

Commissioners Present

Robert B. Weisenmiller, Chair
James D. Boyd, Vice Chair
Karen Douglas

Staff Present:

Michael Levy, Chief Counsel
Melissa Jones, Executive Director
Jennifer Jennings, Public Advisor
Harriet Kallemeyn, Secretariat

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P R O C E E D I N G S

MARCH 30, 2011 9:04 a.m.

CHAIRMAN WEISENMILLER: We have a couple of items on the agenda today. Let's start with Item 1. Aerial Information Systems, Inc. Possible approval of Contract 400-10-012 for \$500,000 with Aerial Information Systems, Inc. to conduct research on vegetation sampling and mapping and collect information that may assist with the permitting of renewable energy projects in portions of the California Mojave Desert covered by the Desert Renewable Energy Conservation Plan. This is RRTF funding. And Sarah?

MS. PITTIGLIO: Yeah, good morning, Commissioners. My name is Sarah Pittiglio and I am here to request your approval of a contract with Aerial Information Systems for \$500,000 to conduct vegetation surveys and provide vegetation mapping for the Desert Renewable Energy Conservation Plan, also known as the DRECP.

The funds for this project are coming from the Renewable Resources Trust Fund and the Conservation Plan is being developed by the CEC and the California Department of Fish and Game. The DRECP's independent science panel has recommended the development of an enhanced vegetation maps as a priority data need for the

1 cleaning effort and the mapping is necessary for the
2 cleaning and strategy effort in order to specifically
3 identify areas in the Mojave and the Colorado Desert
4 regions that are suitable for conservation, or suitable
5 for renewable energy development.

6 The Conservation Plan is scheduled to be
7 completed in 2012 and the vegetation effort is scheduled
8 to be completed by December of 2011. According to Fish
9 and Game, Aerial Information Systems is the only team
10 available with enough experience with the methodology
11 that the project requires. In addition, their staff is
12 already trained to perform the required tasks, and
13 therefore can complete the project within the short
14 timeframe that they have, and not having this critical
15 information will diminish the quality of the cleaning
16 efforts to identify potential conservation and
17 development areas, and also delays to secure other
18 funding would greatly hinder meeting the plan deadline.
19 If you have any questions, I would be happy to answer
20 them.

21 CHAIRMAN WEISENMILLER: Commissioners, any
22 questions or comments?

23 COMMISSIONER DOUGLAS: I don't have any
24 questions, but I do - I'm pretty thoroughly briefed on
25 this issue, but I'm pleased to see this moving forward,

1 this is a critical window for the doing some of this work
2 and its research, and so on. So, I'm pleased to see it
3 move forward.

4 VICE CHAIR BOYD: I have no questions, I would
5 just add to Commissioner Douglas' comments. I know she's
6 watched it closely, and I've watched it, we've all
7 watched this subject from various vantage points here at
8 the Commission for a while and I know it's something that
9 is much desired by a host of folks. So, the sooner the
10 better. The trouble is, it won't help me in my last
11 year, but, in any event, future siting cases will be much
12 appreciative of the data that will be produced here.

13 CHAIRMAN WEISENMILLER: You know, I was going
14 to say, certainly from my experience with the siting
15 cases, Siting Committee, and with DRECP, this is really a
16 critical project. I know we've done everything we can to
17 move this out so that it can catch some of the glorious
18 rainfall this year, and it contributed to the vegetation
19 mapping, so I certainly appreciate the staff moving
20 forward on this. Do I have a motion?

21 COMMISSIONER DOUGLAS: I'll move approval.

22 VICE CHAIR BOYD: Second.

23 CHAIRMAN WEISENMILLER: All in favor?

24 (Ayes.) This passes unanimously. Thank you.

25 MS. PITTIGLIO: Thank you.

1 CHAIRMAN WEISENMILLER: Our second item is also
2 one of our - well, time sensitive, and this is the Public
3 Interest Energy Research (PIER) Annual Report. Possible
4 approval of the Public Interest Energy Research (PIER)
5 2010 Annual Report to the Legislature. And the contact
6 is Laurie.

7 MS. TEN HOPE: Good morning, Chairman and
8 Commissioners. I'm Laurie ten Hope, the Director of the
9 R&D Program, and I would like to introduce Leah Mohney,
10 who is our Project Manager for the Annual Report and the
11 principal writer.

12 We are asking today for approval of the 2010
13 PIER Annual Report. As you know, this is required as
14 part of SB 1250 to file annually on what the funding
15 projects were in the previous year, and to identify
16 highlights of products in their path to market. The
17 report is structured in three chapters, how we approach
18 our research in Chapter 1, highlighting tangible benefits
19 of the program in Chapter 2, and highlights of particular
20 research projects in Chapter 3. The Appendix includes
21 all the projects that were funded in 2010.

22 I'd like to just highlight a couple of things
23 about what is new in this report and a couple of
24 significant accomplishments. Probably what is new is we
25 are at the end of our authorization timeframe, which also

1 means we're kind of at the tail of our strategic planning
2 effort, this is our last year in a five-year strategic
3 planning, and with this report we make commitments going
4 forward to initiate a new strategic plan to refocus the
5 program based on current policy goals, stakeholder input,
6 and science and technology advancements. If we authorize
7 this, it would provide the right framework for the
8 program going forward in the next decade. We are also
9 going to roll out some other recommendations of the
10 Advisory Committee that we have later today in making
11 commitments to a more transparent advisory structure, and
12 an active stakeholder outreach in the program going
13 forward.

14 That said, there are several accomplishments to
15 highlight and I would just bring your attention to a
16 couple of those. We completed analysis that supported
17 the Title 24 and Title 20 Building Standards for
18 televisions, external power supplies, and three other
19 technologies that, when the stock turnover is complete,
20 will result in over a billion dollars of savings per
21 year, a number so big it causes many people to ask for
22 supporting documentation, which we've been very careful
23 to do with the support of our standards staff that goes
24 through a rigorous analysis of the cost benefit for any
25 measures that are included into Title 20 and Title 24.

1 I would also point out that we have been
2 providing support tools to the California Independent
3 System Operator to assist with reliability and we have
4 been working over several years to help develop software
5 that allows the ISO to take input from synchrophasors,
6 which are basically a technology that allows you to time
7 stamp the conditions of the grid at many locations, and
8 it's a much more sophisticated, accurate way to assess
9 what the current condition is of the Western Grid. And
10 that's been extremely helpful to them in avoiding black-
11 outs and preparing for intermittency renewables. The
12 estimates for savings for avoided black-outs is another
13 area that is hard to quantify because you're quantifying
14 something that did not happen, but our independent
15 assessments are that that's in the \$300 million range for
16 California, and much larger for the Western Grid. And
17 the ISO has been very appreciative of that effort.

18 And the last item I would mention is the
19 leverage of the PIER funds. Historically, the Pier
20 Program has leveraged about \$1.6 for every dollar of PIER
21 funding that brings additional money into the state, but
22 last year with the ARRA funds, we were able to
23 significantly increase the leverage dollars available to
24 California for technology innovation, and one of the
25 areas that California was most successful was in the

1 Smart Grid Area, and that is going to be a big boon to us
2 in being able to make advancements in our Transmission
3 Distribution System that enables renewables and demand
4 response that our policy goals put forth.

5 We're looking forward, we're excited about many
6 other opportunities that will hopefully bring us these
7 home runs that I've identified just a couple of samples;
8 we're looking forward to the research in all our areas,
9 but a couple that I would point out are in the
10 Transportation area, we're working on the secondary use
11 of electric vehicle batteries, this is sort of a triple-
12 win because it potentially provides a storage vehicle for
13 intermittent renewables, or to complement demand response
14 for end use customers. It also deals with a potential
15 waste issue for electric vehicles and it should bring
16 down the cost if there is an additional value stream for
17 electric vehicles.

18 With that, I would ask if you have any
19 questions and recommend approval of this report.

20 CHAIRMAN WEISENMILLER: Thank you.

21 Commissioners, any questions or comments?

22 VICE CHAIR BOYD: No questions. A comment
23 would be commendation, I guess, to Laurie and her staff,
24 but to the whole team of people and this has been an
25 extensive team effort on the part of the staff of this

1 agency, cutting across about every conceivable
2 organization that we have internally, to help produce
3 this report in recognition of the sensitivity of the
4 subject matter and the need to convey information, proper
5 information, about the conduct of this program and what
6 its contributions have been to the energy picture in
7 California and what its contributions have been to the
8 economy of California. This is obviously probably the
9 best report that has come out of the PIER Program since
10 the time they've been doing reports, as people have
11 learned by doing as we've accrued more experience, and in
12 turn, as R&D has matured beyond the "R" and beyond the
13 second "D" to more and more the third and fourth "Ds," as
14 I like to say, RDD&D, Research, Development,
15 Demonstration, and Deployment, everybody has been looking
16 for deployment instantly, and you can't have the latter
17 without the former, the research in the first place, and
18 I think now the stream of activities over time have
19 indeed shown that there have been some very positive
20 contributions. And as Ms. ten Hope indicated, some
21 people had great difficulty comprehending or believing
22 the benefits, and so they've had to be excruciatingly
23 documented and presented to folks because they're
24 incredibly sizeable and our individual benefit is not
25 some kind of effort on staff's part to aggregate all

1 collected benefits. So, we only hope that this is well
2 received, that it does help people understand the program
3 better and, as indicated, we'll leave this meeting to an
4 all-day meeting with our Research Advisory Committee in
5 which we hope to get continuing feedback to help us in
6 the management of the program and in the ways and means
7 of documenting the benefits of the program and to
8 identify those issues that are truly the issues that
9 policy decision-makers want to hear about vs. those
10 issues that we know are great issues, but don't attract a
11 lot of attention and just contribute to the base. So, so
12 much of what this program does is in the below the water
13 line part of this iceberg, and it's above the water line
14 part that everybody sees, and we have worked hard to get
15 that properly identified, and get the most visual items
16 and meaningful items out there, but it can't exist
17 without some of the whole. So, this is a very
18 significant accomplishment and somewhat of a banner for
19 this program to produce this report this year, and I hope
20 it's as well received as some of us feel it deserves in
21 terms of the huge effort that people have put into it.
22 So, I am very pleased to see this and anxious to support
23 it.

24 COMMISSIONER DOUGLAS: Just briefly, I'll add
25 on that I appreciate Ms. ten Hope and other PIER staff's

1 work on this report. It's been now a couple years since
2 I've been on the R&D Committee, but some of the issues
3 that we were working on then in trying to see how to move
4 forward on that are definitely coming to fruition now, so
5 I would like to thank the Committee, as well, for their
6 good work in seeing this through.

7 CHAIRMAN WEISENMILLER: I was going to say, as
8 the most recent member of the Committee, I certainly have
9 enjoyed picking up and understanding the issue better,
10 certainly I have relied very heavily on Vice Chair Boyd,
11 to sort of build off of his experience and expertise that
12 he's gained over the years on this, but, again, I would
13 certainly like to thank the staff for their hard effort
14 pulling this together. By the nature of having
15 reauthorization, it's time to look back at what's worked
16 and what hasn't worked, and what's changed and how that
17 should be reflected, the change in terms of the state, in
18 terms of how that should be reflected in our programs.
19 And so, certainly, PIER is marching through this. I
20 guess yesterday we started the dialogue more on the
21 renewable trust fund, certainly the PUC is having similar
22 discussions, you know, on the energy efficiency part of
23 the public surcharge, and so, moving forward, it's a good
24 time for new leadership in the division to sort of re-
25 look at everything and make sure it all holds together,

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1 and certainly this document is a good step in that
2 direction. So, thanks again for all of the staff's hard
3 work. Do I have a motion?

4 VICE CHAIR BOYD: With those words, I will be
5 glad to move approval, and thank you for your kind
6 comments. My strength in this area is based upon the
7 good staff who does the work, that we all get the credit
8 for, so, in any event, as I say, I move approval.

9 COMMISSIONER DOUGLAS: Second.

10 CHAIRMAN WEISENMILLER: All in favor?

11 (Ayes.) This also passes unanimously. Thanks.

12 MS. TEN HOPE: Thank you.

13 CHAIRMAN WEISENMILLER: Item 3. Commission
14 Committee Presentations and Discussion.

15 VICE CHAIR BOYD: Well, Mr. Chairman, the only
16 item I was going to mention has been mentioned multiple
17 times now and we move from this forum to another one to
18 deal with yet another meeting with our reconstituted PIER
19 advisory committee, and we had a very successful meeting,
20 as you know, last November, and we are moving into a
21 second promised and scheduled meeting where we will be
22 giving the Advisory Committee a progress against plan
23 report with regard to the items that they identified to
24 us and for us to pursue, and of course, as you indicated,
25 this is the year of reauthorization and this is timely

1 for us to be having this meeting now, just like it was
2 timely to approve the report that we just approved. So,
3 I look forward with you to spending probably the rest of
4 the day with these folks, picking up their advice and
5 counsel and suggestions for our future.

6 The only second item I was going to mention was
7 just, I have very little to report, other than the
8 continuing saga of the consequences of the tragic
9 Japanese earthquake and, I mean, we can all read it in
10 the press every day as to what's going on with regard to
11 the continuing problems with the nuclear power plant and
12 more and more evidence showing up in this country of the
13 high level transport of, fortunately, incredibly low
14 levels of radiation. But, nonetheless, the various
15 action groups that went into operation with the advent of
16 the earthquake - or the occurrence of it and the Tsunami
17 - still continue in having discussions on the subject
18 and, of course, recently there was a hearing in the
19 Senate Select Committee on the subject of emergency
20 preparedness, and specific to this earthquake, that we
21 participated in, and the work that we've done in the past
22 and promise to continue, was significant in terms of its
23 discussion and contribution to that particular committee
24 hearing. And several Senators were fairly outspoken with
25 regard to their concerns for work that this agency had

1 recommended need to be done on earthquake analysis around
2 our two existing operating plants, and I think there will
3 be more to follow on that subject. But, of course, this
4 being a year of a full on comprehensive IEPR, we have
5 committed in the past timely to have the continuing
6 status report on AB 1632, the report they required us to
7 make recommendations, to investigate loss of two very
8 large power plants, and investigate seismic activities,
9 has suddenly become a very relevant topic here in
10 Sacramento. And I know people are looking forward to our
11 workshop later this year, in fact, I believe it's
12 tentatively scheduled in June on the subject of our
13 nuclear power plants and seismic safety. So, that
14 subject will be with us, I'm sure, for quite some time.
15 And I guess I would just close in saying that I think we
16 all, while being concerned about the magnitude of the
17 growing death toll in Japan, I mean, it looks like it's
18 guaranteed to go way over - it's getting close to almost
19 a guaranteed 30,000 people, although the greater portion
20 of those are not even found and identified yet, close to
21 12,000 dead and the balance missing. On top of that
22 tragedy, we have to follow the nuclear issue on a daily
23 basis, so we can only hope that they succeed in bringing
24 that under control without any loss of life, but it does
25 appear a few workers have really made the ultimate

1 sacrifice in terms of the effect on their long term
2 health, and again, a huge body of lessons learned, I
3 think, for all of us will be formulated from this tragic
4 experience. So, this will continue, I'm sure, for quite
5 some time, the discussion on this subject. So, we will
6 continue to be monitoring the situation involved and
7 doing what little we have as an agency in terms of
8 responsibility for nuclear, but a very large
9 responsibility suddenly for the words we put in that AB
10 1632 report some time ago, they are getting an awful lot
11 of traction now. I have nothing further, thank you.
12 Also, I'm running out of voice. Excuse me.

13 COMMISSIONER DOUGLAS: I have a brief report.
14 On Monday, I spoke at the opening plenary of the
15 Affordable Comfort, ACI, Conference in - it was held in
16 California this year, in San Francisco, and it was a
17 really good forum to talk about Energy Upgrade
18 California. This conference brings together
19 professionals from around the country in the area of home
20 energy efficiency retrofit and commercial retrofit, so we
21 had in the room a number - a large number of our
22 contractors in Energy Upgrade California, and we had
23 people from around the country with expertise in retrofit
24 programs, and there was definitely both a recognition and
25 a determination to move very quickly in implementing

1 Energy Upgrade California here as we go forward, but also
2 some very strong recognition of California's leadership
3 with our statewide flagship program, Energy Upgrade
4 California. I spoke right before former Commissioner
5 Diane Grueneich of the PUC, so I had an opportunity to
6 talk to her afterwards about the PUC's work in energy
7 efficiency and my interest in connecting as soon as
8 possible with their Commissioner, who is assigned to
9 energy efficiency, so that we can carry on the great
10 partnership with the PUC in this area.

11 CHAIRMAN WEISENMILLER: I was going to just
12 briefly note that yesterday Commissioner Peterman and I
13 went out to the CAISO and did three things, it was a good
14 trip, first of all, quickly walking into this building
15 this morning, it was sort of a study in contrasts between
16 their new building, which is Platinum Leed, certainly
17 they were proud to indicate that it is substantially
18 larger than the last building and uses about half as much
19 energy as the last building and, of course, they're very
20 computer intensive, software intensive, so it's not
21 simply retail space, by any means, or office space. But,
22 anyway, so it was a very good building, shows a very
23 strong commitment on their part, I think, to energy
24 efficiency and renewables. I mean, certainly it is solar
25 on the rooftops, solar in the parking lot, just basically

1 a really strong demonstration, and unlike this building,
2 too, I guess one of the changes from the last ISO
3 building ,of those of you who have been out, was sort of
4 a mixed use suburban space and, so, after nine eleven,
5 everyone started thinking more about security
6 implications for those types of buildings, this one is
7 certainly designed in a way that makes it much less
8 likely for anything to wrong, but, I guess, anything can
9 at some stage - so we had that conversation. We looked
10 at the control room and they certainly have upped the
11 renewable presence there, you know, there is a renewable
12 desk, you can see the output from the solar plants, from
13 the wind plants, you can see the meteorology and watch
14 the clouds or the wind conditions affecting the
15 generation of the wind machines. So, again, as they
16 adjusted their vision of themselves to really focus much
17 more on renewables and greening California, it's really
18 reflected in the building and institutions.

19 And then we had a pretty good conversation on
20 their recent Transmission Plan and also on where they are
21 in their Renewable Integration Plan, and talked about how
22 we want to work together and incorporate that into the
23 IEPR, and when would be the best times to start thinking
24 about some workshops on those issues. So, anyway, it was
25 a pretty productive day. And then I spent some time with

1 Yakout and talked again about ways both the organizations
2 can work together better.

3 And ultimately, Commissioner Peterman is now
4 down in Southern California giving a presentation at
5 CMUA, so I thought it was a good opportunity for her to
6 meet with some of the municipal utilities and start that
7 dialogue. So, it is, as usual, a busy time.

8 Item 21. Any Chief Counsel's Report?

9 MR. LEVY: None today, thank you.

10 CHAIRMAN WEISENMILLER: Thank you. Item 22.

11 Executive Director?

12 MS. JONES: Nothing to report today.

13 CHAIRMAN WEISENMILLER: Item 23. Public

14 Advisor?

15 MS. JENNINGS: Nothing to report, today. Thank
16 you.

17 CHAIRMAN WEISENMILLER: Thank you. Item 24.

18 Any public comment? Okay, this meeting is adjourned.

19 (Whereupon, at 9:30 a.m., the business meeting was
20 adjourned.)

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