

Commissioners Present

Robert B. Weisenmiller, Chair
Karen Douglas
Carla J. Peterman

Staff Present:

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

Agenda Item

Joe Loyer	1
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Guido Franco	3
Sarah Pittiglio	4
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Leslie Baroodly	12
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Jennifer Allen	15
Pat Perez	16

Also Present (*on phone)

Interested Parties

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Jenifer Lee, Walnut Creek Energy, LLC	2
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1. C-MRA-001. Administration. Possible approval of Amendment 4 for an eight-month no-cost time extension to complete the administration portion of the Master Research Agreement 500- 02-004.	
2. UC-MRA-026. Air Quality Research Project. Possible approval of Amendment 3 for a six- month no-cost time extension to complete the field program.	
3. UC-MRA-045. West Coast Regional Carbon Sequestration Partnership, Phase II. Possible approval of Amendment 3 for an eight-month no- cost time extension to update reports and complete the final deliverables due to delays.	
4. UC-MRA-70. Fault Analysis in Underground Cables. Possible Approval of Amendment 3 for a six-month no-cost time extension to complete field testing and documentation.	
5. UC-MRA-084. PIER State Partnership for Energy Efficiency Demonstrations. Possible approval of Amendment 2 for an 8-month no-cost time extension to allow time to benchmark, install and monitor the energy savings from the demonstration projects and enhance the quality of the results.	

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6. UC-MRA-088. Strategic Analysis of Energy Storage Technology. Possible approval of Amendment 1 for a six-month no-cost time extension needed to complete the project, due to delays.
 7. UC-MRA-089. Life Cycle Greenhouse Gas and Energy Analyses of Production of Algae Biofuels. Possible approval of Amendment 1 for a six-month no-cost time extension which is needed to complete the project due to delays.
 8. UC-MRA-090. Under-measured and Overlooked Fuel-Saving Opportunities in California's Light Duty Vehicles. Possible approval of Amendment 1 for a six-month no-cost time-extension which is needed to complete the project due to delays.
- b. COUNTY OF SONOMA. Possible adoption of the County of Sonoma's locally adopted building energy standards to require greater energy efficiency than the 2008 Building Energy Efficiency Standards.
 - c. CITY OF MANHATTAN BEACH. Possible approval of the City of Manhattan Beach's locally adopted building energy standards to require greater energy efficiency than the 2008 Building Energy Efficiency Standards.
 - d. WESTERN INTERSTATE ENERGY BOARD. Possible approval **Postponed** of Contract 150-10-005 for \$36,000 with Western Interstate Energy Board for two years' dues. (ERPA funding.)
 - e. UNIVERSITY OF CALIFORNIA, DAVIS-WESTERN COOLING EFFICIENCY CENTER. Possible approval of Amendment 1 to Contract 500 08 042 with University of California, Davis-Western Cooling Efficiency Center. This amendment will extend the contract by four months and reallocate cost among the administrative items. The scope of work for research tasks will not be changed.

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9. UNITED STATES FOREST SERVICE. Possible approval of Contract 600-10-006 for \$1.5 million with the United States Forest Service - Pacific Southwest Research Station to investigate the sustainability of forest biomass for renewable biofuels. (ARFVT funding.)	32
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P R O C E E D I N G S

MAY 4, 2011 10:05 a.m.

CHAIRMAN WEISENMILLER: Good morning. Let's start today's Business Meeting with the Pledge of Allegiance.

(Whereupon, the Pledge of Allegiance was received in unison.)

CHAIRMAN WEISENMILLER: Good morning. We're going to hold some items to the next meeting. On Consent Calendar, Items a, d and f are going to be held.

COMMISSIONER DOUGLAS: I move consent.

COMMISSIONER PETERMAN: I second.

CHAIRMAN WEISENMILLER: All in favor?

(Ayes.) This Consent has been adopted unanimously.

Item 2. Walnut Creek Energy Park (05-AFC-2C). Possible approval of a petition to amend the Walnut Creek Energy Park project to modify air quality Conditions of Certification related to South Coast Air Quality Management District Rules and Regulations. Christina Snow is going to handle the presentations.

MS. SNOW: Thank you, Mr. Chairman and fellow Commissioners.

MR. LOYER: Just one moment. I'd just like to clarify, did you move Item "B" as in "Baker?"

1 CHAIRMAN WEISENMILLER: Yes.

2 MR. LOYER: By the Consent?

3 CHAIRMAN WEISENMILLER: Of the Consent, sure,
4 that was passed.

5 MR. LOYER: Oh, that was passed.

6 CHAIRMAN WEISENMILLER: Yes, we moved the
7 entire Consent, though we held Item A, D like in "David"
8 and F.

9 MR. LOYER: Okay, thank you, sir. Sorry for
10 interrupting.

11 CHAIRMAN WEISENMILLER: Okay.

12 MS. SNOW: Thank you. I am Christina Snow and
13 I manage the Walnut Creek Energy Park Petition to Amend.
14 Air Quality staff, representatives from Walnut Creek
15 LLC, and there is a representative from the South Coast
16 Air Quality Management District, as well, on the phone
17 if you have any questions.

18 The Walnut Creek Energy Park Project is a 500
19 megawatt peaking simple cycle power plant located in the
20 City of Industry in Los Angeles County. The power plant
21 was certified by the Energy Commission on February 27th,
22 2008, and has not yet been constructed. On March 8,
23 2011, Walnut Creek LLC filed a petition with the Energy
24 Commission requesting to amend Air Quality Conditions of
25 Certification for the Walnut Creek Energy Park. A

1 revised petition was submitted on April 1st, 2011.

2 Specifically, the proposed changes to air
3 quality Conditions of Certification include revisions to
4 AQSC7 and the addition of AQ19 to reflect the emission
5 reduction credit exemption allowed by the South Coast
6 Air Quality Management District Rules 1304(a)(2) as a
7 result of decommissioning Huntington Beach Units 3 and
8 4, and to stipulate offset requirements for non-exempt
9 emissions, deletion of AQSC8, as it is no longer
10 applicable, revision of AQ1 and AQ6 to reflect a change
11 in the monthly emission limits and fuel usage due to the
12 new fuel heating value used in the revised Final
13 Determination of Compliance issued by the South Coast
14 Air Quality Management District.

15 Revision of AQ3, increasing the number of
16 start-ups and shutdowns from 350 to 480 per year, a
17 revision to AQ4 to decrease the carbon monoxide emission
18 limits from 6 ppm to 4 ppm at 15 percent oxygen, to meet
19 new best available control technology requirements and,
20 finally, to revise AQ16 to increase the NO_x reclaim
21 trading credits to reflect the increase in the potential
22 number of start-ups and shutdowns, and to reflect the
23 election to be in the SO_x Reclaim Program.

24 Walnut Creek Energy does not propose to modify
25 any of the power plant equipment or the facility design.

1 The requested changes to the Air Quality Conditions of
2 Certifications take into account the current severe
3 scarcity of emission reduction credits in the South
4 Coast Air Basin and the rescission of the amendment to
5 the South Coast Air Quality Management District's Rule
6 1309.1 that previously permitted power plants to obtain
7 offsets from their priority reserve accounts.

8 All changes have been approved by the South
9 Coast Air Quality Management District and a Revised
10 Determination of Compliance issued on March 11th, 2011.
11 Staff has analyzed and requested the project changes and
12 has determined that the amended project would not cause
13 significant adverse impacts with the proposed Revised
14 Condition of Certifications.

15 The original Petition to Amend was docketed
16 and posted to the Energy Commission website on March
17 10th, 2011. The revised Petition was submitted on April
18 1st, 2011, and docketed and posted on the Energy
19 Commission's website on April 4th, 2011. Staff analysis
20 was also docketed and posted for a 30-day review on
21 April 4th, 2011, and sent to two interested parties.

22 A comment letter was received by the County of
23 Los Angeles Public Health Office requesting the Energy
24 Commission to analyze the proposed amendment for noise
25 impacts. Staff has determined that there are no noise

1 impacts as a result of revised air quality Conditions of
2 Certification.

3 Three interested parties requested various
4 documents with regard to the Petition to Amend, but no
5 other comments have been received.

6 Staff recommends that the Energy Commission
7 approve the Petition to Amend based upon staff's
8 findings and subject to the revised Condition of
9 Certification. Staff would be happy to address any of
10 your questions.

11 CHAIRMAN WEISENMILLER: Okay, let's hear from
12 the Applicants.

13 MS. LUCKHARDT: Hi. My name is Jane Luckhardt
14 from Downey Brand on behalf of Walnut Creek Energy, and
15 with me here today is Jennifer Lee. We are available to
16 answer any questions you may have and Ms. Lee would also
17 like to make a few comments.

18 CHAIRMAN WEISENMILLER: Ms. Lee.

19 MS. LEE: Thank you very much. We're really
20 pleased to be here today and I really just wanted to
21 take a very brief moment to recognize, well, Christina
22 read off the dates, what an enormous level of effort it
23 took on behalf of both the South Coast Energy Management
24 District staff and CEC staff to bring us here today, so
25 that we could go into construction this year and bring

1 the jobs and all the benefits of integrating renewables
2 that their analysis does. So, I just really wanted to
3 say thank you very much.

4 CHAIRMAN WEISENMILLER: Great. I wanted to
5 see if the South Coast had any comments.

6 MR. YEH: Good morning. This is Brian Yeh
7 with the South Coast Air Quality and Management
8 District. Thank you for allowing me to make comments
9 and I would just like to take this opportunity to give
10 thanks for the cooperation from the CEC staff that
11 helped to get this project done. We are here, just in
12 case you have any questions.

13 CHAIRMAN WEISENMILLER: Thank you. I think,
14 also, we have a representative from the CAISO here
15 today. Phil, do you want to say anything?

16 MR. PETTINGILL: Phil Pettingill with the ISO.
17 I'm available if you have any questions.

18 CHAIRMAN WEISENMILLER: Okay, but the ISO has
19 reviewed this and supports it?

20 MR. PETTINGILL: Yes, we have. Yeah, we've
21 gone through our locational capacity, reliability
22 analysis, we've looked forward 15 years after the
23 project is expected to be in operation, and it looks
24 like we can reliably operate in that area with the
25 exchange of Huntington Beach 3, 4, with the new Walnut

1 Creek facility. Clearly, it puts some more reliance on
2 the remaining Huntington Beach 1, 2 units, but we can
3 still reliably operate with existing facilities that are
4 in the area.

5 CHAIRMAN WEISENMILLER: Okay. Thank you.
6 Commissioners, any questions?

7 COMMISSIONER DOUGLAS: No questions. We
8 reviewed this item in the Siting Committee. I
9 appreciate the hard work staff has put into this and
10 appreciate the ISO and South Coast being here to answer
11 questions and to speak on this item.

12 COMMISSIONER PETERMAN: No questions.

13 CHAIRMAN WEISENMILLER: I certainly would like
14 to thank everyone for their participation today. I
15 think this is a day all of us have been looking forward
16 to, in terms of moving forward with this project and, at
17 the same time, returning some of the once-through
18 cooling plants. So, again, it's a good day. Do we have
19 a motion on this?

20 COMMISSIONER DOUGLAS: I will move Item 2.

21 COMMISSIONER PETERMAN: I will second.

22 CHAIRMAN WEISENMILLER: All in favor?

23 (Ayes.) It passes unanimously again. Thank
24 you. Item 3. Scripps Institution of Oceanography.
25 Possible approval of Contract 500-10-041 for \$1.2

1 million with the University of California, Scripps
2 Institution of Oceanography to improve meteorological
3 and hydrologic models to forecast the impact of climate
4 change on energy demand and hydropower generation. This
5 is PIER Electricity funding, and the contact is Guido
6 Franco.

7 MR. FRANCO: Good morning, Commissioners. My
8 name is Guido Franco, a Senior Engineer in the Public
9 Interest Energy Research Program, the PIER Program.
10 Scripps Institution of Oceanography has been working
11 supporting PIER Research for a long time, they have been
12 studying how climate is changing in California, they
13 have tried to figure out the reason for these changes,
14 and also how climate might change in the future.

15 Now, changing climate is very important for
16 the energy system for several reasons, including the
17 fact that climate change will impact and actually is
18 already impacting energy demand. It is also going to
19 affect the reliability of the energy system, for
20 example, increased rates of forest fires will decrease
21 the reliability of the transmission system, and also
22 will impact the generation of electricity, not only in
23 hydroelectric power plants, but also reducing the energy
24 efficiency in our thermal power plants.

25 Scripps will conduct several new areas of

1 research, for example, they have developed for us in
2 prior contracts new ways to downscale or to translate
3 the output from global climate models to the California
4 region. They will use these tools to come out with
5 seasonal forecasts, probabilistic seasonal forecasts,
6 and also long term forecasts, up to 10 years into the
7 future, and we are working very closely with our Demand
8 Forecast Office to test and find out how useful these
9 forecasts will be and, if they are useful, we will try
10 to make this activity and operational activity in the
11 Commission.

12 They also are going to be enhancing
13 hydrological models and I think, to make - there are
14 several issues with the hydrological models that we are
15 using for climate change studies, and improving the
16 models is very important to get a better understanding
17 of how climate change will impact hydropower generation.

18 Finally, Scripps will develop new climate
19 scenarios for California. As you may know, the IPCC,
20 the Intergovernmental Panel on Climate Change, is coming
21 out with new global climate scenarios that will be used
22 worldwide in the next five or more years, but these
23 models are still too coarse for California, so Scripps
24 will be developing new generation climate scenarios for
25 California that will be used not only for research, but

1 also, like in the past, they will be used for long term
2 planning in California.

3 So, with that, I respectfully ask for your
4 approval for this agreement, and I am ready to answer
5 any questions that you may have.

6 CHAIRMAN WEISENMILLER: Thank you.
7 Commissioners, any questions or comments?

8 COMMISSIONER PETERMAN: I'd just like to say I
9 think this is a good project, I support the idea of
10 being able to have a more detailed look and resolution
11 of the California system. So, I move this item.

12 COMMISSIONER DOUGLAS: Second.

13 CHAIRMAN WEISENMILLER: All in favor?

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

15 Item 4. University Of California, Berkeley.
16 Possible approval of Contract 500-10-035 for \$82,510
17 with the Regents of the University of California,
18 Berkeley, to study the relationship between fog, winter
19 chill hours, and energy demand for heating in the
20 Central Valley region. This is DOE funding, and the
21 contact is Sarah.

22 COMMISSIONER PETERMAN: And, Chair, before we
23 hear this item, I'd like to disclose a relationship that
24 I have with U.C. Berkeley. I am currently finishing my
25 doctoral dissertation there in the Energy and Resources

1 Group, which is not connected with this project, but I
2 did want to disclose that.

3 MS. PITTIGLIO: Thank you. Good morning,
4 Commissioners. My name is Sarah Pittiglio, I am with
5 PIER's Environmental Group. There is anecdotal evidence
6 that the incidence of fog are decreasing in the Central
7 Valley of California and is partially responsible for
8 increases in temperature in that area. An increase in
9 temperature will decrease residential heating and
10 weather dependent energy demand.

11 The objectives of this project are to see if
12 higher temperatures in that area are associated with a
13 reduction in fog and then to look at its implication for
14 energy demand for weather sensitive energy use. The
15 results will be used to enhance and verify regional
16 climate models to more accurately predict energy demand
17 in the winter time. I'm happy to answer any questions
18 you may have about the project.

19 CHAIRMAN WEISENMILLER: Commissioners, any
20 questions or comments?

21 COMMISSIONER PETERMAN: I motion to move this
22 item.

23 COMMISSIONER DOUGLAS: Second.

24 CHAIRMAN WEISENMILLER: All in favor?

25 (Ayes.) This passes unanimously.

1 MS. PITTIGLIO: Thank you.

2 CHAIRMAN WEISENMILLER: Item 5. University of
3 California, San Diego. Possible approval of Contract
4 500-10-39 with the University of California, San Diego
5 for \$2 million to establish the California Initiative
6 for Large Molecule Sustainable Fuels. This is PIER
7 natural gas funding and the contact is David.

8 MR. EFROSS: Good morning, Commissioners. My
9 name is David Efross and I work in the PIER
10 Transportation Division. This contract would establish
11 the California Initiative for Large Molecule Sustainable
12 Fuels.

13 And, first, I should give a definition. We
14 decided to call these Large Molecule Sustainable Fuels.
15 There are a bunch of other names out there and the
16 terminology keeps changing, so we picked our own name,
17 therefore we are not at the whim of whatever is current.
18 These used to be called "Third Generation Biofuels,"
19 "Advanced Biofuels," "Fungible Fuels," the current term
20 in vogue is "Drop-in Fuels." These are fuels that would
21 be fungible with conventional petroleum-based fuels,
22 that is, diesel fuel, jet fuel, and eventually gasoline.
23 You would be able to drop them into the tank and not see
24 a difference. It will be totally transparent to the end
25 user and also to the infrastructure. One of the

1 problems with certain biofuels, for example, Ethanol, is
2 that they are not quite compatible with our legacy
3 infrastructure, such as pipelines and storage systems.
4 That being the case, the purpose of this is, in
5 accordance with the State Alternative Fuels Plan, to
6 reduce our dependence upon petroleum-based fuels, to
7 lower the greenhouse gas emissions, and in that regard,
8 we will be performing as part of this project, lifecycle
9 analysis and roadmapping of the potential for commercial
10 development.

11 This will be a source neutral project. We are
12 looking specifically at these fungible type fuels,
13 whether they come from algae, thermal chemical
14 processes, agricultural processes, or processes yet to
15 be determined, yet to come forth.

16 We have four basic products of this. We will
17 be developing advanced near term tools, protocols, and
18 industrial processes to make Large Molecule Sustainable
19 Fuels viable for commercial production. We will be
20 identifying the existing challenges to economic
21 viability of these fuels, producing them from sources
22 that do not compete with food, and an enhanced
23 capability to effectively assess related emerging
24 biofuels technology. There is a workforce training
25 component. We will be training green collar jobs, green

1 collar employees. The jobs themselves will be created
2 by this new technology, but they will have to be filled
3 by trained staff, and we will be looking at economically
4 significant spin-off technology and co-products. These
5 co-products will include green chemistry, biological
6 alternatives for existing environmentally unfavorable
7 chemical processes, new wastewater remediation
8 technologies and processes, biopolymers and bioplastics,
9 industrial enzymes, nutraceuticals, enhanced animal
10 feeds, and human and animal therapeutics. All of these
11 are co-products, or can be co-products with various
12 alternative fuels technologies.

13 I have also brought along with me Dr. Steve
14 Mayfield, distinguished Professor at the University of
15 California, San Diego, and Director of the San Diego
16 Center for Algae and Biofuels, who will be our principal
17 investigator, and who will be running this project at
18 UCSD, who can answer more technical questions, and who
19 would like to make a few remarks.

20 CHAIRMAN WEISENMILLER: That would be great.
21 Please step up.

22 DR. MAYFIELD: Well, thank you for allowing me
23 to say a few words. So, as Dave said, I am Steve
24 Mayfield and I'm a Professor of Biology at U.C. San
25 Diego, and I'm Director of the San Diego Center for

1 Algae Biotechnology, which was founded in 2008 as a
2 collaboration between academic groups and commercial
3 partners, to allow the production of sustainable
4 renewable fuels.

5 I'm very pleased to be here today to talk to
6 the Commission on behalf of the initiative and I think
7 just a few things that I want to mention, we've all seen
8 over the last few months the rise in oil prices and,
9 with that, the rise in food prices. And the sad news is
10 that neither one of those are going to come back down
11 very soon. We've simply burned through most of our oil.
12 So, what this initiative is set to do is to come up with
13 sustainable ways that we can generate renewable fuels
14 for California. There will be a variety of other
15 technologies that will come out of this, as well,
16 including the training of a workforce that will
17 facilitate these, and so we are very excited about this
18 project and I just want to say thanks to the Commission
19 and their staff for their interest in this, and frankly
20 for their vision in getting this going. I particularly
21 want to thank the PIER staff for their patience and
22 persistence in working through this initiative and
23 allowing us to be very thorough, but also to have some
24 flexibility because new technologies are being developed
25 for energy every day, and we need to have some

1 flexibility that we can incorporate those as they come
2 up, so we don't want to pick winners now that turn out
3 not to be in the future.

4 So, again, we're very excited about this
5 project. We're ready to get going and happy to be
6 working with you. Thanks very much.

7 CHAIRMAN WEISENMILLER: Thank you. Any
8 questions or comments?

9 COMMISSIONER DOUGLAS: Just a brief comment.
10 I appreciate you being here. The innovation coming out
11 of much of the state, but in particular the San Diego
12 Area on biofuels and on advanced biofuel technology of
13 all sorts is really impressive. So, we're very pleased
14 to be working with you.

15 DR. MAYFIELD: Thank you.

16 COMMISSIONER PETERMAN: I'll just echo
17 Commissioner Douglas' comments. What excites me about
18 this is not just the innovative potential for
19 California, but also the opportunity to export some of
20 these technologies in the future to other parts of the
21 country, or other countries that won't have the
22 opportunities to change their infrastructure and,
23 therefore, would need something like a drop in fuel, so
24 looking forward to hearing about the results.

25 DR. MAYFIELD: Good, thank you.

1 COMMISSIONER DOUGLAS: So I will move approval
2 of Item 5.

3 COMMISSIONER PETERMAN: I will second.

4 CHAIRMAN WEISENMILLER: All in favor?

5 (Ayes.) It passes unanimously. Thank you for
6 coming.

7 DR. MAYFIELD: Thank you.

8 CHAIRMAN WEISENMILLER: Item 6. University of
9 California, Irvine. Possible approval of Contract 500-
10 10-040 for \$157,965 with the Regents of the University
11 of California, Irvine, Advanced Power and Energy Program
12 on Research Needs and Energy Program. The project is to
13 develop a roadmap for the Public Interest Energy
14 Research Program on research needs related to renewable
15 generation and alternative fuel, and quantify the air
16 quality benefits of using these resources in California.
17 (PIER electricity and natural gas funding.) And the
18 contact is Marla Mueller.

19 MS. MUELLER: Good morning. I am Marla
20 Mueller with the PIER Environmental Area Program. As
21 California pursues its goal to address climate change by
22 reducing greenhouse gas emissions, new energy resources
23 will be introduced. The purpose of this project is to
24 develop a roadmap that identifies the state of the
25 knowledge, research gaps, and recommended research to

1 quantify the air quality benefits or just benefits of
2 renewable generation and alternative fuels.

3 Reduction of greenhouse gases and the 33
4 percent renewable energy standard will result in large
5 increases in the use of renewable generation in
6 alternative fuels throughout the state. Some of these
7 alternative energy resources may be beneficial to air
8 quality, some may not. Many times, however, emissions
9 from the delivery pathway and from their use are not as
10 well understood as with conventional fuels. There may
11 be additional impacts and benefits from these fuels
12 beyond air quality effects, such as reducing greenhouse
13 gas emissions, or conserving fresh water supplies. The
14 roadmap will also identify tools needed to evaluate the
15 co-benefits of energy, air quality, climate change, and
16 water.

17 The PIER Environmental Program will use the
18 roadmap to guide future research to help bring new
19 energy resources to the market in an environmentally
20 sound way. We will work closely with Government
21 agencies and stakeholders such as the Air Resources
22 Board, Air Districts, environmental groups, and the
23 private sector, in developing the roadmap. Advisory
24 Committee meetings and workshops will be held to gather
25 information on what should be included in the roadmap

1 and to vet roadmap recommendations. Thank you for your
2 consideration.

3 CHAIRMAN WEISENMILLER: Commissioners, any
4 questions or comments?

5 COMMISSIONER DOUGLAS: No, this sounds like a
6 very important project, though. You know, the air
7 quality benefits of renewable energy is one of the
8 really important benefits that we've had a hard time
9 quantifying and bringing concretely into the discourse,
10 and of course, in my experience on the Transportation
11 Committee, when we worked on AB 118, potential air
12 quality implications of alternative fuels were a very
13 important issue that I think the state has had to work
14 through for a very long time, so I think this is
15 important work. I am fully in support.

16 COMMISSIONER PETERMAN: The description of
17 this project noted that there have been other roadmaps
18 developed of distributed generation, energy efficiency,
19 and other areas. I was wondering if you could comment
20 on how these roadmaps have been received and used in the
21 past.

22 MS. MUELLER: The roadmaps have been what I've
23 used throughout my program to identify what are the
24 important topics that we should be discussing. We try
25 to involve the agencies, the districts, the Air

1 Resources Board, in the projects we're doing and we
2 think the roadmaps help us focus in on what those areas
3 are, and then working with these other groups, help us
4 to identify the specifics of the research.

5 COMMISSIONER DOUGLAS: So, I will move Item 6.

6 COMMISSIONER PETERMAN: I second.

7 CHAIRMAN WEISENMILLER: Okay, all in favor?

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

9 MS. MUELLER: Thank you.

10 CHAIRMAN WEISENMILLER: Item 7. Gilbert
11 Associates, Inc. Possible approval of Contract 600-10-
12 007 for \$81,989 with Gilbert Associates, Inc., to
13 complete annual audits for the Series 2003A and 2005A
14 bond issues of the Energy Efficiency Master Trust
15 Revenue Bonds. (ECAA bond funding.)

16 MR. SCOTT: Good morning, Commissioners. My
17 name is Chris Scott. I'm with the Special Projects
18 Office. And I'm here to request an \$81,989 contract
19 with Gilbert Associates to complete the annual audits
20 for the 2003 and 2005 A Series of the Energy Efficiency
21 Master Trust Revenue Bonds, also known as the ECAA
22 Bonds.

23 The proceeds of these bonds are utilized to
24 fund the Energy Conservation Assistance Account loans,
25 the ECAA loans, and the Audits are required to do the

1 terms of the loan agreement. These audits flow to the
2 DGS and the Bank of New York, which is the Trustee, and
3 Treasurer's Office. The audits fulfill IRS Regulations.
4 And these audit requirements are in Section 5 of the
5 Closure Agreements and the Secured Loan Agreement
6 Descriptions for each series. These are annual audits
7 due September 15th of each year for 2011, 2012 and 2013.
8 And I'm here to request your approval of this contract.

9 CHAIRMAN WEISENMILLER: Commissioners, any
10 questions or comments?

11 COMMISSIONER DOUGLAS: No comments. I'll make
12 a motion.

13 COMMISSIONER PETERMAN: No comments.

14 COMMISSIONER DOUGLAS: All right, I'll move
15 approval of Item 7.

16 COMMISSIONER PETERMAN: I'll second.

17 CHAIRMAN WEISENMILLER: All in favor?

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

19 MR. SCOTT: Thank you very much.

20 CHAIRMAN WEISENMILLER: Item 8. County of
21 Santa Cruz. Possible approval of Agreement 001-10-ECA
22 for a loan of \$219,993 to the County of Santa Cruz to
23 implement several energy efficiency measures including
24 HVAC upgrades and exterior lighting upgrades. These
25 energy efficiency projects will save the County of Santa

1 Cruz approximately 187,885 kWh and 32,785 therms
2 annually. This translates to an annual energy cost
3 savings of \$50,061 and a simple payback of 4.4 years on
4 the loan amount. (ECAA funding.) And, Hale, do you want
5 to speak?

6 MR. BUCANEG: Good morning, Commissioners. My
7 name is Hale Bucaneg and I'm with the Special Programs
8 Office. This item is a request for the approval of a
9 \$219,993 State funded loan at an interest rate of 3
10 percent to the County of Santa Cruz for the installation
11 of energy efficiency measures in County facilities.
12 These measures include upgrading HVAC systems and
13 upgrading lighting equipment.

14 The total energy savings for this project is
15 187,885 kilowatt hours and 32,785 therms. This is
16 equivalent to a reduction of 250 tons of CO₂ and an
17 annual energy cost savings of \$50,061. The simple
18 payback for this loan is 4.4 years. And in addition to
19 this loan, the County of Santa Cruz will also be
20 utilizing a \$746,372 Energy Efficiency Block Grant,
21 which was obtained through the California Energy
22 Commission and will also apply for approximately \$53,000
23 in utility rebates.

24 CHAIRMAN WEISENMILLER: Thank you.
25 Commissioners, any questions or comments?

1 COMMISSIONER DOUGLAS: No, I always appreciate
2 it when the counties come in and participate in ECAA.
3 Santa Cruz County is - do you know how many loans Santa
4 Cruz County or agencies within Santa Cruz County have?
5 I think I've seen them before.

6 MR. BUCANEG: Yes. They are working with a
7 nonprofit called AMBAG, and they've come in for several
8 loans, but I don't know how many off the top of my head.

9 COMMISSIONER DOUGLAS: Well, that's great.
10 I'll move Item 8.

11 COMMISSIONER PETERMAN: I'll second.

12 CHAIRMAN WEISENMILLER: Okay, all in favor?

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

14 MR. BUCANEG: Thank you.

15 CHAIRMAN WEISENMILLER: Okay, Item 9. United
16 States Forest Service. Possible approval of Contract
17 600-10-006 for \$1.5 million with the United States
18 Forest Service - Pacific Southwest Research Station to
19 investigate the sustainability of forest biomass for
20 renewable biofuels. (ARFVT funding.) Bill, do you want
21 to come forward?

22 MR. KINNEY: Good morning, Commissioners.
23 Today I am requesting approval for the Contract 600-10-
24 006 with the United States Forest Service - Pacific
25 Southwest Research Station, and the project entitled

1 Integrated Forest Biomass Sustainability Research.

2 This project supports Commission investments
3 in development new sources of alternative and renewable
4 fuels to meet the goals of AB 118. In particular, it
5 addresses the regulatory requirement of AB 118 that
6 ensures that biofuels production is conducted
7 sustainably, so the California resources are preserved
8 and enhanced.

9 The California Biomass Collaborative estimates
10 that California's forests can provide approximately 14.2
11 million bone dry tons of forest biomass per year from
12 various waste materials involved in forest restoration
13 and fuel reduction projects. Depending on the
14 conversion technology and the type of fuel that is
15 produced, this feedstock could be converted into
16 something between one and 1.5 billion gallon gas
17 equivalents of low carbon transportation fuels.

18 One of the key policy questions facing us is
19 how to access this resource, this feedstock resource, to
20 preserve and enhance California's forest resources and
21 to maintain their ability to sequester carbon, that is,
22 to be able to maintain their ability as a net carbon
23 sink, rather than a carbon source. AB 118 funding
24 allocations have included a small allocation for
25 research on sustainability of biomass conversion to

1 biofuels.

2 The CEC, working with other Federal and State
3 agencies through the Interagency Forestry Working Group,
4 which was formed through the leadership of Commissioner
5 Boyd, we have focused on the sustainability of forest
6 biomass utilization. Because of the funding that was
7 provided by AB 118 for these issues, the CEC has been
8 able to take a leadership role in this effort, where
9 other partner agencies lack the resources to undertake
10 this kind of research.

11 In the past, in our past solicitations, our
12 Emerging Fuels Program has addressed sustainability in
13 agricultural biofuels through criteria that we use in
14 our biofuels solicitations, but we have not as yet
15 addressed forest biomass sustainability due to the
16 scientific complexity of these issues and to the
17 controversies surrounding these issues around our many
18 stakeholders.

19 So, this project will attempt to address these
20 scientific questions regarding sustainability of forest
21 biomass utilization and provide critical scientific
22 support for AB 118 investments in forest biomass
23 utilization. And, as an example of that, we have a
24 current awardee, G4 Insights, that has a thermal
25 chemical conversion technology for woody biomass.

1 CEC's approach to forest biomass
2 sustainability is based on one fundamental premise, that
3 forest restoration and fire risk reduction policies will
4 drive forest biomass availability and supply.

5 This project has enlisted a team of
6 California's leading researchers and forest and energy
7 scientists, a multi-disciplinary team. We are
8 leveraging and extending past and ongoing research
9 activities through our collaborative approach. Of key
10 importance in this project is that we will be
11 integrating this multi-disciplinary work from broad
12 scientific perspectives. The modeling work that we will
13 do is based on actual field data that we are collecting
14 during the project, and we will integrate these analyses
15 and illustrate and demonstrate sustainable biomass
16 utilization through a set of on-the-ground field-based
17 case studies. And I'm prepared to answer any questions
18 if you have any.

19 CHAIRMAN WEISENMILLER: Any questions or
20 comments on this, Commissioners?

21 COMMISSIONER DOUGLAS: Well, Commissioner Boyd
22 is not here, so I will try to put his hat on here and
23 talk about the importance of biomass and the importance
24 of the Energy Commission leading with other agencies
25 and, in particular, addressing sustainability issues for

1 biomass. You know, my background is from the
2 environmental community and I remember very very very
3 well how complex and contentious some of these issues
4 are. You know, one person's forest restoration program
5 looks like another person's terrible calamity that, you
6 know, shouldn't happen to the forest. And so, as we
7 move forward and try to create a model by which biomass
8 is an accessible and sustainable energy resource for our
9 regions of our State that are very heavily forested, and
10 have a lot of biomass potential, addressing the
11 sustainability questions is going to be absolutely
12 critical, so I am strongly in favor of this item. I will
13 see if there are anymore comments.

14 COMMISSIONER PETERMAN: I was happy to see
15 this item, as well, for the same purpose, I think to
16 help us better assess the opportunities going forward,
17 and I was just drawing in my mind the connection between
18 this contract and the contract we just approved for
19 Scripps Institution of Oceanography, which is going to
20 be looking at the impact of climate change on our
21 electricity system, including things like fires. And
22 this project is looking at a similar issue from a
23 different angle, focusing on the forest biomass, and
24 looking forward in thinking, if we do have more fires,
25 if other things do happen, how sustainable is this

1 resource. So, I look forward to seeing the results of
2 this project, as well as the other one. Thank you.

3 COMMISSIONER DOUGLAS: Move Item 9.

4 COMMISSIONER PETERMAN: I will second.

5 CHAIRMAN WEISENMILLER: Okay, all in favor?

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

7 MR. KINNEY: Thank you.

8 CHAIRMAN WEISENMILLER: Item 10. Clean Energy
9 States Alliance. Possible approval of Contract 400-10-
10 011 for \$61,000 with Clean Energy States Alliance to
11 renew the Energy Commission's membership for one year.
12 Clean Energy States Alliance is a unique multistate
13 collaboration of public clean energy funds and state
14 agencies working together to develop and promote clean
15 energy and low-carbon technologies and expand the market
16 for these technologies. (RRTF funding.) Madeline.

17 MS. MEADE: Thank you. I'm Madeline Meade
18 with the Renewable Energy Office. CESA is an
19 organization whose members are working together for a
20 common cause to accelerate clean energy deployment in
21 the United States. The Energy Commission has been a
22 longstanding and important member since CESA's
23 establishment in 2002. As a member, the Energy
24 Commission can influence proposed joint project work
25 that CESA will conduct on behalf of all of its members,

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1 guide targeted assistance for program challenges faced
2 in California, collaborate with representatives from
3 other states and exchange valuable information,
4 participate in monthly update conference calls featuring
5 experts covering a variety of timely renewable energy
6 topics, and participate in biannual in-person meetings
7 that provide an excellent opportunity to meet with
8 leaders from across the country, who are developing and
9 implementing renewable energy policies and RPS, serve on
10 CESA's Board of Directors, which provides budget
11 direction to CESA, and oversight on setting the agenda
12 for CESA's work projects and priorities for the current
13 and upcoming year.

14 Although it is categorized as a membership,
15 CESA is much more because they also serve as a technical
16 consultant to their members. They develop strategies
17 for states to improve their renewable energy programs,
18 they work on joint State initiatives to accelerate the
19 expansion of renewable energy markets on State,
20 Regional, and national levels, provide up-to-date
21 information on clean energy issues and programs,
22 leverage funding for projects and research, and assist
23 with program development and evaluation.

24 Through their joint projects, CESA works to
25 find solutions to key cross-cutting problems that many

1 of their members face. By combining efforts, more
2 effective strategies can be fostered, while reducing the
3 costs for consulting and outreach needs of individual
4 State programs.

5 CESA is currently advancing multi-state
6 efforts from wind, solar, fuel cells, and other clean
7 energy technologies. Some of these include work
8 designed to develop the most effective solar programs,
9 to expand the use of solar technologies, drive down
10 solar costs, and create strong markets for solar use.
11 Efforts to facilitate wind siting, a multi-state
12 collaboration involved with implementing RPS programs,
13 efforts to link CESA members with Federal agencies to
14 develop cooperative opportunities, work identifying best
15 practices and policies that accelerate stationary fuel
16 cell industries and deployment.

17 Other specific projects include a joint effort
18 with DOE for a marine energy deployment demonstration
19 project to illustrate a new State-Federal cooperative
20 approach to advancing emerging renewable technologies.

21 CESA has been in contact with PIER regarding this
22 effort. As part of the State Federal RPS Collaborative,
23 CESA helped develop recommendations for the design of
24 the Federal RPS to ensure that any Federal legislation
25 does not preempt states from advancing more aggressive

1 targets. CESA also developed a report for members on
2 the Interstate Commerce Clause and its implications for
3 RPS Program elements that favored in-state generation.
4 CESA has also established an office in Washington, D.C.
5 to maximize opportunities to represent State funded
6 members to stakeholders, policymakers, and Federal
7 leaders.

8 As part of this membership, the Energy
9 Commission would have access to additional consulting
10 time dedicated specifically to address Energy Commission
11 needs. If this membership is approved, staff would like
12 to use CESA's technical support to help further actions
13 proposed in the 2011 Bioenergy Action Plan by evaluating
14 Bioenergy Policies in other states and in the European
15 Union. As a side note, staff was interested in gauging
16 the monetary value of this task, so we requested a
17 budget estimate for this scope of work from our current
18 technical support contractor, and they estimated a cost
19 of approximately \$40,000 to \$50,000.

20 Staff has also identified tasks that will
21 assist in the development of programs to help local
22 government streamline the permitting and siting process
23 for renewable energy projects, and also a task to help
24 identify innovative financing tools to advance private
25 investment in clean energy project development in

1 California. These activities will help further
2 renewable development in California and the efforts to
3 meet Governor Brown's 33 percent RPS goals, and his
4 goals for DG and utility-scale generation.

5 Funding for the one-year memberships from
6 Renewable Resource Trust Fund, and CESA has agreed to a
7 reduced rate of \$61,000 from the original \$82,943, that
8 is savings of about 27 percent. This membership was
9 reviewed and approved by the Renewables Committee and
10 the Budget Management Committee and it was included in
11 the recent Commission-wide review of membership, and was
12 approved as part of that process. So, I would like to
13 request your approval on this one-year membership
14 renewal.

15 CHAIRMAN WEISENMILLER: Thank you.
16 Commissioners, any questions or comments?

17 COMMISSIONER PETERMAN: I'll just comment
18 that, considering that we are in a time when resources
19 are stretched, I appreciate that staff has worked with
20 the Energy States Alliance on scoping the types of work
21 products that we can get out of this membership, as well
22 as their working with us on a reduced rate, and so I
23 look forward to the products that develop from this and
24 our participation in what will be a very valuable
25 multistate alliance.

1 MS. MEADE: Thanks.

2 CHAIRMAN WEISENMILLER: I was going to also
3 comment. As certainly the staff knows, we've gone
4 through sort of at my direction a fairly extensive
5 process to look through and screen the collaboratives
6 and make sure that, in these tight budget times, that we
7 are wisely investing the state's money. And I'm glad we
8 went through that effort, I think this one certainly
9 passed the test, and I think it's a good investment of
10 state dollars, and so we certainly arm wrestled them to
11 make sure we get the most value out of this, but as
12 everyone knows, IEPR this time is really focused on
13 renewables and coming up with a strategic plan for that,
14 and we see this as a very cost-effective way to help
15 supplement that record.

16 COMMISSIONER DOUGLAS: I move Item 10.

17 COMMISSIONER PETERMAN: I will second.

18 CHAIRMAN WEISENMILLER: All in favor?

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

20 Item 11. Cummins, Inc. Possible approval of
21 Agreement ARV-10-044 for a grant of \$2,715,707 to
22 Cummins, Inc., to develop and demonstrate a medium-duty
23 truck powertrain optimized to low-carbon emissions
24 through a "downsized" engine specifically for E-85 and a
25 dedicated hybrid drive system. (ARFVT funding.) And Gary

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1 Yowell is going to speak. Thank you.

2 MR. YOWELL: Good morning. I'm Gary Yowell
3 from the Emerging Fuels Office, requesting approval for
4 this grant with Cummins Engine Company. This is one of
5 the eight, and I say final, grant awardees for the
6 medium- and heavy-duty advanced vehicle grant
7 solicitation notice number 9-04. Counting this product
8 funding request, the Commission will have awarded \$12
9 million of Commission funds in this program.

10 The goal of this grant solicitation was to
11 fund projects that develop commercialization of
12 advanced, medium, and heavy-duty vehicle technologies.
13 To that end, Cummins proposes to develop a medium- and
14 heavy-duty hybrid truck engine optimized for E-85
15 ethanol fuel use, with a primary goal of significantly
16 reducing greenhouse gas emissions while matching the
17 performance, economy, and fuel costs of a diesel
18 counterpart vehicle.

19 The benefits of this project, upon successful
20 completion, would be perhaps establishing a new E-85
21 market in a gasoline and diesel dominated world, and
22 Cummins Engine company is a major engine manufacturer
23 with capabilities to commercially bring out this
24 technology into the worldwide, as well as California
25 markets.

1 This technology today would provide about a
2 10-20 percent GHG benefit on corn ethanol fuels, but in
3 future fuels it can provide up to a 60 percent benefit
4 on a cellulosic basis, fuel base feedstock.

5 The schedule for this work will be done mid-
6 year in developing an engine design, an engine would be
7 built in the following year, and a California
8 demonstration would be done in mid-2013. Cummins is
9 providing a minimum of \$3,153,452 of matching funds and
10 we request approval of this grant.

11 CHAIRMAN WEISENMILLER: Commissioners, any
12 questions or comments?

13 COMMISSIONER DOUGLAS: Has Cummins received a
14 prior grant? I think I remember them coming in and
15 talking - no? Probably a different company.

16 MR. YOWELL: Not that I'm aware of.

17 COMMISSIONER DOUGLAS: Okay. It seems like a
18 good project.

19 COMMISSIONER PETERMAN: Glad to hear that
20 we're leveraging funds from the company, as well.

21 COMMISSIONER DOUGLAS: I will move Item 11.

22 COMMISSIONER PETERMAN: I'll second.

23 CHAIRMAN WEISENMILLER: Okay, all in favor?

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

25 MR. YOWELL: Thank you.

1 CHAIRMAN WEISENMILLER: Item 12. Southern
2 California Regional Collaborative. Possible approval of
3 Agreement ARV-10-045 for a grant of \$840,750 to Southern
4 California Regional Collaborative to install or upgrade
5 at least 315 electric vehicle charging stations at
6 various locations throughout Southern California. (ARFVT
7 funding.) And Leslie, please.

8 MS. BAROODY: Good morning, Commissioners. I
9 am Leslie Baroody with the Emerging Fuels and
10 Technologies Office. I am presenting for your approval
11 today the Southern California Regional Collaborative
12 Project, which was proposed for award under PON-906.
13 Just to give you a little background, that solicitation
14 was for infrastructure for multiple fuels, including
15 electric drive.

16 This is one of seven electric vehicle
17 infrastructure awards totaling over \$5 million. The
18 goal of our electric drive infrastructure funding is to
19 provide support to the automotive industry as they
20 deploy these plug-in electric vehicles throughout
21 California.

22 The SoCal Regional Collaborative, not to be
23 confused with the Statewide Plug-In Electric
24 Collaborative, is comprised of 23 public agency and
25 private sector partners. This project will help to

1 prepare the Los Angeles Region for the roll-out of plug-
2 in electric vehicles by installing and upgrading plug-in
3 electric vehicle chargers in multiple locations
4 throughout the Los Angeles and Metropolitan Region.

5 The six-county SoCal Region represents a
6 population of about 18 million and is one of the most
7 environmentally challenged regions in the nation. It's
8 likely to have the largest market penetration of plug-in
9 electric vehicles in the United States due to the many
10 auto manufacturer market launch announcements, a large
11 number of battery electric vehicles in the 1990's, as
12 well as a strong hybrid vehicle market penetration. The
13 SoCal EV Ready Project will fund at least 315 upgrades
14 and new chargers for fleets, workplace, and public
15 locations. The number of installations will depend on
16 the availability of partnership funding.

17 So, the project participants include the South
18 Coast Air Quality Management District, which will lead
19 this project, the Los Angeles Department of Water and
20 Power, 12 Cities, two Counties, seven colleges and
21 universities, and Caltrans District 7. The project will
22 reduce petroleum use and greenhouse gas emissions,
23 provide immediate jobs to the region, and support the
24 statewide electric vehicle industry.

25 I am requesting \$843,750 in Alternative and

1 Renewable Fuel and Vehicle Technology Program funds,
2 with 50 percent match here from project partners. Any
3 questions?

4 CHAIRMAN WEISENMILLER: Thank you. Is South
5 Coast on the line for this item? South Coast, would you
6 like to say a few words?

7 MR. SARKARM: [Inaudible] proposing to take
8 this project to our governing board on May 20th, that is
9 two zero, for approval. And that is all.

10 CHAIRMAN WEISENMILLER: Excuse me, I think you
11 may have cut off initially, so we just heard that you
12 are taking the project to approval?

13 MR. SARKARM: Yes.

14 CHAIRMAN WEISENMILLER: Was there anything
15 else you wanted to say?

16 MR. SARKARM: Oh, I was saying that we would
17 like to thank you very much on behalf of the
18 collaborative for this award. And, again, we are taking
19 this to our governing board on May 20th.

20 CHAIRMAN WEISENMILLER: Commissioners, do you
21 have any questions or comments, particularly for the
22 gentleman from South Coast?

23 COMMISSIONER PETERMAN: No, I'll just comment
24 that it's great to see the diversity of agencies and
25 stakeholders that are involved in this process, 23 is

1 quite a lot, and good to see this project, as well, in
2 the southern part of our state, an area that really
3 needs some alternatives to traditional vehicles. In
4 addition to the greenhouse gas benefits, the air quality
5 benefits will be great. I don't think it's going to
6 reduce the L.A. congestion, but it's going to at least
7 start us in the right direction. So, thanks. And I
8 will move this item.

9 COMMISSIONER DOUGLAS: Second.

10 CHAIRMAN WEISENMILLER: All in favor?

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

12 MS. BAROODY: Thank you.

13 MR. SARKARM: Thank you.

14 CHAIRMAN WEISENMILLER: Thank you for your
15 comments.

16 MR. SARKARM: You're welcome.

17 CHAIRMAN WEISENMILLER: Okay, Item 13.

18 University Of California, Irvine. Possible approval of
19 Agreement ARV-10-046 with the Regents of the University
20 of California, Irvine, to deploy zero-emission electric
21 vehicles through a car-sharing program, and to install
22 up to 20 electric vehicle charging stations to support
23 the program. (ARFVT funding.) And Linda is going to
24 give the presentation.

25 MS. SCHRUPP: Yes, good morning,

1 Commissioners. Thank you. I am requesting approval for
2 a grant to the Regents of the University of California,
3 Irvine, in the amount of \$122,500, and this also is a
4 part of the same Program Opportunity Notice that Leslie
5 just referred to, 09-006, the Alternative and Renewable
6 Fuel and Infrastructure solicitation; it was a
7 competitive award. It is being matched with funding
8 from the South Coast Air Quality Management District and
9 also from Mitsubishi. The neat thing about this, even
10 though it's kind of a small award, it supports a huge
11 project down in Irvine and it's called the Zero Emission
12 Vehicle Network Enabled Transport System, also known as
13 ZEVNET. And, in general, subscribers to this program
14 are able to arrive at the Irvine Transportation Rail
15 Station, pick up a previously reserved vehicle, and
16 drive it to work where it's charged up, and then,
17 utilizing a web-based reservation system, other
18 participating subscribers can make arrangements to use
19 that same car during the day for local business or
20 personal errands. So, besides contributing to the
21 reduction of gasoline consumption and associated
22 emissions, this project promotes the use of shared
23 vehicles in compliance with the land use planning
24 objectives of SB 375. And the installation of these
25 charge points should be completed by June of 2013. I

1 urge your approval for this proposal.

2 CHAIRMAN WEISENMILLER: Commissioners, any
3 questions or comments?

4 COMMISSIONER PETERMAN: I'll just add, the car
5 sharing part of this I find particularly neat. No other
6 comments.

7 COMMISSIONER DOUGLAS: All right, move Item -
8 I lost my place here - 13.

9 COMMISSIONER PETERMAN: I'll second.

10 CHAIRMAN WEISENMILLER: Okay, all in favor?

11 (Ayes.) This also passes unanimously. Thank
12 you.

13 MS. SCHRUPP: Thank you, Commissioners.

14 CHAIRMAN WEISENMILLER: Item 14. Transpower.
15 Possible approval of Amendment 1 to Agreement ARV-10-020
16 to add \$605,074 in additional match funds from the South
17 Coast Air Quality Management District and Transpower for
18 the production of one additional Class 8 truck. The
19 additional heavy-duty electric truck will be used in a
20 demonstration in the San Pedro port area. (ARFVT
21 funding.) Aleccia?

22 MS. MACIAS: Good morning, Commissioners. My
23 name is Aleccia Macias, I am with the Emerging Fuels and
24 Technologies Office. And the Transpower Agreement was
25 actually executed on February 17th, and this is the first

1 amendment to add additional match funds for the purpose
2 of building the electric truck, an additional electric
3 truck, and also move some of the work that was formerly
4 proposed for a subcontractor in-house to Transpower.

5 So, the agreement was approved at the November 3rd
6 business meeting and part of the PON-09-605 for in-state
7 manufacturing of electric vehicles and electric vehicle
8 components. It is one of 11 projects, and that
9 solicitation was for a total of \$19 million.

10 The funding level for the Energy Commission
11 doesn't change, the only thing that changes is the match
12 is increased. We get an additional heavy-duty vehicle
13 that is actually going to be demonstrated in the Ports.
14 Our vehicle that was covered under the existing
15 agreement was going to primarily be used for in-house
16 testing with dynamometer and what not, so this could
17 actually accelerate the project and the results of our
18 existing agreement to accelerate deployment of these
19 trucks, and lead to some of the exciting emission
20 reductions and workforce development that we expect,
21 should these vehicles become commercial.

22 So, we did have Michael Simon at the initial
23 business meeting, representing Transpower, I'm not sure
24 if he's on the line today, but if you have any
25 questions, I would be happy to answer.

1 CHAIRMAN WEISENMILLER: First check and see
2 if, in fact, you are on the line? Okay, then,
3 Commissioners, any questions or comments?

4 COMMISSIONER DOUGLAS: I move Item 14.

5 COMMISSIONER PETERMAN: I'll second.

6 CHAIRMAN WEISENMILLER: All in favor?

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

8 Item 15. Parker-Hannifin Corp. Possible
9 approval of an amendment to Agreement ARV-09-011,
10 substituting Parker-Hannifin for Coca-Cola Enterprises
11 as the Grant Recipient, to demonstrate four heavy-duty
12 hybrid hydraulic beverage delivery trucks. (ARFVT
13 funding.) And, Jennifer?

14 MS. ALLEN: Good morning, Chairman and
15 Commissioners. This is a simple name change from Coca-
16 Cola to Parker-Hannifin for a project that was approved
17 at a previous business meeting. The Coca-Cola submitted
18 a proposal under PON-09-004, the same one as Cummins,
19 with eight projects for \$12 million, to demonstrate near
20 term commercial technologies for medium- and heavy-duty
21 vehicles. This is a demonstration of a series hydraulic
22 hybrid technology for diesel vehicles that Coca-Cola
23 uses for, you know, the big trucks that they use for
24 delivering the sodas. And it has an innovative drive
25 line, so that, at low speeds, it can operate in strictly

1 hydraulic hybrid mode, the engine can be turned off, and
2 at medium speeds, it would be in a blended mode, and
3 then, at higher speeds, it would go back to mechanical
4 drive system. And Coca-Cola would be demonstrating the
5 technology, but Parker-Hannifen was actually the company
6 that was doing the work for the Coca-Cola vehicles, and
7 they were a partner in the project, and Coca-Cola and
8 Parker-Hannifen decided it would be more expeditious to
9 have Parker-Hannifen as the primary recipient on the
10 agreement with Coca-Cola as a partner. So, this is just
11 a request to change the primary recipient on the
12 agreement.

13 CHAIRMAN WEISENMILLER: Thank you.

14 Commissioners, any questions or comments?

15 COMMISSIONER DOUGLAS: Move Item 15.

16 COMMISSIONER PETERMAN: I'll just say it's
17 good to see the customers becoming involved in
18 demonstration, particularly customers with specific
19 needs. And so I'll second that motion.

20 CHAIRMAN WEISENMILLER: Okay, all in favor?

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

22 Item 16. Peterbilt Motors Company. Possible
23 approval of a vehicle buy-down incentive reservation for
24 Peterbilt Motors Company, a division of PACCAR Inc., in
25 the amount of \$1,280,000 for the buy-down of 40 natural

1 gas vehicles (26,001 pounds gross vehicle weight or
2 greater). (ARFVT funding.) The contact is Peter - Pat.

3 MR. PEREZ: Good morning, Chairman
4 Weisenmiller, Commissioner Douglas and Commissioner
5 Peterman. I am Pat Perez, Deputy Director for the Fuels
6 and Transportation Division. And today we are seeking
7 approval for a vehicle buy-down incentive reservation
8 from Peterbilt Motors Company, who is requesting \$1.28
9 million to buy down the price for acquiring 40 medium-
10 and heavy-duty natural gas vehicles.

11 Just for a little background, on April 13th,
12 the Energy Commission released Program Opportunity
13 Notice 10-604 that makes available about \$14.54 million
14 from the Alternative and Renewable Fuel and Vehicle
15 Technology Program, as established under Assembly Bill
16 118 for buy-down incentives for specific classes of not
17 only natural gas vehicles, but also propane on-road
18 vehicles. The buy-down incentives will reduce the high
19 initial price for private fleets, as well as public
20 fleets, and individual consumers in making the decision
21 to purchase vehicles powered by non-petroleum, low
22 carbon, and alternative fuels.

23 The PON is basically open to original
24 equipment manufacturers on a first-come-first-serve
25 basis. The original equipment manufacturers may

1 designate a California dealer or distributor to apply
2 for these buy-down incentives on their behalf, and
3 today's request is the first in a series of reservations
4 that we will be bringing to you over the next several
5 months. And as of this morning, we have over \$5 million
6 in additional requests for natural gas vehicles,
7 \$342,000 for propane vehicles, and another \$500,000 for
8 propane fueled school buses in the queue. The demand is
9 widely exceeding our expectations after only three weeks
10 into the program, so that's very exciting for us. The
11 incentives distributed under this program are not a
12 project, and therefore not subject to environmental
13 review under the California Environmental Quality Act.

14 And in closing, I'd like to really acknowledge
15 Peter Ward and Mike Smith, who developed and designed
16 this vehicle incentive program. Neither one of them
17 could be here today, but I wanted to really acknowledge
18 the hard work and the effort that they made to develop
19 this vehicle buy-down incentive program. With that, I'm
20 happy to respond to any questions you may have.

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

23 COMMISSIONER DOUGLAS: No questions. I'm glad
24 to see this program is taking off, it's a very good
25 thing to see. I'll move Item 16.

1 COMMISSIONER PETERMAN: I'll second.

2 CHAIRMAN WEISENMILLER: Okay, all in favor?

3 (Ayes.) This passes unanimously. Thanks,
4 Pat.

5 MR. PEREZ: Thank you.

6 CHAIRMAN WEISENMILLER: The next item are the
7 Minutes and, actually, we don't have the right numbers
8 here for that, so we'll move on to Item 18. Commission
9 Committee Presentations and Discussions.

10 COMMISSIONER DOUGLAS: Well, today is May 4th,
11 which makes it the first week of May is Bike Month, and
12 so I wanted to take the opportunity while it was early
13 in the month to encourage my colleagues to take down the
14 bike and register for May is Bike Month, log your miles,
15 the Energy Commission typically performs extraordinarily
16 well for a relatively small agency. We're quite
17 competitive, and it's also a great way to get some
18 exercise and feel better, and help keep our air clean,
19 and reduce our dependence on petroleum and other types
20 of fossil fuel. So, I encourage you to get out. I rode
21 in this morning. I think I've logged about 55 miles for
22 the first four days of May, however, I'm going to be on
23 vacation for about 10 days in May, so that will hurt my
24 numbers later in the month. Former Commissioner Eggert
25 and I are still on with our May is Bike Month challenge,

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1 so those of you who are generally cycling underachievers
2 and did not register at all for May is Bike Month last
3 year, or less than 50 miles, you can try to ride more
4 miles than me and Commissioner Eggert will take on the
5 more hard core of us. So, anyway, I encourage everyone
6 again to participate and look forward to a good month of
7 riding.

8 COMMISSIONER PETERMAN: Just happy to see last
9 week the Commission released a draft report looking at
10 renewables on State properties as part of our IEPR
11 process. We'll be having a workshop this Monday,
12 looking forward to it; it's a real opportunity for the
13 state to be a leader in terms of demonstrating
14 renewables. I'm also looking forward to going to
15 Southern California next week, where I'll be speaking at
16 a couple places, 1) the Coachella Valley Economic
17 Summit, which is an area that is ripe with resource
18 potential, and so interested in discussing development
19 issues down there, as well as I'll be participating in
20 Green Lining's Economic Summit in the L.A. area, as well
21 as speaking to some of our environmental justice groups
22 down there. So, get ready, I'm coming. And that's my
23 report.

24 CHAIRMAN WEISENMILLER: Yeah, I was going to
25 note that, indeed, we are in the IEPR cycle of

1 workshops, so we had one last week on Storage that was
2 very well attended, but I have one Monday on Distributed
3 Gen which we're hoping, again, for a pretty broad
4 attendance and I particularly want to thank, actually,
5 the Public Advisor's Office and Kevin, in my office, for
6 trying to put in place ways for some of the
7 environmental justice groups in Southern California to
8 better participate in this activity on Monday.

9 I think I was also going to mention that,
10 obviously, one of the things I think each of us as
11 Commissioners need to think about is our priorities for
12 the coming year, I did that as part of the confirmation
13 process, and I think hopefully Commissioner Peterman
14 will be starting to go through that exercise also, but
15 certainly was going to ask the other Commissioners to
16 think about that because I think we need to look across
17 the agency and think a little bit better about what our
18 priorities are in trying to make sure that we're focused
19 on those and hitting our needs. And so, again, I think
20 ultimately over time, you know, we need to use this
21 public process sort of as a way to develop that sort of
22 vision and priorities for the agency to deal with the
23 tough times we're in. Part of the reality is the
24 budget, and it's sort of, as we all know, overhanging
25 Sacramento pretty seriously at this point. I think

1 we've just gotten in compliance on Blackberry turn-ins,
2 and we're now putting in a process to deal with travel
3 restrictions, and certainly we really need to look
4 seriously at all travel and try to figure out if it's
5 mission critical, and if there are other ways to do it.
6 And, again, I think the reality is that, going forward,
7 there will be a number of events where there will be
8 empty chairs in terms of representation from State
9 agencies, but, again, trying to get the message to all
10 of us that, in this budget era, it's not time for
11 business-as-usual. As I indicated earlier, we've gone
12 through a painful process on the collaboratives and
13 basically have cut that funding in half, even though
14 relatively late in the year. So, again, I think we have
15 a lot of higher demands on us than historically, but I
16 think we're sort of looking at ways to deal efficiently
17 and effectively with things. But, again, it's certainly
18 one of our challenging times in the state, in general,
19 and certainly challenging times here.

20 Item 19. Chief Counsel's Report.

21 MR. LEVY: Good morning, Commissioners. I
22 have two items, one is I would like to request a closed
23 session to discuss facts and circumstances that
24 constitute a significant exposure to litigation against
25 the Commission. The other item I'd like to do is raise

1 the Commission's awareness to the two barrels, one of
2 which is outside in the lobby, and another one up by the
3 break room. The barrels have a note next to them that
4 says "Food from the Bar." The California Energy
5 Commission is participating in an annual program
6 sponsored by the Sacramento County Bar Association. It
7 ends on May 18th, and we will be collecting food donated
8 from Commission staff, and anybody else, and donating it
9 to the Sacramento County food bank. So I encourage
10 everybody who is listening to participate in that, as
11 well, and that's sponsored by, again, the Sacramento
12 County Bar Association. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you for
14 organizing that.

15 Item 20. Executive Director.

16 MS. JONES: I have nothing to report, although
17 I will note that we did turn in 50 percent of our cell
18 phones as of May 1st, and we are working on the travel
19 restrictions criteria. Thank you.

20 CHAIRMAN WEISENMILLER: Okay, thank you.

21 Item 21. Public Advisor?

22 MS. JENNINGS: I have nothing to report, thank
23 you.

24 CHAIRMAN WEISENMILLER: Okay, Public Comment?

25 Okay, thank you. This meeting is adjourned. We will

1 have closed session at noon.

2 (Whereupon, at 11:13 a.m., the business meeting was
3 adjourned.)

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