamlining recommendations. I
21 know that a suggestion for more focused solicitations has
22 been - it's been made by staff and made by others, and we
23 wholeheartedly agree with that. There is also a linkage to
24 that and I think the time it takes to develop a grant
25 agreement, I think if you have a more focused solicitation,

1 you know, you can have a sample grant agreement as part of
2 the solicitation that is probably a lot closer to what the
3 finished grant agreement is going to look like than would be
4 the case if you had a very broad and open solicitation, so,
5 by doing a more focused grant solicitation with a pretty
6 detailed sample grant agreement, people know what they're
7 applying for, you guys have put yourself a number of steps
8 down the path to getting that grant agreement, so you get
9 sort of a double benefit that it should be easier to score
10 and turn around the NOPAs, but it also should decrease the
11 time that it takes to do a grant agreement. The one
12 additional comment I wanted to make, just a thought on the
13 Investment Plan for this year, and maybe a suggestion that
14 you include a greater focus in the Investment Plan on sort
15 of the implementation steps that follow after the
16 development in the Investment Plan. The first two
17 Investment Plans did a really good job of sort of
18 characterizing the state of technology or the landscape for
19 the different fuel categories, and identifying the funding
20 needs, opportunities, gaps, it was very exhaustive, it was
21 very good work, but it was, being so kind of broad, it was
22 done at a pretty high level, and it didn't get into the real
23 details of exactly what the solicitations might look for. I
24 think that was very appropriate for the beginning of the
25 program. But that work has been done. There wasn't a lot f

1 change in the allocations from the first year to the second
2 year, so I think where you're not changing your allocations,
3 you know, you might not need to spend as much time re-
4 justifying them because I think you already have justified
5 them and you can incorporate sort of by reference all that
6 work that you've already done. And that might free up the
7 opportunity to have the Investment Plan talk a little bit
8 more about - provide a first glimpse of what the
9 solicitations are going to look like. I think, Jim, you
10 brought up the example of, you know, how you might roll out
11 money for natural gas trucks and you haven't decided whether
12 you should do a goods movement focus, or just an across the
13 board, and that level of discussion isn't really in the
14 Investment Plan, things like those kind of bigger, first
15 step implementation issues, if you put them in the plan, it
16 gives everyone kind of a glimpse of what the solicitations
17 are going to look like, which should make it a little easier
18 for you internally to take the plan and develop the
19 solicitations from the plan. I think it also would provide
20 a benefit to potential applicants because they're getting a
21 glimpse of, hey, here's really the technologies that you're
22 going to be focusing on this year, so that they could start
23 to develop their thoughts and proposals even before you put
24 out a solicitation. So, I think that might help reduce the
25 time between approval of the plan and the release of the

1 solicitations.

2 VICE CHAIR BOYD: Peter, your name is up. Is that
3 from the last time? Or did you have a new question? Okay.
4 Howard.

5 MR. LEVENSON: Just following up on that, and
6 especially if there was more discussion in the plan about
7 the strategic focus of the different categories, could you
8 consider going to approving solicitations for two years? So
9 that - you could always change it if there was reason to -
10 but I would presume that the industries are not advancing
11 that rapidly, that the strategic focus is going to change on
12 a year to year basis. And I think that - I know what goes
13 into Grant Agreements at our shop, and there's all kinds of
14 side terms and conditions, and they're probably specific to
15 each solicitation, and if you didn't have to repeat doing
16 those every year, that would save a lot of time. But, also,
17 it would give the investment community and potential
18 grantees at least a glimpse of what they might be thinking
19 about, even two years out.

20 VICE CHAIR BOYD: Shannon.

21 MS. BAKER-BRANSTETTER: Yeah, following up on
22 narrowing the solicitation, is there a cost to that? And I
23 was wondering if the staff saw any proposals that they would
24 have missed if they had a narrower solicitation. I'm just
25 kind of wondering what the balance is there.

1 MR. MCKINNEY: I think that's a fair question.
2 Again, we're trying to find the right balance here and we
3 think we had it too broadly, and I think, as you're saying,
4 the risk of going too narrowly is that we might miss some
5 exciting technologies. Yeah, we have great point guys like
6 Pete who is really out there at a lot of the conferences,
7 and really meeting a lot of the technology developers,
8 that's one way. Input from this body, input from other
9 agencies, other forums, I'm really glad that U.C. is here
10 with the ITS programs in schools, Cal Start, there are a lot
11 of very strong academic or trade association forums where I
12 think we can help kind of get out that information and kind
13 of check that we've got the right balance. You're asking a
14 fair question.

15 VICE CHAIR BOYD: Any other questions from
16 Advisory Board members? Those of you on the phone, Board
17 members, does anybody have a question?

18 MR. EMMETT: Yeah, this is Daniel Emmett. Can you
19 hear me?

20 VICE CHAIR BOYD: I can hear you, Daniel. Go
21 ahead.

22 MR. EMMETT: I think this is, again, this idea of
23 tightly focused solicitations is a good staff recommendation
24 and I would support it, and I think you guys are having the
25 right discussion about how to do it, and I think it's a

1 question of how to more tightly focus solicitations without
2 getting too narrow. And I think there is probably a way to
3 do it. I also like - but allowing for the flexibility
4 that's been talked about over the last couple of years, as
5 things move forward. I also like this idea of, you know,
6 multi-year that was just suggested by - I don't know who
7 that was, I couldn't tell listening on the phone, but -

8 VICE CHAIR BOYD: Howard Levenson.

9 MR. EMMETT: -- thank you. But my concern would
10 be that obviously the funding is allocated annually, so we
11 want to make sure that, you know, the funding continues to
12 go out on an annual basis. But if I understood it
13 correctly, just that you could use the same framework the
14 following year for a similar category, much like it is
15 happening currently with Electric Vehicle charging
16 infrastructure, for example. So, presumably there's less
17 work that needs to be done the second time around if the
18 relevance of that category remains. So, I do think that is
19 also a good suggestion.

20 VICE CHAIR BOYD: Thank you. Okay, I don't see
21 any other questions from the Advisory Committee on the
22 agenda. It called for comments from Awardees who might be
23 in the audience or on the telephone, on this very same
24 subject, so it might allow us to continue the discussion if
25 there's any folks out there who are Awardees of the program

1 who might want to share your experiences and your
2 suggestions for improvements in the future, we would love to
3 hear from you.

4 MR. MCKINNEY: Commissioner Boyd, may I make a
5 comment at this stage?

6 VICE CHAIR BOYD: Please do.

7 MR. MCKINNEY: I think it's really important to
8 have the Awardees be part of this discussion, they are our
9 customers, they are the people that have the capacity to
10 bring these technologies to market, that is what this
11 program is all about, and I'm just pleased that we were able
12 to make space for them to hear their perspective and
13 hopefully some good suggestions on how to improve this
14 process.

15 VICE CHAIR BOYD: Thank you, Jim, and I should
16 also ask if there are retired Deputy Directors in the
17 audience who have any thoughts on - go right ahead,
18 introduce yourself.

19 MR. NEWMAN: Thank you. My name is Tim Newman and
20 I'm with Clean Energy, and we spoke earlier about a series
21 of projects that our company is directly involved with, but
22 I do want to thank staff, Kristen Driscoll, Tim Olson, Peter
23 Ward, Jim McKinney, who has spent time talking to me and
24 other members from our team, you know, your patience and
25 willingness to discuss some of this challenge is greatly

1 appreciated. Could we flash back to that slide for a
2 moment, you'll recall that one of the discussions was here
3 we are, we get to CEQA, there seems to be a period where the
4 project movement stops, to I guess collar that from the
5 other side, since my office was directly involved in some of
6 those - I was worried I was going to start keyboarding by
7 habit - we got to a point where, once the Award Notice had
8 been provided that, you know, when can our company begin to
9 incur costs, and that's, as with all of our projects, there
10 are so many moving parts involving fleets - we do natural
11 gas vehicle infrastructure development - so you talk about
12 fleets, property owners, and the stakeholders if there
13 happens to be a grant, as in this case. There are so many
14 moving parts, there are lots of timelines, and there is a
15 lot of economic issues that require flexibility and
16 collaboration. So here we get to this point where we have a
17 Notice of Award, you've got to think that this was
18 originally developed, these projects, these 10 projects were
19 originally developed well before the RFP had been released
20 because they were shovel ready. And here we are
21 approximately a year later, and we're still dealing with
22 some of these issues. But, going back to that time on the
23 slide, when you see that Notice of Award comes out, we hit
24 that CEQA wall and things seemed to stop. What happens with
25 the infrastructure development piece is you have to go out

1 to 10 different local agencies having jurisdiction, and so -
2 which is fine, we're going to go out there and do that as
3 part of our project development process, but you also have
4 an inability if you are a potential Awardee to incur costs,
5 and this was discussed earlier in one of the topics about
6 what happens once you've received Notice of Award, when can
7 you begin to incur those costs that are part of your match
8 dollars? As was the case here, we specifically had
9 requested through our project partner and the CEC, could we
10 be in a position to begin incurring those match costs, to
11 help us process the CEQA and to order equipment that takes a
12 long time to arrive, etc.? And we were told that we have a
13 policy at the CEC and that can't happen. And it wasn't
14 until just a few weeks ago when we were told we would have
15 the ability to go ahead and incur a limited amount of
16 incurred costs just to process the CEQA. So, we basically
17 have been in this holding pattern as a result of the
18 inability to incur those costs. So you've got this kind of
19 complex problem and it has a real easy solution. so, the
20 solution would be to allow Applicants, as in our case, to
21 incur costs at risk. The CEC is in an excellent position to
22 control the terms and conditions. We've actually done this
23 in the past with other CEC projects. I provided staff with
24 some examples of letters that were provided to us at an
25 earlier time, which gave that same authority. So, we're

1 willing to take that business risk, we're willing to go out
2 and incur those costs, but it allows us to keep these
3 projects moving. Some of our partners, there are some
4 municipalities that have fleets, and those of you with a
5 government background, or commercial fleet background, know
6 that these procurement cycles are usually planned out well
7 in advance. So, here they are ready to commit to deploying
8 alternative fuel vehicles, but the problem is they don't
9 have a station, the problem is you can't build a station
10 because you can't incur costs, and here we are back and
11 we've got this big pink area that actually demonstrates
12 where we're at. I can tell you that we are engaged with all
13 of the local agencies processing, but it takes time. And
14 many of them are confused even at the local level as to what
15 document do they need because we don't even consider this a
16 project, so we are in the process of obtaining Notices of
17 Exemption, which we've received. And on the 230 stations,
18 or whatever that number is today, that our company has
19 constructed all throughout the United States, we've done one
20 EIR process, and they've never been required, they've been
21 categorically exempt. So, it is frustrating for us, but I
22 can say that there is a solution just to allow us to incur
23 those costs, but it would give us the ability to move these
24 projects forward.

25 VICE CHAIR BOYD: Thank you for that. I was

1 almost - I didn't know who was going to bring it up, but I
2 was kind of waiting for somebody to bring up this issue, it
3 was touched upon a little earlier. We've been discussing
4 this and pursuing this since the last time it was brought to
5 our attention, which I'm afraid might go all the way back to
6 the last meeting, I'm not quite sure it's that old. And
7 there have been a variety of reasons given for that, but
8 within the last seven to 10 days, I think we have kind of
9 discovered we have met the enemy and it is us, as Pogo once
10 said, for anybody who is old enough to remember that. This
11 appears to be, to our chagrin, a CEC policy, it's not
12 statutory, it is not State policy, etc., etc., etc. And I
13 know Commissioner Eggert and I have every intention of,
14 having learned this just recently, of seeing that that
15 policy gets changed because it makes no sense to, at least,
16 the two of us, until somebody convinces us to the contrary,
17 I can at least commit one thing here today, that we're going
18 to change that policy so that people, at their own risk, can
19 spend their own money. And I don't know if anybody wants to
20 add anything to that, or if one of our lawyers wants to
21 shackle me now and drag me out of the room - and I'm not
22 blaming the lawyers, it's just a matter for some reason it
23 took forever to finally identify where this came from, and
24 allegedly it came from us. And either I am senile and have
25 forgotten totally that we ever did something like that, but

1 for the life of me, I can't in my eight and a half years
2 just don't remember us having such a policy. But if it is a
3 policy, we're going to undo the policy, so you have that
4 commitment from me and we've got the oldest and youngest
5 Commissioners here between the two of us, so we ought to be
6 able to do something about that. Yes, sir.

7 MR. TISCHER: Commissioner Boyd and Eggert, my
8 name is Jim Tischer with the California Water Institute at
9 Fresno State, representing the Mendota Advanced Bioenergy
10 Beet Cooperative. My remarks are contained in the cover
11 letter in the paper that I just passed out. We participated
12 in PON-09604, and we're honored and humbled to be selected
13 by the review staff to participate. We are the Integrated
14 Biorefinery that everybody refers to in Mendota, Western
15 Fresno County. We will process about 800,000 tons of energy
16 beets to advanced ethanol, have an anaerobic digester, we'll
17 treat the wastewater from the City of Mendota Wastewater
18 Treatment Plant, we'll recycle the water from the beets, and
19 we'll make biomethane, as well. We've completed the
20 Feasibility Study with the USDA Value Added Producer Grant
21 last year, and with the monies that we will receive from the
22 Energy Commission, we'll move forward on the predevelopment
23 work. So, nothing will get built, but at the end of 18
24 months, candidly, we'll find out if this dog can hunt
25 because we'll have done the engineering work across the four

1 major units. We've been engaged in proactive dialogue with
2 your staff for the last several months, moving forward to
3 the Business Committee Meeting tomorrow, and I hope that
4 nothing I say today will negatively impact that. Jim
5 McKinney has assured me that he has my back. Our issues on
6 CEQA are relatively small compared to some of the other
7 Awardees because we had budget money set aside to do the
8 pre-permitting for a complex \$200 million biorefinery, and
9 we've got some heavy sledding when we move forward to the
10 full development process, it's not an easy job here in
11 California, but one that we're motivated to move forward on
12 because it will replace a sugar beet factory that closed in
13 2008, put 200 people out of work, and the farmers didn't
14 have a home for their beets, so we want to move forward and
15 we want to do that. However, we kind of get caught in the
16 gears going through the process here, and although we had
17 set money aside for a CEQA investigation as part of our
18 predevelopment work, we were instructed by legal staff that
19 that couldn't go forward because it would not be in
20 compliance with CEQA. So, they enabled us to redistribute
21 the money to look more at some of the engineering aspects,
22 so it wasn't lost. The unfortunate situation in our case is
23 that, when we get 18 months out, and we have this finished,
24 we'll have an excellent framework on how we're going to
25 proceed in all the other areas on the engineering, but we

1 won't have a good framework on the CEQA issues that we will
2 address because we're not enabled to be able to do that.
3 The second element on the land component is, part of our
4 task item is to sign Letters of Intent with farmers in the
5 area that they are going to deliver beets to the
6 biorefinery, and if we're having a series of grower meetings
7 like we've done in the past and will do in February, and
8 they say, "Well, where's your site," and you say, "Well,
9 we're kind of working on it," you know, how much credibility
10 are you going to have with the Agricultural community? Not
11 very much. So, our problem is relatively small compared to
12 other folks, we'll work around it, but it's a missed
13 opportunity as the Commission moves to fund projects to move
14 forward on new integrated technologies. That pretty much
15 finishes my remarks, and if there are any questions from
16 Commissioners or Advisory Committee members? I do want to
17 commend you all for your transparent process. In the water
18 world, we refer to this as adaptive management, and in some
19 areas we do it well, and in other areas we don't do it so
20 well, so I commend the Commission and the staff for moving
21 forward in an adaptive management mode to try to move the AB
22 118 funds out in a more expeditious manner.

23 VICE CHAIR BOYD: Thank you for your testimony.
24 Does anybody have any comments or questions? I can't pull a
25 rabbit out of the hat for you like I might have done on the

1 last item, but I appreciate the fact that you've had some
2 kind of a work around and I guess, since it is adaptive
3 management and we learn by doing, maybe some very bright
4 staff people - and we have lots of them - will come up with
5 some additional suggestions to help you. But, any questions
6 or comments from anybody on the Committee? Jim McKinney has
7 a comment.

8 MR. MCKINNEY: Yeah, thank you, Mr. Tischer, for
9 coming and kind of sharing your side of the story here.
10 When people say what do we mean about AB 118, I think the
11 Mendota Advanced Bioenergy Center exemplifies what we mean,
12 and if you go to page 6 of the compendium and look at the
13 project description here, this is an alternative feedstock
14 to corn, this is energy beets, this also incorporates waste
15 streams from the Ag sector in the Central Valley, which
16 Commissioner Boyd has been championing for some time. If
17 you look the fuel products you are going to put out from
18 this, it gets me very excited, it's a carbon neutral water
19 positive project; they are going to produce 325 acre feet of
20 clean water because they're using waste stream from the
21 local wastewater treatment plant. So, Jim, I do have your
22 back and we're very excited to get projects like this in the
23 door, and this is what we mean by innovative technologies
24 from the farm sector, U.C. Davis is a collaborator on this,
25 as well, and we'll work with you to get your grant

1 finalized.

2 MR. TISCHER: Thank you, Jim.

3 MR. TEALL: Russ Teall, Biodiesel Industries.

4 We're on tomorrow, as well. We're under PON-09604. Just a
5 few comments, you know, looking at your spreadsheet here,
6 you've got, excluding the ARRA solicitation, 201 proposals
7 that were whittled down to 57, so it seems like, in terms of
8 staff time, if you had a pre-proposal, it's a lot easier for
9 the Applicant to put together something, to assemble the
10 team members, and see if the idea has any traction before
11 going through the effort, so I think, both from the
12 Applicant point of view and from the staff point of view,
13 it's probably less time and you'd be able to provide
14 feedback as to exactly what you're looking for and still not
15 have good ideas slip through the cracks. In our particular
16 area in Biofuels, there's a lot of new technology, a lot of
17 new feedstocks, and the possible problem would be that you
18 get too specific and some good ideas are disqualified. We
19 operate on the naval base down in Ventura as a private
20 company, so we have the good fortune of having to comply
21 with both CEQA and NEPA, and have developed five
22 biorefineries in different parts of the world, so you know,
23 being in a wetlands area in California on a naval base, you
24 would think that would be about as challenging as it gets,
25 but Australia is much more difficult to get through the

1 environmental compliances than even California. So, I think
2 that, you know, one of the things we're doing with the Navy
3 is, under NEPA, is doing a programmatic EIS. You know,
4 there are a lot of common issues, it still has to be site
5 specific, but there are a lot of common issues that can be
6 addressed in a programmatic statement, and it is time
7 consuming, but we're looking at it for the Southwest region,
8 which is Arizona, Nevada, and California, so that when we go
9 into a specific site, those things that have commonality
10 have already been addressed, and that might be something in
11 terms of lifting an industry, or an approach, you know, to
12 greenhouse gases, you know, just like you're working on, the
13 ones for the anaerobic digesters, maybe that's something
14 that a specific company doesn't get a grant, but the fact
15 that there's a programmatic EIR or EIS out there helps
16 facilitate the industry as a whole. Pre-contract spending,
17 you know, it's difficult under all grants, Federal or State,
18 to predict when it's actually going to start, but the
19 business keeps moving, and the ordering of equipment, like
20 the prior speak spoke about, commitments from people on
21 their cost-share, you know, companies change, leadership
22 changes, etc., and the former CEO made the commitment, the
23 new CEO is going, "What are we doing this for?" And so
24 there's some urgency in having a knowable time schedule.
25 Under the Biomass Research Development Initiative, which is

1 co-administered by the USDA and the DOE, you are allowed
2 under FAR to have expenditures 90 days prior to the
3 contracted, and it's at risk, you know, if the contract
4 isn't entered into, you certainly can't go back after the
5 agency for it, but there's a precedent there and it's
6 subject to the discretion of the grant administrator,
7 whoever is assigned in the agency, to look at the specific
8 situation and say, "Yes, this is reasonable, this will help
9 facilitate the project." So, I would suggest that if you
10 have that within your authority to do, without having to go
11 through a lengthy process, that that would be a good way to
12 fastrack the implementation of these projects so that, you
13 know, we don't have to wait until the actual contract is
14 signed and in place to start doing the preparatory work and
15 making expenses.

16 VICE CHAIR BOYD: Thank you, Russ. Any questions
17 or comments? Thanks very much. Anyone else in the audience
18 or on the phone who is an Awardee, who has an observation
19 they would like to share? Seeing none, hearing none -

20 MR. BECKMAN: Hello, this is Mike Beckman with
21 Linde.

22 VICE CHAIR BOYD: Yes.

23 MR. BECKMAN: Hi, I sent a few slides in to Pilar.

24 VICE CHAIR BOYD: Okay, something is coming up on
25 the screen.

1 MR. BECKMAN: There you go. Just a couple slides
2 and most of these points have been made, and so I won't
3 belabor them and it'll go pretty quickly here. You can go
4 to the first slide there, and that's the second slide, I
5 guess. Just a little bit of background and I won't go
6 through this, but, really, Linde has been awarded - so a
7 point of reference - we've been awarded the Altamont Plant
8 Landfill Gas to LNG, which has been a successful
9 implementation of CEC funding. We've been awarded for the
10 second plant down in Southern California in Simi Valley,
11 which we're currently working on, and then a slate of
12 hydrogen stations that you can see there on the right. So,
13 we'll go to the next slide. And, again, I'll go down these
14 points pretty quickly. This was kind of compiled by a group
15 of folks who work with the CEC, so guys on my team like
16 Steve Eckert and Mike McGowan, and our legal team that had a
17 couple comments, as well. And, you know, just point by
18 point here, so the CEC, I think, I have to commend you for
19 doing a really good job, especially with the hydrogen
20 solicitation at the last round that came up in a couple of
21 different areas. In the first point, they're kind of paying
22 for performance rather than simply putting out a
23 solicitation that - just trying to get stations in. There
24 was a significant effort made in the way that the
25 solicitation was crafted to get better stations out there,

1 that would meet the needs long term of the fueling
2 infrastructure. So, I think that's a significant
3 improvement over what's happened in the past, and I commend
4 them for that. The second point there is around, you know,
5 sometimes solicitations come out and don't get fully funded,
6 and that's not really the approach that you've taken, you
7 put out clear funding criteria, or scoring criteria, and put
8 different levels in, and then awarded the funding as
9 appropriate based on that. And that's really helpful from a
10 business standpoint when we're trying to get approval
11 internally to spend capital and get approval to do projects.
12 Again, number three there, clear criteria and the definition
13 of that criteria, which is aligned with kind of the long
14 term needs of the fueling infrastructure. Number four, and
15 this was really important in our mind, and we work pretty
16 closely, especially in the hydrogen infrastructure piece
17 with the OEMs, and it was very helpful to see the CEC
18 pushing this significantly, trying to match the vehicle
19 deployment with the infrastructure in place, and really
20 taking on the good work that was done with the fuel cell
21 partnership and the action plan, and the infamous bubbles
22 that we all see on the maps down in Southern California, and
23 even in Northern California. But that work was really
24 helpful. I think, for the State of California, to make sure
25 that the funds were spent appropriately, and that the

1 stations were put in the right places, but, again, from a
2 business standpoint, it was helpful for us because, you
3 know, hopefully we are going to get a higher level of use at
4 our stations that we do deploy. So that was a significant
5 piece of work that I really have to commend Peter and the
6 rest of the folks at the CEC that worked on this. Number
7 five, you know, just the vision around kind of where you're
8 heading with alternative fuels is fantastic, from our
9 standpoint, we encourage this to kind of continue to be very
10 targeted and very transparent, and a little bit more long
11 term where we can because one of the things we run into in a
12 business is difficulty in trying to plan our budgeting year
13 to year, and trying to get capital approval when we're
14 fighting for capital against other projects around the
15 country and around the world when we don't know year to year
16 what that funding level is going to be, and then the
17 significant delays that happen that we've all talked about
18 over the past couple hours here, which then push us into
19 other funding cycles, and it's hard for us to appropriate
20 capital. Number six there, kind of a similar point here,
21 laying out a good need - do a good job of laying out the
22 annual needs for the specific alternative fuel segments,
23 but, again, encourage a targeted approach that we've talked
24 a little bit about here. The last few comments there are a
25 little bit more of the con side, and again, the delays that

1 we've talked about here in releasing the solicitations, it's
2 difficult from a business standpoint when we're competing
3 against other projects, again, to try to get capital
4 approvals and get into a process where we go in front of
5 investment committees and get resources internally focused
6 on doing projects when that delay continues to happen, and
7 especially in the case of hydrogen solicitations which was
8 pushed out months and months. So, that was difficult for us
9 to react to. I think the eighth point there about the
10 limited focus, you know, listen, this is simply a lack of
11 resources on your part and too much work to do, so not much
12 to be said there. I feel for you. The limited flexibility
13 in making changes after a project budget is submitted, you
14 know, we wish there was some way this could be addressed in
15 solicitations, and I know this is a difficulty for any
16 government agency when you're looking at awarding the funds.
17 But perhaps it could be something like a plus or minus 10
18 percent because, when you're doing a project that is 12-18
19 months in duration, and especially when you put an original
20 solicitation in, and you haven't done all the engineering
21 work up front, you look at a plant, for instance, like the
22 size of Altamont, and clearly there was a significant amount
23 of work that had to be done, even after the solicitation was
24 submitted, to get the finalized costs. It's difficult to
25 budget for that appropriately, and if there was some

1 mechanism to, again, plus or minus, where appropriate, to
2 either add or subtract costs, or even to change where the
3 cost bucket is within the funding, that would be helpful.
4 The second to the last - well, the last two, really, are
5 points that have been made pretty - hit pretty hard here
6 throughout, but I'll kind of reiterate those. You know,
7 this ability not to receive matching funds until the
8 agreement is final is burdensome in a couple different ways,
9 really, it delays the project, itself, right? I think as
10 Clean Energy said previously in their comments, you know,
11 we're as a business willing to take on the risk that
12 potentially we are able to get through that contracting
13 phase with the CEC, and we understand that there's always a
14 risk when two parties negotiate. But what we would like is
15 the ability to kind of move a project forward, do the pre-
16 engineering work, and the drawing work. You know, we spend
17 significant time and effort to get even things like the CEQA
18 approval process, and those are things that we feel should
19 be funded. So it delays the project, on the one hand; on
20 the other hand, it also, because those things can't be
21 funded, it puts an additional burden on us internally,
22 trying to get projects approved because of capital
23 constraints. Within the last project point there around
24 CEQA, again, this has been made numerous times, if there was
25 a way to facilitate this process and speed it up, you know,

1 the point above that would probably be facilitated, at least
2 being able to get paid for the work that you did through
3 that process, would be helpful. And we can go to the next
4 slide there, and this is the last slide. You know, I asked
5 the legal team to give me a couple of comments and, with
6 limited notice, they came back with just a few things. In
7 the first one there, and this was really - we talked to our
8 legal guys that worked on the Altamont negotiation and I
9 think this first piece is something that we hit again and
10 again, and we look at on the hydrogen fueling stations, as
11 well, and this will be part of our negotiation at the CEC,
12 but we as a business don't feel like this IP, the language
13 around the IP, it's a little bit burdensome and probably
14 should be a little bit less restrictive. When you're doing
15 a deal like, say, for instance, the Altamont plant or other
16 infrastructure projects like that, really one of the main
17 purposes, you know, funding is to test practical process
18 applications, that we think those IP rights should be more
19 narrow. The next point there, you know, slowdown of
20 provisions, just another thing that, when we're trying to do
21 large projects, large capital projects in the \$15 to \$20
22 million range, you know, we used a lot of contractors on
23 here and, again, there is this language in the contracting
24 process that is overly restrictive on the slowdown of
25 provisions to subcontractors and, in some cases, it

1 restricts our ability to work with the kind of mom and pop
2 contractors that the State would actually like us working
3 with. And then, just the last point is the contract
4 process, as we all know, is fairly slow and it takes quite a
5 while to get through. If there was a way to speed that up,
6 it would be helpful. It takes two to tango, so that one
7 goes both ways, but that process can be four to six months
8 long, and we ought to be able to speed that up. Really, I
9 think that is all my comments. I mean, any questions or
10 clarifications needed on those?

11 VICE CHAIR BOYD: Thank you for your comments, the
12 pros and the cons. Are there any questions, comments,
13 thoughts? Okay, thank you very much.

14 MR. BECKMAN: Yeah, thank you.

15 VICE CHAIR BOYD: Now, is there anyone else out
16 there, an Awardee who would like to make a presentation or
17 some comments? Okay, seeing and hearing nothing, I guess -

18 MS. QUINN: Can you hear me?

19 VICE CHAIR BOYD: Oh, yes.

20 MS. QUINN: Oh, hi, sorry. I'm sorry, this is
21 Colleen Quinn with Coulomb Technologies.

22 VICE CHAIR BOYD: Hello.

23 MS. QUINN: And thank you very much for taking the
24 time today to talk about the AB 118 process. Coulomb was -
25 is - a recipient under PON-08010, one of the ARRA matching

1 grant programs for charging station infrastructure. And
2 just a couple of comments overall. First of all, I think it
3 was Jim McKinney mentioned that you guys had no idea of the
4 kind of interest that you would end up getting when you
5 opened your door to this matching idea for the ARRA money.
6 And I will say that, from an industry technology point of
7 view, it was an incredibly positive and bold step on your
8 part. It was sort of like the Gold Rush to those of us that
9 were sitting in the room realizing, wow, this is - it was a
10 unique opportunity at the Federal level, and then for
11 California to step up, you know, and literally say, you
12 know, "We'll put our money behind you," was a very very, I
13 think, important and bold thing to do. I realize that the
14 upshot of it and, you know, we didn't - the State didn't get
15 as much out of the electrification transportation proposal
16 that they had hoped, and the other thing I want to mention
17 is that - the other thing that has been, from our point of
18 view, very positive working originally with Tim Olson and
19 Peter Ward, Jennifer, and everyone there, is that the CEC
20 has been extremely flexible. Coulomb was in the unique
21 position that we were turned down by the ARRA grant, and
22 then we were asked, you know, to basically - we were given
23 conditional approval. So we went back to the CEC and said,
24 "Look, we have now an opportunity to leverage Federal money
25 into the state. Is the door still open?" And the door

1 indeed was still open, so, you know, the good news upshot is
2 that we've been able to leverage and will be leveraging the
3 Federal money into the State, along with our matching money
4 and the State's money, to build out infrastructure for
5 electric vehicles, which is, I think, a very much of a win-
6 win proposition. The only other - I guess I have a couple
7 comments on process, this is the first time Coulomb has ever
8 participated in grants, either at the Federal level, or the
9 State level, and just one thing that is - I would say that
10 someone, I think, earlier mentioned that the DOE process can
11 be, you know, longer and more complicated. We actually
12 found that, from the day we got our conditional approval to
13 our signed agreement was only three months from the DOE. I
14 do think that, in the case of charging station
15 infrastructure, you know, the whole concept was to do
16 shovel-ready, get things in the ground in anticipation of
17 vehicles coming to market, and so I did feel that that
18 three-month timeframe, the CEC process was three times that,
19 I would say, it took us from the NOPA until the final
20 contract, it was a 10-month process. So, I think that, in
21 looking introspectively into the difference may be - or sort
22 of a side by side to a certain degree, I think one thing
23 that might be helpful internally at the CEC is - what we
24 experienced at the DOE was we had a single point of contact,
25 anything that we had to do with either the scope of work

1 statement, or the contract itself, or any kind of
2 discussion, negotiation, change, we had one person that we
3 interfaced with at the DOE and it was really their
4 responsibility to turn around documents and responses and it
5 was never more than four days of a turnaround. I do realize
6 that the amount of work that has come down on the Commission
7 has been, I mean, unprecedented. It's been a great
8 opportunity, obviously, for the State, but I know it has
9 been very challenging internally. But one thought might be
10 to try to create this kind of a point of contact. I think
11 the Commission might have different silos between a contact
12 group and a grants group and a technical group, and
13 different folks that have to be dealt with; from an outside
14 point of view, as your customers so to speak, I think trying
15 to get a direct point of interface and turnaround would be
16 very helpful. And I would say that the only other issue for
17 Coulomb was that I think there were apparently, I think,
18 some - well, one thing that happened that was, I think, a
19 little unusual was that, after our grant - basically we had
20 been approved at the Business Meeting, etc., and then we
21 were basically asked to kind of change our grant. I think
22 there might have been some external issues that had been
23 brought to the Commission that we were asked to deal with,
24 and it did cause us a delay. And I think from a business
25 point of view, that was difficult to try to refocus our

1 effort because this project for us is really kind of a
2 market-based project as a business, so that was a little bit
3 difficult. But anyway, we're enthused now to take the
4 opportunity to - we have our start date now set for next
5 week, our kick-off meeting, and so we are ready to go and
6 appreciate the opportunity to work with the Commission and
7 get this infrastructure in place.

8 VICE CHAIR BOYD: Well, thank you for your
9 comments. We'll take your suggestions into consideration as
10 we look forward to conducting the program in the future.

11 MS. QUINN: Thank you.

12 VICE CHAIR BOYD: Comments, questions? Anyone
13 else out there? Shall I say the magic words? "Hearing no
14 one..." No one spoke up. Mr. Norbeck.

15 MR. NORBECK: I just wanted to comment on this
16 concept of a pre-proposal that you would have, that would
17 reduce staff time. That is used in a lot of ways and, from
18 our perspective in doing these multi-million dollar grants,
19 getting it turned out with a four-page proposal or five-page
20 where you don't have to put the effort in is useful, and I
21 would recommend that you have a committee formed, or at
22 least think about a committee that would form that would
23 review these pre-proposals, and then you then go back and
24 tell the people that your external committee has not
25 recommended it, but if they still want to go forward with

1 the proposal, the full proposal, they can spend the money
2 and do it. So, my own experience is that this is a very
3 very good way of streamlining the effort and you should
4 maybe consider that. Okay? Thank you.

5 VICE CHAIR BOYD: Thank you, the voice of
6 experience. Any other comments or questions? Again, I'll
7 ask, are there any Awardees out there that wanted to say
8 something? This time maybe I'm not hearing anything.
9 Bonnie.

10 MS. HOLMES-GEN: Sorry, I was just going to say
11 that I think this is really valuable to get this kind of
12 input and I don't know if there are others that weren't able
13 to participate today that would want to give some input, and
14 maybe you could think about extending another invitation for
15 folks to send in input, that could be brought forward to the
16 Advisory Committee before the next meeting. It just seems
17 like there might be more input out there and it would be
18 helpful to hear it.

19 VICE CHAIR BOYD: We can make the solicitation --
20 okay, we're ahead of schedule, oh, my goodness, how unique.
21 And I'm glad to move to the next agenda item, but I've
22 successfully ducked a question that Tim asked quite a while
23 ago, that I guess it's timely to broach. Our fear was that
24 if we got off on a tangent on this, maybe it would chew up
25 all this other input that we received. But that was the

1 revenue decrease that we're seeing. I think Tim masked the
2 magnitude of it. We were recently advised that the various
3 revenue streams from which we live are down a projected, I
4 guess, what, Pat, \$21 million? And we're going to have to
5 administer a haircut of some kind to the Investment Plan
6 that is in operation for the current fiscal year. We have
7 debated programmatic, you know, reviews, vs. just an across
8 the board, we were unable to come to an agreement on cuts
9 varying by program area because there are differing points
10 of view on program areas, so our current thinking is just an
11 across the board equal proration amongst all the programs.
12 At least, that's the current thinking. We have a few
13 dollars unspent, as yet, in the past program - remember, we
14 have a two-year appropriation here - that we might apply to
15 this, but it's not very much, and then the rest of it would
16 just have to be allocated to all the categories on, more or
17 less, equal basis - I guess equal basis, I should say, not
18 more or less. So, Tim, in response to your question, that's
19 where we stand. We got an initial indication of this a
20 while back, we asked for an update from the revenue
21 estimating folks outside this agency who do this and it
22 didn't change much from one estimate to the other, so that
23 appears to be where the state of the economy has taken the
24 situation. Questions, comments, thoughts, suggestions?

25 MR. ANSON: We're facing the same thing and we

1 actually saw it a little earlier than you did because I
2 think, in your very first year where you were appropriated
3 \$75 million, that wasn't the full amount of the revenues, so
4 I think you have built up a bit of a buffer, so we are in
5 our second year of dealing with this, so maybe I can give
6 you some perspective on how we have handled it, and maybe it
7 can speak to how you might move forward with this. We
8 included contingency plans in both of our Investment Plans
9 to deal with lower than expected revenues. The first
10 contingency in the first plan, we just said we were going to
11 reduce things across the board. At that point, we had
12 envisioned that maybe we would be looking at like a five
13 percent or 10 percent reduction, and it ended up being more
14 like almost 30 percent less than anticipated. So when we
15 did our second Investment Plan, we decided maybe we don't
16 just want to go across the board, so what we did is we said,
17 you know, we did an investment plan for our full
18 appropriation, and then we said, "Okay, what if we got a \$30
19 million appropriation instead of a \$40 million, here is how
20 we would scale those," so it wasn't just across the Board,
21 we recognized some of our categories are very small, one or
22 two million, and in some areas, if you get below a certain
23 amount, it may not be worth moving forward, so we didn't
24 want to scale those by the same amount, so we had some where
25 their allocation was the same, regardless of whether we had

1 a \$30 million or a \$40 million program, and then others we
2 said we'd scale, you know, scale accordingly. So, you're
3 dealing with this retrospectively, so that makes it more of
4 a challenge, but as you do next year's Investment - the
5 forthcoming Investment Plan - you might want to put in a
6 contingency section that says, you know, "Here's how we
7 spend our full amount if revenues came in," you know, you
8 could say 10 percent less, 20 percent less, figure out a way
9 to do it, but then you can anticipate upfront so that you
10 can have those difficult discussions up front and then, as
11 you're implementing, you just follow what you put in your
12 plan.

13 VICE CHAIR BOYD: Well, you're right, we in the
14 beginning felt we were way under-appropriated, so the
15 cushion started out for us a little different. We're
16 looking at roughly a 20 percent reduction at the present
17 time. But your point is well made. I'm not sure our
18 categories are pretty significant except for the one of
19 staff support, technical support, and what have you, and we
20 have to think about that one a little bit because that's
21 what augments our meager resources, to try to keep this
22 program moving along. But, anyway, that's the bad news at
23 the moment. We've been lucky up until this point in time in
24 not having to look at this as deep as apparently as ARB has.

25 MR. PANSON: And one additional comment to make,

1 what we've done when we've put out our solicitations at this
2 lower amount, we've put in wording in the solicitation
3 saying, you know, we're going to solicit for \$15 million
4 based on our projection of revenues, but if we have full
5 revenues, we reserve the right to increase this, the grant,
6 up to the amount that was in our funding plan without re-
7 soliciting, so that way, if for some reason things do turn
8 brighter, which we all hope that they will, you're not
9 caught in a position where you have to re-solicit or are
10 leaving money on the table. If you build that into the
11 solicitation, that will definitely streamline things.

12 VICE CHAIR BOYD: Well, the standard boilerplate
13 subject of availability and appropriation of funds is more
14 meaningful this year than it has been for a long long time,
15 so, okay -

16 MR. CARMICHAEL: Commissioner Boyd, may I make a
17 comment or two on this?

18 VICE CHAIR BOYD: Sure, Tim.

19 MR. CARMICHAEL: I'm assuming that since CEC is
20 going to try and get solicitations out, you know, ongoing,
21 the Commission needs to act on this and make a decision at
22 some point in the next couple months on which approach
23 you're going to take. You know, weighing in somewhat off
24 the cuff, I think that the across the board haircut is the
25 right way to go, rather than trying another layer of picking

1 winners and losers. One thing I would strongly encourage
2 the agency not to do is make a decision to cut back grants
3 that, if the solicitation was for X and the proposal was a
4 million dollars, not try to cut individual grants in half
5 because that, I think, really screws people up, as was
6 presented by one or more of the Award recipients. One of
7 the things they really appreciate about CEC's program as
8 implemented to date is, if they say they're going to get X
9 amount, they get X amount, and they're able to plan
10 accordingly.

11 VICE CHAIR BOYD: You're right, it is not our
12 intention to go back into any grant that's been awarded, it
13 is just to reduce the amount of money we have available for
14 the future. Another thing we've talked about, and this is
15 almost premature, but when we have a few moments, it might
16 fit better in the next meeting, but since this has been a
17 full disclosure type meeting, you heard earlier that we had
18 far more good high scoring projects than we had money in the
19 various categories, and one of the things that we're
20 debating internally, and I guess we'd like your comments on
21 it, is the idea of perhaps going farther down the list of
22 existing projects for which we've received solicitations,
23 out of the current year, rather than the prior year, and
24 therefore, in lieu of putting out another solicitation, we
25 could fund some more solicitations that we received, that we

1 felt were very high scoring, and as Jim indicated, would be
2 worthy if the money only existed; well, if we can roll money
3 out of the current appropriation into that, it might reduce
4 the number of individual proposals we would have to make
5 and, by the same token, we could focus more on a few
6 proposals, maybe bigger proposals may be done different as
7 has been suggested today. But there are probably a few very
8 high scoring proposals in some of the categories for which
9 we could award grants because the Program Opportunity Notice
10 was flexible enough to have a little bit of what we call
11 head room in it. Now, in some areas, there are probably a
12 lot of really good proposals, but we couldn't go beyond
13 probably one or two additional projects in some of the
14 categories, and perhaps there is a category or two we can't
15 even do anymore, but that's another way of speeding things
16 up a little bit and getting more good projects going sooner,
17 rather than waiting for yet a total round of additional
18 Program Opportunity Notice solicitations. I don't know what
19 your thoughts are, but that's what we're toying with, and
20 when we heard about the - it was a Sunday surprise, I
21 believe, Pat called us on a Sunday to say, "Here are the
22 revenue estimates that we just received," and that also
23 accelerated our thinking about moving more quickly, rather
24 than waiting for a Saturday night massacre sometime in the
25 future.

1 MR. PEREZ: I'd like to just clarify that we
2 called that the "Kyle Emigh Surprise" now, named it after -

3 VICE CHAIR BOYD: Oh, we've named it after our
4 fiscal guy, oh, okay. Anyway.

5 MR. NORBECK: You want comments now?

6 VICE CHAIR BOYD: Please.

7 MR. NORBECK: I think taking the proposals that
8 are excellent and telling the Awardee, "We didn't have the
9 funds this year, but we would put you at the high priority
10 for subsequent funding" is an excellent excellent idea, and
11 I think you should seriously consider it, at least from my
12 point of view.

13 VICE CHAIR BOYD: I think it's easier than you
14 described it, Joe, I think it's just a matter of we just
15 make additional awards based on the proposals we have in the
16 door.

17 MR. NORBEC: But there are a lot of times, and I'm
18 going back to experience with the Federal funding, that
19 they'll tell you you're on the waiting list if we have the
20 money, and that's encouraging to everybody, and you
21 understand the rules of the game, so you just go forward.
22 And it would save a hell of a lot of staff time.

23 MS. HALSEY: Yeah, I would just echo that
24 sentiment. I think, given the current situation with hiring
25 freezes on and understanding that you already have awards

1 out there than you have to monitor and Grantees that you
2 need to work with, being able to forego having to do any
3 solicitations, the review process, it would give you more
4 time, hopefully, to be able to work at a deeper level with
5 the Grantees you currently have receiving funds, running
6 projects, fund some new projects that have already been
7 submitted, and hopefully focus your staff time in available
8 man hours, in a more effective way.

9 MR. CARMICHAEL: It sounds really good to me, too,
10 but what gets left on the cutting room floor if you take
11 that approach? What were you already thinking about
12 soliciting that you wouldn't already have in your quota, if
13 you will, of either technology areas, or some other way to
14 categorize? Or, really, you've covered the bases, you have
15 no intention of changing the boxes, and it's just going out
16 and asking again for new proposals. So, it's a timing issue
17 as opposed to a broadness - there's probably a better way to
18 say that, but I think you get the point.

19 VICE CHAIR BOYD: That's a good - we've asked
20 yourselves that same question and, you know, we have to use
21 a degree of discretion and reflect on all the discussions
22 and dialogue we've had over the past couple of years, and
23 what the priorities have been, and also what we might see
24 breaking on the horizon in terms of technology that fits
25 into some of the existing categories. And remember, we did

1 create a couple of new subcategories like meeting any
2 Federal match requirement that came along for some new
3 Federal proposals that we weren't aware of, that people
4 weren't aware of, and then a small contingency for unique
5 and novel that we never heard of before and they really look
6 good kinds of proposals, and so we'd have to weigh
7 sacrificing that, or saving that at the expense of some
8 other category. It's not an easy thing to do, either of
9 those, but in light of - I mean, I've seen what the past
10 couple of years have done to the staff in terms of, you
11 know, grinding them into the ground, and what kind of delays
12 it has built in that we've talked about all day here, so
13 there are trade-offs here in terms of a little bit of catch-
14 up, possibly, and greater effort to think innovatively about
15 what is left and how to advertise for it, taking into
16 account some of the suggestions that were made here, even
17 the pre-proposal approach, plus, you know, maybe targeted,
18 slightly more targeted in some cases, and maybe slightly
19 broader, as Peter said, in some other areas, and lessons
20 we've learned, we'd be in a position to tell you all about
21 it next time we get together, or even along the way, you
22 know, we can send you pieces of paper that contain tables of
23 what our thinking is and what we're doing.

24 MR. CARMICHAEL: Can I just ask one quick follow-
25 up to that? As I think about this more, there was, let's

1 say, \$5 or \$10 million of new types of approaches in this -
2 in the most recent plan that we've worked on over the last
3 year, at least that's my recollection, let's say your \$108
4 million is now \$85 million, or in that ballpark, take out
5 the new ideas that were in this plan, new categories, is the
6 thinking that you would use old solicitations or previous
7 solicitations - not really old - pre-solicitations and
8 almost winner proposals to use up all of that funding? Or
9 just some percentage of the funding that you will be getting
10 in this cycle?

11 VICE CHAIR BOYD: If I'm not mistaken, there is no
12 way we could use up all the funding because, as I indicated
13 earlier, the Program Opportunity Notices that went out had
14 an up to provision in them, so to speak, and that provision
15 usually -

16 MR. CARMICHAEL: Oh, so there are caps.

17 VICE CHAIR BOYD: There were caps, and they
18 usually exceeded the amount available, and that is if we
19 found some terrible deficiencies and nobody responded here,
20 you know, we talked about, well, we were over-subscribed
21 everywhere. But in the case of a few, there is a little bit
22 of room left and so I don't know what percentage it would
23 be, but it's not real big -- \$20 million? That's the max we
24 could possibly do?

25 MR. CARMICHAEL: Given that context, I am fully

1 supportive of that approach.

2 MR. PANSON: You know, even where you are at with
3 the cap, you would have to do a re-solicitation, maybe
4 something you could do is just say, "If you have a high
5 scoring application, that application can be reconsidered in
6 the next solicitation," so that the Applicant, if they want
7 to save some time, they don't have to re-prepare something.

8 VICE CHAIR BOYD: The feel good message as Joe
9 described it, perhaps. Yeah, good point, good point. Okay,
10 oh, I'm sorry, Shannon, I did see you raise your hand.

11 MS. BAKER-BRANSTETTER: So that was - you're
12 talking about the money that was from the last Investment
13 Plan that wasn't - it is not anticipating the next
14 Investment Plan?

15 VICE CHAIR BOYD: Not the one you're going to work
16 on for the future, it's the one in existence right now.

17 MS. BAKER-BRANSTETTER: Right, and so how long ago
18 were the Applicants rejected and what would be the timing of
19 giving them notice again?

20 VICE CHAIR BOYD: They've been rejected over
21 solicitation by solicitation over a period of time.

22 MR. PEREZ: Yeah, so if you go back to the green
23 charts in your hand-out, that has the lists of the proposals
24 and we had a suite of them last November and another suite,
25 I think, this past April, and then Hydrogen was a little

1 later in the year.

2 VICE CHAIR BOYD: Yeah, and we want to watch the
3 terminology here. Some proposals were actually rejected,
4 these were proposals that were accepted, scored, scored
5 well, just the cut point left them below the line. There
6 were other proposals just out and out rejected because they
7 failed the criteria in the solicitation - minor point.

8 MS. BAKER-BRANSTETTER: I think that sounds great.

9 VICE CHAIR BOYD: Okay, the last item on the
10 agenda was public comment. And do we have any folks out
11 there? Yes, we do. So make your way to the podium there,
12 if you would identify yourself and your organization?

13 MS. MEANS: Hello, my name is Sabrina Means and I
14 represent the California Transit Association. My remarks
15 will be really brief. I just wanted to thank the Advisory
16 Committee for the opportunity to talk to you, and I just
17 also wanted to say, if you could continue to keep Transit as
18 a priority in the Investment Plan, Transit continues to be
19 innovative and we actually - our agencies are actually
20 already working on a volunteer basis, several of them, to
21 implement alternative fuel vehicles and infrastructure, and
22 so, as you can see in the compendiums, some agencies have
23 already been able to take advantage of this opportunity, but
24 there are many more agencies out there that can utilize this
25 funding. We're also currently working with the Air

1 Resources Board on a zero emission bus regulation, it's
2 something that we want to help them with, but our hugest
3 obstacle - I'm sorry, our biggest obstacle is funding, you
4 know, we want to be helpful, but the challenges are that
5 it's just not cost-effective for us at this time, and so
6 we'd really like to be able to grow the market for
7 alternative fuels out there, but in order to do that, we
8 need to be able to find ways such as the AB 118 program to
9 fund this. So I just wanted to say thank you again, and
10 please continue to consider transit as a priority for this
11 program. Thank you.

12 COMMISSIONER EGGERT: I just want to say thanks
13 for those comments, and it was encouraging to see the fact
14 that we do have quite a number of transit recipients, both
15 on the infrastructure and the vehicle development side, and
16 some really interesting bus technologies that have the
17 additional advantage of being a great conduit to public
18 exposure, you know, you get like 20 or 30 or 40 people or
19 more every trip if you have a good transit system.

20 MS. MEAN: Yeah, one of the things we continue to
21 hear from agencies is that riders like to ride alternative
22 fuel buses, and drivers like to drive them, so we just want
23 to keep that going. Thanks.

24 VICE CHAIR BOYD: Thank you. Anyone else? Okay,
25 any concluding comments or thoughts from members of the

1 Advisory Board?

2 MS. HOLMES-GEN: I'm sorry, I might have missed it
3 earlier, but can you just kind of go over the anticipated
4 schedule for the next year in terms of meetings of this
5 group and you said the plan was supposed to be completed by
6 March?

7 VICE CHAIR BOYD: Yes.

8 MS. HOLMES-GEN: So, basically, one meeting -

9 VICE CHAIR BOYD: Jim?

10 MR. MCKINNEY: Yes, so our schedule at this point,
11 and Charles, correct me if I blow this one, we plan on
12 having a preliminary staff draft available for public review
13 at the end of January, convening the first Advisory
14 Committee about two weeks after that, to give two weeks for
15 review. We would then convene this body to discuss the
16 issues, take comments, and then turn the draft around. One
17 of the factors here is that, because of the budget impasse,
18 we were not able to fund ICF as our lead technical
19 contractor for GAP analysis, for market assessments, for all
20 the fuel technologies and pathways that we have here, and so
21 a lot of that information would not be available until the
22 second draft, which will be the February-March timeframe.
23 Am I getting that right, Charles? March, okay. And then,
24 again, as I mentioned earlier, for the next cycle, it's an
25 even more accelerated schedule.

1 VICE CHAIR BOYD: But our commitment for March is
2 a final or a draft to the Legislature?

3 MR. MCKINNEY: I'm going to look to Mr. Smith -

4 MR. PEREZ: Draft in March to the Legislature.

5 VICE CHAIR BOYD: With a final by June? Good -

6 MR. PEREZ: Yeah, our commitment now is to deliver
7 that draft to the Legislature for their review and comment
8 in March.

9 MS. HOLMES-GEN: So we're saying that there would
10 be at least two Advisory Committee meetings? Okay, that's
11 very helpful to know.

12 VICE CHAIR BOYD: Okay, Tim, you wanted to -

13 MR. CARMICHAEL: Well, Peter, am I right that
14 Peter or one of the staff members has a handout for us with
15 the list of Advisory Committee members? Or can you e-mail
16 us?

17 MR. WARD: Actually, it was the ones who weren't
18 present.

19 MR. CARMICHAEL: That is fine.

20 VICE CHAIR BOYD: We'll e-mail it and we'll also
21 e-mail you the list of everybody who is on the current
22 Advisory Committee.

23 MR. CARMICHAEL: Thank you.

24 VICE CHAIR BOYD: Justin, did you want to say
25 something? Flinch or something? Commissioner Eggert

1 thought he saw you moving toward the microphone.

2 MR. WARD: No, actually, I don't have anything
3 prepared to say at this time. I just, again, wanted to
4 thank everyone for giving me the opportunity to sit on this
5 panel. I think, as we look forward into the future
6 Investment Plans, I do think we should start looking at some
7 of these more creative opportunities - I forget you have
8 these different ideas about block grants and co-funding
9 opportunities with other State agencies. I think we should
10 look into those and see if there's an opportunity that maybe
11 we've missed. I know everyone is working real hard, but I
12 think if we look at it again with some fresh eyes, we may be
13 able to find some opportunities to maybe better utilize or
14 use the money over a longer term, as opposed to being stuck
15 in the current fiscal cycle.

16 VICE CHAIR BOYD: Okay, thank you. Well, I want
17 to thank everybody - oh, Bonnie.

18 MS. HOLMES-GEN: Just one more comment. As you're
19 developing the next Investment Plan, I wanted to just
20 encourage you to consider putting in funding for some kind
21 of broader media public outreach/education campaign aimed at
22 trying to educate and change people's perceptions about both
23 what kinds of vehicles they should be purchasing and
24 driving, and what modes they should be using to get around,
25 looking at some kind of, again, broader effort to change

1 public norms around transportation, toward encouraging
2 purchases of cleaner, more efficient vehicles, and looking
3 at education and outreach to encourage folks to find other
4 ways, other modes of transportation that are less polluting,
5 focusing on even transit as we just heard, ride-sharing,
6 walking, all these kinds of efforts. In the past, there's
7 been a public education component of the funds, but it's
8 been more focused on trying to get the word out, as I
9 understand it, about the solicitations, and certainly that's
10 been important, but it doesn't seem like there's really any
11 focused State effort to look at this broader need for public
12 education and outreach, and I know that's something, also,
13 that's being discussed at the Plug-In Hybrid Electric
14 Vehicle Collaborative. So, I wanted to put that suggestion
15 out there, to see if we could fashion some kind of inter-
16 agency effort focused on this kind of broader public
17 outreach.

18 VICE CHAIR BOYD: Those are good points. I want
19 to assure you, we constantly think about and talk about that
20 and, yes, with the Plug-In Vehicle Centers morphing into
21 now, it's too hard to say "Plug-In Hybrid Electric Vehicle
22 Center," they've picked up that baton and are running with
23 it. And we also have to gauge against what industry, with
24 the auto industry, or the energy industries do. My my, I
25 noticed the last couple weeks, I wouldn't even recognize

1 Chevron from the ads they're putting in the newspapers, etc.
2 So, to the point others do it for us, then we'll look for
3 the right place to do it, but you're right, it needs to be
4 done. And as you and I both know from years of trying to do
5 this, it's really hard to catch the ball at the proper
6 moment, and figure out the message, but it's something that
7 needs to be done, definitely.

8 Well, thank you all. I really appreciate your
9 time, your dedication to this. We've reached a very
10 comfortable plateau of trust and sharing and understanding
11 of the programmatic issues and I look forward to working
12 with you more in the future, and we will look at Propane, I
13 promise you, among these other things, and policy changes.
14 So, thank you all. And happy holidays to all, too.

15 (Adjourned at 4:05 p.m.)

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