

SPECIAL BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Special Business Meeting)
)
_____)

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

WEDNESDAY, JULY 11, 2007

9:05 A.M.

Reported by:
Peter Petty
Contract Number: 150-07-001

COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Chairperson

Arthur H. Rosenfeld

James D. Boyd

John L. Geesman

Jeffrey D. Byron

STAFF and CONTRACTORS PRESENT

B.B. Blevins, Executive Director

Arlene Ichien, representing Chief Counsel's Office

Harriet Kallymeyn, Secretariat

Sandy Miller

Allan Ward

Fernando DeLeon

PUBLIC ADVISER

Nicholas Bartsch

I N D E X

	Page
Proceedings	1
Items	1
1 New Solar Homes Partnership Guidebook	1
2 Southern California Edison Appeals	7
3 Public Comment	9
Adjournment	9
Certificate of Reporter	10

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

2 9:05 a.m.

3 CHAIRPERSON PFANNENSTIEL: This is a
4 special business meeting of the California Energy
5 Commission. Please join me in the Pledge of
6 Allegiance.

7 (Whereupon, the Pledge of Allegiance was
8 recited in unison.)

9 CHAIRPERSON PFANNENSTIEL: A short, two-
10 item business meeting. Let's begin with the item
11 on the new solar homes partnership.

12 Possible adoption of the Renewables
13 Committee's proposed revisions to the new solar
14 homes partnership guidebook. Good morning.

15 MR. MILLER: Good morning,
16 Commissioners. My name is Sandy Miller and I work
17 in the renewable energy office. Today we are
18 asking for approval of revisions to the new solar
19 homes partnership guidebook.

20 As you may recall, the guidebook was
21 approved by the Commission in its December 13,
22 2006 business meeting. Affordable housing was an
23 issue which the Commission's Renewable Committee
24 planned to resolve with future revisions of the
25 guidebook.

1 The proposed guidebook reflects the
2 affordable housing provisions.

3 To this end, the Renewables Committee
4 and the staff have worked closely with the
5 Affordable Housing Advisory Committee created at
6 the recommendation of the Renewables Committee, to
7 identify issues affecting affordable housing and
8 to propose resolutions to those issues, to
9 encourage more participation in the program by
10 developers of affordable housing.

11 The Affordable Housing Advisory
12 Committee has been actively involved in the
13 process.

14 As a result of as series of meetings and
15 workshops with the Affordable Housing
16 representatives, the Renewables Committee and
17 Staff have developed revisions to the new solar
18 homes partnership guidebook. And are recommending
19 the Commission adoption of the proposed guidebook.

20 The major revisions affecting the
21 affordable housing include: higher incentives that
22 go from a range of 3.30 to 3.50 per watt compared
23 with the current guidebook incentives of
24 approximately 3.12 to \$3.25 a watt.

25 There is a separate incentive adjustment

1 mechanism from the regular NSHP program so the
2 incentives will decline separately from the
3 regular program.

4 There has been a reduction in the
5 efficiency requirement from 20 percent to 15
6 percent from Title 24 for developments which would
7 install solar on the common areas.

8 Maintenance plan for affordable housing
9 would now be required in the application process.
10 And more flexible metering requirements compared
11 to the current guidebook.

12 Other changes to the guidebook have been
13 made also, primarily to bring greater consistency
14 between the NSHP program and the CPUC-administered
15 CSI. These changes include for the NSHP allow
16 mixed use developments, i.e., residential and
17 nonresidential developments. And this would be
18 for both affordable housing and market rate
19 housing.

20 The NSHP would provide funding for the
21 residential units, whereas before in the current
22 guidebook if it was a mixed use, the development
23 would not be eligible for NSHP.

24 Also, in that case we would provide
25 incentives for the residential portion only.

1 However, if the nonresidential space is 10 percent
2 or less than the total building space, the NSHP
3 would provide funding for the entire project.

4 Other changes include: a clarification
5 of the definition of new housing -- new
6 residential construction -- excuse me;
7 clarification of owner-installed systems are now
8 eligible. They were before, but it wasn't clear
9 in the guidebook.

10 Revising the application forms to make
11 them easier to understand. Clarifying energy
12 efficiency documentation requirements.

13 In addition, there may be minor
14 nonsubstantive edits made as the staff
15 incorporates the approved changes into the final
16 guidebook.

17 The Renewables Committee and staff
18 request that the Commission approve the Committee-
19 proposed guidebook. We will be happy to answer
20 any questions you have.

21 And to my right, Allan Ward of the legal
22 division, will now discuss the CEQA aspects of the
23 proposed guidebook.

24 MR. WARD: Good morning. For your
25 information and the record I've reviewed whether

1 the California Environmental Quality Act, or CEQA,
2 applies to adopting these proposed revisions to
3 the new solar homes partnership guidebook.

4 My opinion is that CEQA does not apply
5 to adopting these revisions. CEQA only applies to
6 quote-unquote, projects, as that term is defined
7 in statutes and regulations. And adopting these
8 revisions does not meet the definition of a
9 project for at least two reasons:

10 The revisions will not create a direct
11 or indirect change in the environment because the
12 original guidebook had already contemplated
13 installing 400 megawatts of solar systems and
14 these revisions do not increase or alter this
15 amount.

16 The second reason is that these
17 revisions fall within the specific exclusions to
18 the definition of project contained in Title 14,
19 California Code of Regulations, section
20 15378(b)(2) and (b)(4), because they deal with
21 general policy and procedure making, and a
22 government funding mechanism that does not commit
23 to specified projects.

24 CHAIRPERSON PFANNENSTIEL: Thank you,
25 both. Sandy, I just want to clarify that the

1 proposed changes to the guidebook that have to do
2 with affordable housing were all agreed to by the
3 Affordable Housing Committee over some period of
4 time that this Committee met with staff. Is that
5 the case?

6 MR. MILLER: That's correct, Chairman.
7 The March 23rd advisory committee meeting, the
8 advisory committee unanimously approved the
9 recommendations at that time to these changes that
10 are being proposed here.

11 CHAIRPERSON PFANNENSTIEL: Thank you.
12 Are there questions, further discussion?

13 COMMISSIONER GEESMAN: I'd make a motion
14 to approve the guidebook. I want to extend my
15 compliments to the staff, which I think has done a
16 great job, and to the input that we got from the
17 Affordable Housing Advisory Committee, which has
18 proven extremely helpful to our efforts.

19 This is going to be the hardest sector
20 in the housing market to serve with solar. I
21 think everybody recognizes that. And I think it
22 holds itself out as an extremely desirable target
23 for the utilities to focus their efforts on. I
24 think that the utilities can make a real
25 difference if they help us nurture this technology

1 into this particular sector of the housing market.

2 So I would move that we approve the
3 guidebook, and extend my compliments to all that
4 were involved.

5 COMMISSIONER ROSENFELD: I'd like to
6 second it and say I think this is a wonderful
7 combination of energy efficiency and renewables,
8 the sex appeal of renewables and the robust
9 savings of energy efficiency. So, second.

10 CHAIRPERSON PFANNENSTIEL: All in favor?

11 (Ayes.)

12 CHAIRPERSON PFANNENSTIEL: The
13 guidebook's approved. Thank you, Sandy and Allan.

14 MR. MILLER: Thank you.

15 COMMISSIONER BOYD: Good work.

16 CHAIRPERSON PFANNENSTIEL: The second
17 item is consideration of Southern California
18 Edison's appeals of the Executive Director's
19 decisions denying its application for
20 confidentiality pursuant to California Code of
21 Regulations, Title 20, section 2505(a)(3) to
22 supply electricity data, demand electricity data
23 retail price electricity data, and nuclear power
24 plant data as part of the 2007 Integrated Energy
25 Policy Report proceeding. Good morning, Mr.

1 DeLeon.

2 MR. DeLEON: Good morning,
3 Commissioners. My name is Fernando DeLeon; I'm an
4 attorney at the Energy Commission.

5 On June 29th Edison withdrew its appeal
6 in its entirety subject to an agreement with the
7 Energy Commission to be notified when there was a
8 public request for the information in dispute.

9 We are here seeking approval of Edison's
10 motion to withdraw.

11 CHAIRPERSON PFANNENSTIEL: Thank you.
12 There was a motion that -- it was an order that I
13 signed July 2nd subject to Commission approval.
14 And so we're here seeking Commission approval of
15 this. Is there discussion?

16 COMMISSIONER GEESMAN: I would move that
17 we approve the order. I think that it would
18 appear that wiser heads have prevailed at Southern
19 California Edison. And hopefully there's a better
20 appreciation of the public nature of our business,
21 and the need to have as much information as the
22 law provides made publicly available.

23 I thank our General Counsel's Office for
24 their continuing willingness to provide tutorials
25 to Edison and to the other utility legal staffs as

1 to the requirements of the Public Records Act, the
2 Warren Alquist Act and the California
3 Constitution.

4 So I would move approval of the order.

5 COMMISSIONER BOYD: I'd like to second
6 that motion, as a veteran of multiple IEPRs and
7 having lived through this with Commissioner
8 Geesman, in particular, quite a bit.

9 I think it's good to see that we've
10 moved this small amount, nonetheless, after all
11 these years, but it is movement. So, it's
12 positive.

13 CHAIRPERSON PFANNENSTIEL: Thank you.
14 It has been moved and seconded. Any further
15 discussion?

16 All in favor?

17 (Ayes.)

18 CHAIRPERSON PFANNENSTIEL: The order is
19 approved accepting withdrawal of the Edison
20 filing.

21 With that we are open for any public
22 comment; anybody here who would choose to make
23 public comment.

24 Hearing none, we'll be adjourned.

25 (Whereupon, at 9:17 a.m., the business
26 meeting was adjourned.)

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of July, 2007.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□