

**STATE OF CALIFORNIA**  
California Energy Commission  
Minutes of the October 10, 2012, Energy Commission Business Meeting

The meeting was called to order by Commissioner Karen Douglas. The Pledge of Allegiance was led by Commissioner Douglas.

Present:

Karen Douglas, Commissioner  
Carla J. Peterman, Commissioner  
J. Andrew McAllister, Commissioner

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)
  - a. INSTITUTE FOR SUSTAINABLE BUILDING PERFORMANCE. Possible approval of Amendment 1 to Contract 500-09-046 with the Institute for Sustainable Building Performance for a one year no-cost time extension to July 15, 2014, to reallocate funds in the budget, update the terms and conditions of the agreement, modify the scope of work, and use the most modern programming environments for creating the project's educational software. The total contract amount of \$1,986,715 remains unchanged. (PIER electricity funding.) Contact: Kiel Pratt.
  - b. UNIVERSITY OF CALIFORNIA RIVERSIDE. Possible approval of Amendment 1 to Contract 500-09-051 with the Regents of the University of California on behalf of the Riverside campus for a 12 month no-cost time extension to January 2, 2014, and to update the terms and conditions of the contract. The project budget and scope of work will remain unchanged. (PIER natural gas funding.) Contact: Rhetta deMesa.
  - c. CLEAN ENERGY BUSINESS FINANCING PROGRAM. Possible approval of minor changes to Energy Commission Resolution 12-0912-6, relating to consideration of requests from Clean Energy Business Financing Program borrowers to acquire additional debt. Contact: Michael Doughton.
  - d. COUNTY OF SAN LUIS OBISPO. Possible approval of the County of San Luis Obispo's locally adopted building energy standards to require greater energy efficiency than the *2008 Building Energy Efficiency Standards*. Contact: Joe Loyer.
  - e. DEPARTMENT OF GENERAL SERVICES. Possible approval of Contract 600-12-001 for \$165,000 with the Department of General Services to provide accounting services for the Energy Efficiency Master Trust Revenue Bond Series 2003A and 2005A. (Bond funded.) Contact: Chris Scott.

*Commissioner Peterman moved and Commissioner McAllister seconded approval of the Consent Calendar. The vote was unanimous. (3-0)*

2. ENERGY COMMISSION COMMITTEE APPOINTMENTS. Possible approval of appointments to the Energy Commission's Standing Committees and Siting Case Committees. Contact: Kevin Barker. (5 minutes)

*No action was taken on Item 2.*

3. PALOMAR ENERGY CENTER (01-AFC-24C). Possible approval of a petition to amend the Energy Commission Decision for the Palomar Energy Center to build a new bridge crane for turbine overhauls and general maintenance of surrounding equipment. The crane will consist of a 65-ton main hook and a 15-ton auxiliary hook located on a single trolley above the two combustion turbines. Contact: Dale Rundquist (10 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of the petition. The vote was unanimous. (3-0)*

4. ENERGY PROVISIONS OF THE CALIFORNIA GREEN BUILDING STANDARDS CODE. Possible adoption, following publication of proposed changes and 15-day language comment period, of proposed 2013 updates to the energy provisions of the California Green Building Standards Code in the California Code of Regulations, Title 24, Part 11 (also known as CALGreen). Contact: Patrick Saxton. (10 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of the proposed changes. The vote was unanimous. (3-0)*

5. ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM. Possible approval of proposed rulemaking proceeding to revise Section 3103 of the Alternative and Renewable Fuel and Vehicle Technology (ARFVT) Program regulations. (Title 20, California Code of Regulations, Section 3103). This includes but is not limited to consideration of possible elimination of the Low Carbon Fuel Standard credit discount provisions set forth in subsection 3103(b) of the regulation, as well as possible revisions to subsection 3103 (a) of the regulation. Contact: Jim McKinney. (5 minutes)

*Item 5 was moved to the next regular meeting agenda.*

6. ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM INVESTMENT PLAN. Possible approval of modifications to funding allocations for the 2011-2012 Investment Plan and 2012-2013 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program. The modifications to the 2011-2012 Investment Plan total \$1 million. The modifications to the 2012-2013 Investment Plan Update are based on a \$10 million reduction in available funding. Contact: Charles Smith. (10 minutes)

*Commissioner Peterman moved and Commissioner McAllister seconded approval of the modifications. The vote was unanimous. (3-0)*

7. TESLA MOTORS, INC. Possible approval of Agreement ARV-12-008 for a grant of \$10 million to Tesla Motors, Inc. for the expansion of Tesla's manufacturing capacity in Fremont, California, and introduction of new equipment specifically designed for the manufacture of components of the Model X and for final assembly of the finished vehicle. (ARFVT funding.) Contact: Charles Smith. (5 minutes)

*Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 7. The vote was unanimous. (3-0)*

8. ALTERNATIVE AND RENEWABLE FUEL VEHICLE BUY-DOWN RESERVATIONS. Possible approval of a total of \$2,548,000 in vehicle buy-down incentive reservations (ARFVTP funding.) Contact: Andre Freeman. (5 minutes)

- a. Trans West Truck Center (OEM – Ford Motor Company) (BDIR-12-06), in the amount of \$6,000 for the buy-down of one propane vehicle of 8,501 TO 14,000 pounds gross vehicle weight.
- b. A-Z BUS SALES, INC. (OEM – Blue Bird) (BDIR-12-07), in the amount of \$500,000 for the buy-down of 25 propane school buses of 14,001 pounds gross vehicle weight and greater.
- c. A-Z BUS SALES, INC. (OEM –Collins Bus Corporation) (BDIR-12-08), in the amount of \$400,000 for the buy-down of 20 propane school buses of 14,001 pounds gross vehicle weight and greater.
- d. A-Z BUS SALES, INC. (OEM –Micro Bird by Girardin) (BDIR-12-09), in the amount of \$420,000 for the buy-down of 21 propane school buses of 14,001 pounds gross vehicle weight and greater.
- e. A-Z BUS SALES, INC. (OEM – ARBOC) (BDIR-12-10), in the amount of \$180,000 for the buy-down of 18 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight .
- f. A-Z BUS SALES, INC. (OEM –Glaval Bus of Forest River) (BDIR-12-11), in the amount of \$8,000 for the buy-down of one natural gas vehicles of 8,501 to 14,000 pounds gross vehicle weight and \$180,000 for the buy-down of 18 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight, for a total reservation amount of \$188,000.
- g. BIG VALLEY FORD INC. (OEM – Ford Motor Company) (BDIR-12-12), in the amount of \$114,000 for the buy-down of 19 propane vehicles of 8,501 to 14,000 pounds gross vehicle weight.
- h. GREENKRAFT INC. (OEM) (BDIR-12-13), in the amount of \$400,000 for the buy-down of 40 propane vehicles of 14,001 to 26,000 gross pounds vehicle weight.
- i. GREENKRAFT INC. (OEM) (BDIR-12-14), in the amount of \$340,000 for the buy-down of 17 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight.

*Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 8. The vote was unanimous. (3-0)*

9. VALLEY GARBAGE AND RUBBISH COMPANY, INC. Possible approval of Agreement ARV-12-009 for a grant of \$300,000 to Valley Garbage and Rubbish Company, Inc. to expand the availability of compressed natural gas (CNG) infrastructure to support its existing private fleet of natural gas-powered refuse collection vehicles used for solid waste collection in the City of Santa Maria. Valley Garbage will construct, own, and operate a public-access CNG fueling station to accommodate its fleet. (ARFVTP funding.) Contact: Darren Nguyen. (5 minutes)

*Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 9. The vote was unanimous. (3-0)*

10. QUALLION LLC. Possible approval of Agreement ARV-12-010 for a grant of \$2,230,595 to Quallion LLC to expand its manufacturing capacity for high volume integration of battery management system (BMS) electronics into electric vehicle batteries. Quallion proposes to acquire new electronics assembly and test equipment, modify and expand its existing facilities, and optimize the process of battery electronics integration. This project will increase manufacturing volumes at reduced unit costs, improve the safety of the manufacturing process and finished batteries, and integrate

advanced BMS technologies to improve the performance of vehicle batteries. (ARFVTP funding.) Contact: Darren Nguyen. (5 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of Item 10. The vote was unanimous. (3-0)*

11. ZERO MOTORCYCLES INC. Possible approval of Agreement ARV-12-006 for a grant of \$1,815,123 to Zero Motorcycles to expand the company's full electric motorcycle production capacity and scale with systematic redesign and manufacturing line improvements. These improvements will include an expansion of the manufacturing footprint through addition of a new production line, and increase the production efficiency via a strategic redesign of most manufacturing and engineering processes. (ARFVTP funding.) Contact: Jared Cacho. (5 minutes)

*Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 11. The vote was unanimous. (3-0)*

12. CITY OF MOUNT SHASTA. Possible approval of Agreement ARV-12-007 for a grant of \$200,000 to the City of Mount Shasta to produce a comprehensive plug-in electric vehicle readiness plan for Siskiyou, Shasta, and Tehama counties. (ARFVT funding.) Contact: Jared Cacho. (5 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of Item 12. The vote was unanimous. (3-0)*

13. UNIVERSITY OF CALIFORNIA, BERKELEY. Possible approval of Contract 500-12-003 for \$200,000 with the Regents of the University of California on behalf of the Berkeley Campus to develop a guidebook on Title 24 Benefits for Local Governments as it pertains to natural gas efficiency standards for new and retrofits of commercial and residential buildings. The length of this agreement is 21 months. (PIER natural gas funding.) Contact: Dan Gallagher. (5 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of Item 13. The vote was unanimous. (3-0)*

14. COUNTY OF SANTA CLARA. Possible approval of Agreement 003-12-ECF for a \$2,991,209 Energy Conservation Assistance Act loan to the County of Santa Clara to fund energy efficiency upgrades at the County Government Center. The projects are estimated to annually save 3,161,697 kilowatt hours of electricity and 61,091 therms of natural gas. (ECAA funding.) Contact: Amir Ehyai. (5 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of Item 14. The vote was unanimous. (3-0)*

15. CITY OF NAPA. Possible approval of Agreement 002-12-ECF for a loan of \$1,907,136 at 3 percent interest to the City of Napa to install 4,747 LED and induction streetlights. The retrofits will save the city about 1,488,185 kWh and 1078 tons of greenhouse gases will be reduced annually. Based on the loan amount, the simple payback is approximately 11 years. The total installation is projected to cost \$2,333,677 and \$261,905 will come from PG&E incentives. (ECAA Program Funding) Contact: Karen Perrin. (5 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of Item 15. The vote was unanimous. (3-0)*

16. PACIFIC GAS & ELECTRIC COMPANY. Possible approval of Agreement PIR-11-004 for a grant of \$1 million to Pacific Gas & Electric Company to verify the performance of an advanced, underground compressed air energy storage plant for providing ancillary services to the electric grid. This award will be cost-share for the recipient's \$25 million

American Recovery and Reinvestment Act of 2009 award. (PIER electricity funding.)  
Contact: Johann Karkheck. (5 minutes)

*Commissioner McAllister moved and Commissioner Peterman seconded approval of Item 16.  
The vote was unanimous. (3-0)*

17. **BAY AREA AIR QUALITY MANAGEMENT DISTRICT.** Possible approval of Contract 600-12-002 for \$3 million with the Bay Area Air Quality Management District (BAAQMD) for the Bay Area eTaxi Program. BAAQMD will demonstrate zero-emission battery electric taxis with switchable batteries that give the vehicles essentially unlimited range within the area covered by the taxi company. This project will deploy two battery switch stations and six battery-switchable electric taxis. (ARFVTP funding.)  
Contact: Sarah Williams. (5 minutes)

*Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 17.  
The vote was unanimous. (3-0)*

18. **Minutes:** Possible approval of the September 12, 2012, Business Meeting Minutes.

*Commissioner Peterman moved and Commissioner McAllister seconded approval of the Minutes. The vote was unanimous. (3-0)*

19. **Lead Commissioner or Presiding Member Reports.**

Commissioner McAllister reported on the AB 758 workshop held Monday and Tuesday this week.

Commissioner Douglas reported on the September 24 Desert Renewable Energy Conservation Plan Workshop on Governance Costs and Financing and the recent Southern California Energy Summit that she and Commissioner Peterman attended.

20. **Chief Counsel's Report:** None.  
21. **Executive Director's Report.** Executive Director Rob Oglesby gave the report.  
22. **Public Adviser's Report.** None.  
23. **Public Comment:** None.

Appearances:

Mr. Alex Fay, Quallion  
Mr. Jay Friedland, Zero Motorcycles, Inc.  
Mr. Damian Breen, Bay Area Air Quality Management District  
Ms. Adrianna Kripke, San Diego Gas & Electric  
Mr. Ryan McCarthy, California Air Resources Board  
Mr. Mark Palmer, City and County of San Francisco  
Mr. Bob Raymer, California Building Industry Association  
Ms. Valerie Winn, Pacific Gas and Electric Co.

There being no further business, the meeting was adjourned.

Respectfully submitted,

HARRIET KALLEMEYN  
Secretary to the Commission