

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

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

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

WEDNESDAY, FEBRUARY 13, 2013
10:00 A.M.

Reported by:
Peter Petty

Commissioners Present (*Via Phone)

Robert B. Weisenmiller, Chair
Karen Douglas
Andrew McAllister

Staff Present:

Rob Oglesby, Executive Director
Michael Levy, Chief Counsel
Pippin Brehler, Senior Staff Counsel
Jeffrey Ogata, Assistant Chief Counsel
and Technical Staff, Biology and Air Quality
Allan Ward, Assistant Chief Counsel
Blake Roberts, Assistant Public Adviser
Harriet Kallemeyn, Secretariat

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Suzanne Korosec	4
Jim Holland	5
David Ware	6
Joseph Douglas	7
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Robin Mayer	9
Tobias Muench	11
Akasha Kaur Khalsa	12
Aida Escala	14
Isaiah Larsen	15
Hieu Nguyen	16
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Eric VanWinkle	18
Shahid Chaudhry	20
Joseph Wang	21
Joseph Wang	22
Amir Ehyai	23
Amir Ehyai	24
Amir Ehyai	25
Phil Cazal	26

Also Present (* Via WebEx)

Interested Parties

Valerie Winn, PG&E
Jamie Asbury, Imperial Irrigation District
C. Anthony Braun, representing Imperial
Irrigation District
Manual Alvarez, Southern California Edison
Mike Hodgson, Owner, CHEERS
Jay Lenzmeier, Executive Director, CHEERS
Michael Bachand, President, CalcERTS
*John Flores
*George Nesbitt, Environment Design
Charlie Bachand, Director of Quality of Assurance
and Solar Programs, CalcERTS
Jeff Harris, on behalf of Ivanpah Solar Electrical
Generating System
John Carrier, CH2M Hill
Steve Hill, Sierra Research
Doug Davis, on behalf of Ivanpah Solar Electrical
Generating System
Marc Sydnor
Dr. Tim Brown, U.C. Irvine
Charles Botsford, Project Manager and
Business Development, Aerovironment, Inc.
*Lyn Harris-Hicks, League of Women Voters
Rick Moore, Total Compliance Management
Doug Button, President, Blue Line Transfer, Inc.
Ian Hoover, Manager, Paso Robles Waste & Recycle
Dale Gomer, Paso Robles Waste & Recycle
Matt Sullivan, Newcomb Anderson McCormick

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

2 FEBRUARY 13, 2013

10:07 a.m.

3 CHAIRMAN WEISENMILLER: Let's start the
4 Business Meeting with the Pledge of Allegiance.

5 (Whereupon, the Pledge of Allegiance was
6 recited in unison.)

7 CHAIRMAN WEISENMILLER: Good morning. Let's
8 start with a couple things. First, in terms of today's
9 agenda, Items 2, 10, 13 and 19 are being held today.

10 Also in terms of today, I think everyone knows,
11 but we now have -- the Governor this week appointed two
12 new Commissioners to the Energy Commission, so we're
13 going to have a full hand.

14 Both will be sworn in, David earlier, and
15 certainly Andrea Janea more like a month or so out as she
16 deals with her transition back from D.C., but it's really
17 great news, really two very strong, very welcome
18 Commissioners coming.

19 And as we go forward, that means that certainly
20 Item 2 on the assignments, we'll get more action in some
21 of the future meetings.

22 Also, I would like to point out today that
23 there is a very impressive display of Electric Vehicles
24 outside, and I certainly want to thank the staff for

1 helping organize this, particularly Jim Bartridge, Leslie
2 Baroody, and I'm sure others whose names I'm not aware
3 of. But anyway, it's a good opportunity.

4 A lot of us have the vision of electrifying our
5 transportation system and it really deals with our twin
6 problems of national security; obviously, thinking about
7 the energy situation in general, our reliance on oil has
8 got to be one of our biggest concerns, so electrifying
9 the transportation system would certainly help in that
10 area and, at the same time, looking at air pollution and
11 greenhouse gas issues in California that, again, that's a
12 key part of the solution.

13 I think everyone here is aware of the
14 Governor's ZEV Executive Order and also the Action Plan,
15 so it's a key part of that, but it's good to go from the
16 vision, the sort of papers on it, to actually the
17 vehicles and they tie nicely to some of the charging
18 stations we're going to consider today.

19 So, anyway, with those two general
20 announcements, let's go to the consent calendar. I
21 believe Commissioner Douglas has something first.

22 COMMISSIONER DOUGLAS: Thank you, Chairman
23 Weisenmiller. I do have something on the Consent
24 Calendar -- or, before we take the Consent Calendar,
25 there are three contracts on the Agenda today where the

1 Regents of the University of California is an interested
2 party, those are Items 1(e), CIEE, Item 11, U.C. Irvine,
3 and Item 18, CALSTART, where there will be a
4 demonstration project at U.C. Irvine. I'd like to
5 disclose for the record that I'm an Adjunct Professor at
6 the University of California, that's at King Hall, U.C.
7 Davis School of Law, where I'm currently teaching a
8 Renewable Energy Law Seminar. King Hall is a different
9 department than the department that's interested in these
10 contracts, and therefore our Chief Counsel advises that
11 there's no conflict of interest.

12 For the record, I'll also disclose that I am
13 teaching the seminar with Chief Counsel Michael Levy, so
14 this disclosure relates to him, as well.

15 CHAIRMAN WEISENMILLER: Okay. Do I have a
16 motion on the Consent Calendar?

17 COMMISSIONER MCALLISTER: I'll move Item 2, is
18 it?

19 CHAIRMAN WEISENMILLER: Item 1.

20 COMMISSIONER MCALLISTER: Move Item 1.

21 COMMISSIONER DOUGLAS: Second.

22 CHAIRMAN WEISENMILLER: All those in favor?

23 (Ayes.) Item 1, Consent Calendar, passes.

24 As I said, Item 2 we're skipping. Let's go on
25 to Item 3. Hidden Hills Solar Electric Generating

1 Systems. Possible appointment of an associate member for
2 the Committee. So at this stage, we have hearings
3 scheduled and the good news is that we also now will have
4 a second member, and it's going to be one of our newest
5 Commissioners, David Hochschild. Any -- who wants to
6 move that nomination?

7 COMMISSIONER DOUGLAS: With great enthusiasm
8 and obviously subject to him being sworn in and starting
9 work timely for the hearings, which is the case, he'll be
10 starting work actually a day before the pre-hearing
11 conference, and so he has indicated that he'll be at the
12 pre-hearing conference and at the evidentiary hearings,
13 so, again with enthusiasm, I would move that appointment.

14 COMMISSIONER MCALLISTER: I will second, also
15 with some enthusiasm because I was gearing up to be the
16 second member of that committee, which actually I was
17 looking forward to in its own way. But there's so much
18 to do at the Commission and, with only three
19 Commissioners, it's just -- you're double-booked on
20 important things pretty much all the time and so I will,
21 instead of being out to those hearings, be going to the
22 Resource Adequacy Event meeting over at the Public
23 Utilities Commission, which relates very directly to some
24 of the things we're going to do in the IEPR and other
25 areas, so I'm happy to be able to do that. So I'll

1 second Item 3.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes.) Item 3 passes unanimously and
4 enthusiastically.

5 So let's go on to Item 4. 2012 Integrated
6 Energy Policy Report Update. Suzanne.

7 MS. KOROSSEC: Good morning. Today I am asking
8 for your approval of the 2012 Integrated Energy Policy
9 Report Update.

10 The 2012 IEPR Update covers five activities
11 that were initiated during the 2011 IEPR that were either
12 continued or completed during 2012. These include the
13 CEC's 10-year Electricity and Natural Gas Demand Forecast
14 that was adopted in June of 2012; two reports on the
15 Natural Gas Market Outlook and Trends, which were
16 finalized in 2012; an updated Assessment of CHP
17 Potential, Combined Heat and Power Potential for those of
18 you not familiar with our acronyms; and a staff White
19 Paper on CHP Barriers, an ongoing assessment of
20 electricity infrastructure needs in Southern California
21 to meet future electricity demand and provide reliable
22 service; and a Renewable Action Plan which builds on
23 analysis in the 2011 IEPR of the major challenges to
24 renewable development in California, and which provides a
25 set of recommendations and actions to help California

1 achieve its 33 percent Renewable Portfolio Standard and
2 support potentially higher targets in the future.

3 I'll quickly go over the 2012 IEPR Update
4 process and then summarize the main points of each
5 chapter, and then finally talk a little bit about
6 revisions to the report that were made in response to
7 public comments that are in the version that we're asking
8 you to approve today.

9 The 2012 IEPR Update process began with the
10 release of the Scoping Order in February 2012 by Lead
11 Commissioner Peterman, followed by public workshops on
12 various topics that were held from early February to late
13 June. Throughout the process, we had a lot of
14 stakeholder involvement in the IEPR workshops and we got
15 hundreds of pages of written comments that were really
16 helpful in developing the Draft Report.

17 In October 2012, we put out the first draft of
18 the IEPR and then held a public workshop on November 7th,
19 and after revising the Report based on that workshop and
20 on written comments, on January 30th we released the
21 Proposed Final Report for consideration for adoption at
22 today's meeting.

23 Stakeholders were given one final opportunity
24 to provide written comments by February 6th and will also
25 provide time for oral comments today after my

1 presentation.

2 The main points of the Report for the Demand
3 Forecasts: we're projecting continued growth in demand
4 for both electricity and natural gas in all three
5 scenarios that were used in the forecast. Something that
6 remains a big issue is the impact of uncommitted
7 efficiency savings on the forecast, and that's savings
8 that are reasonably expected to occur from programs or
9 policies that haven't been implemented or funded yet, and
10 the risk of over or under procuring electricity resources
11 based on estimates of those savings.

12 We provided preliminary estimates of expected
13 savings to the PUC in July of 2012 for them to use in
14 their Long Term Procurement Process, and in the 2013 IEPR
15 we plan to provide an updated assessment based on the
16 results of the PUC's Updated Efficiency Goals Study.

17 Climate change also continues to be a big
18 concern and the IEPR Update recommends that the CEC
19 expand our analysis of the potential effects of climate
20 change on consumption and peak demand.

21 Our forecast also needs improvement in the way
22 it reflects uncertainties about how California's policies
23 for Zero emission Vehicles, Combined Heat and Power, and
24 Distributed Generation will affect future consumption and
25 demand.

1 And finally, the IEPR recommends that we look
2 at disaggregating the forecast to support planning at the
3 distribution level and identification of renewable
4 development zones for Distributed Generation starting by
5 providing forecast results by climate zone, in addition
6 to our usual Planning Area Forecasts.

7 For natural gas, in 2012 we published final
8 versions of two staff reports on the Natural Gas Market
9 Outlook and Trends that were prepared for the 2011 IEPR.
10 The top four issues identified in those reports as likely
11 to affect natural gas demand, supply, and prices were the
12 potential effects on future supplies and prices from
13 environmental concerns about hydraulic fracturing or
14 "fracking"; more demand from increased use of natural gas
15 plants to help integrate intermittent renewable resources
16 and from growing demand for natural gas as a
17 transportation fuel; third, our issues with pipeline
18 safety and reliability and how events like the San Bruno
19 explosion, or the development of additional pipeline
20 capacity nationwide could affect natural gas prices; and
21 finally, we need better coordination between the natural
22 gas and electricity industry, especially to coordinate
23 electricity dispatch decisions with scheduling of natural
24 gas pipeline deliveries to support renewable integration.

25 The IEPR recommends on that topic that the CEC

1 and PUC continue to monitor and participate in FERC
2 proceedings that are related to natural gas
3 infrastructure development that could affect California,
4 and in proceedings related to harmonization of electric
5 and natural gas markets.

6 For Combined Heat and Power, the IEPR
7 summarizes the results of an assessment of technical
8 market potential for new CHP and a variety of challenges
9 to CHP development that were identified in the IEPR
10 workshop on CHP issues.

11 The IEPR recommends that we have future updates
12 of technical assessments of CHP potential, that we make
13 improvements in interconnection processes for facilities
14 that expand their generation capabilities, that we
15 continue to evaluate the process of programs to encourage
16 new CHP, and that we report on the progress of those
17 programs to the Governor and the Legislature.

18 In Chapter 4, the 2012 IEPR talks about the
19 status of an assessment of electricity infrastructure
20 needs in Southern California, which began the 2011 IEPR
21 proceeding; there are many issues that are affecting
22 infrastructure in the southern part of the state,
23 including State Water Board's policy to reduce once-
24 through cooling in power plants, the scarcity of emission
25 reduction credits for replacement generation,

1 uncertainties about the effect of energy efficiency and
2 demand response on electricity demand, the need for
3 flexible generation resources to support renewable
4 integration, the many agencies with responsibility for
5 some piece of electricity infrastructure planning or
6 development, the continuing outage at the San Onofre
7 Nuclear Plant, concerns about climate change, and
8 increased demand from potential electrification in the
9 L.A. Basin of combustion sources.

10 There are several ongoing studies that will
11 affect our estimates of infrastructure needs, but
12 unfortunately many of those studies don't reflect the
13 implications of the outage at SONGS, so recommendations
14 in the Draft IEPR on this topic include that the current
15 studies should be updated to reflect the impacts of the
16 SONGS outage; the CEC should review the CAISO's Nuclear
17 Facility Reliability Study at a workshop during the 2013
18 IEPR, along with any credible nuclear replacement
19 studies, and those studies need to be used as input for
20 policy decisions on the amount of reserves that would be
21 needed to address nuclear outages. CAISO should provide
22 refreshed assessments of the Once-Through Cooling
23 Compliance Schedules and the CEC needs to provide
24 technical support for that effort. And finally, the PUC
25 should consider opening a new proceeding, or use the

1 existing Resource Adequacy Rulemaking to look at allowing
2 utilities to participate in a forward procurement
3 mechanism. This would allow them to provide the flexible
4 capacity California needs to support renewable
5 integration and ensure reliability.

6 Last, we have what was really the primary focus
7 of the 2012 IEPR Update, which is the Renewable Action
8 Plan. We prepared this plan based on direction in
9 Governor Brown's *Clean Energy Jobs Plan*, which directed
10 the CEC to prepare a plan to speed up permitting of high
11 priority renewable projects, with the goal of supporting
12 investments in renewable energy to create new jobs in
13 businesses, to increase California's energy independence,
14 and to protect public health and the environment.

15 The 2011 IEPR proceeding laid the foundation
16 for this plan by identifying major challenges to
17 renewable development and recommending five high level
18 strategies to address those challenges. The Renewable
19 Action Plan builds on the 2011 IEPR with 32 specific
20 recommendations for implementing these strategies.

21 In response to stakeholder requests to
22 prioritize the recommendations, we've identified these 10
23 recommendations as the highest priority, either because
24 they create a foundation for other efforts, or because
25 they take advantage of current opportunities that might

1 otherwise be lost: first, we need to identify the
2 preferred areas in the state for renewable development,
3 such as already disturbed lands or areas close to
4 existing transmission or distribution infrastructure with
5 initial focus on zones in the Central Valley; next, we
6 should modify renewable electricity procurement practices
7 to get a high value portfolio that includes projects that
8 provides benefits like integration services, reduced risk
9 of forest fires that can affect transmission lines,
10 increased investments in disadvantaged communities, and
11 in-state job creation.

12 California also needs to reevaluate its
13 residential electricity rate structure to make sure that
14 costs are more fairly spread across all ratepayers, and
15 we also need consistent use of the CEC's environmental
16 analysis of in- and out-of-state renewable resources in
17 transmission planning to improve the efficiency and
18 effectiveness of that process.

19 With the goal of 12,000 MW of DG, we need to
20 develop a more transparent and integrated distribution
21 planning process to help with strategic deployment of DG
22 and reduce interconnection costs. We also need a way for
23 Demand Response, Energy Storage, DG, and natural gas
24 plants to compete on a level playing field to provide the
25 flexible generating capacity that we need to integrate

1 renewable resources such as a forward procurement
2 mechanism, as I mentioned earlier. And we'll need clear
3 tariffs and rules for integration services that will
4 allow those technologies to provide these services.

5 To make sure we have a well-trained workforce,
6 to support renewables, we need to make sure workforce
7 training efforts reflect the evolving needs of the
8 industry.

9 R&D also continues to be a high priority and,
10 in particular, we should continue promoting R&D for
11 technologies and strategies that will help with renewable
12 integration. And finally, California needs to support
13 long-term extension of Federal Tax Credits to attract
14 investments in renewables and provide revenue certainty
15 to the renewable market.

16 We received 18 sets of comments on the Draft
17 IEPR and made a number of changes in response. In terms
18 of added material, we added the prioritized list of
19 Renewable Action Plan Recommendations to the Executive
20 Summary; in the Natural Gas chapter, we made some
21 technical corrections; in the CHP chapter, we added
22 information about CHP programs in publicly-owned utility
23 territories; in the Infrastructure Assessment chapter, we
24 updated the descriptions of various activities to reflect
25 changes that have occurred since publication of the Draft

1 Report; and we also revised language relating to the
2 CAISO's assessment of nuclear reliability to indicate
3 that the study should be an input into, rather than the
4 basis of, policy decisions related to nuclear outages.

5 In the Renewable Action Plan chapter, we added
6 a new recommendation for the CEC to hold an annual
7 workshop to highlight progress that's been made on the
8 Renewable Action Plan recommendations, and the Renewable
9 Action Plan chapter also contains many other revisions
10 made in response to stakeholder comments, but there's
11 really too many to go into in detail at this meeting, so
12 I'll just note that they were clearly marked on the
13 version of the report that was posted on our website, so
14 parties can see what changes were made in response to
15 their comments.

16 As I said earlier, we asked parties to submit
17 any final comments by February 6th. We did receive three
18 sets of final comments and the response to those comments
19 were proposing some minor changes to the report, which
20 were sent out yesterday to the IEPR Listserv and were
21 posted on our website. There are also hard copies
22 available on the table in the foyer.

23 First, in Chapter 4 on the Electricity
24 Infrastructure Assessment, we revised the description of
25 the CAISO's Nuclear Study to reflect that it is a

1 reliability study, not a study of replacement, and
2 included language on what additional assessments would be
3 needed to really understand the need for replacement
4 power if the nuclear facilities don't continue producing
5 power until their licenses expire.

6 Second, in Chapter 5 on the Renewable Action
7 Plan, we revised a paragraph that talked about challenges
8 in the Imperial Valley related to renewable
9 interconnection. And finally, also in Chapter 5, we
10 added a sentence regarding the introduction of some new
11 distribution equipment that could support DG deployment
12 by improving management of voltage fluctuations and other
13 DG integration concerns.

14 So that's a very quick overview of the report
15 and before we open it up for questions, I would like to
16 acknowledge my team with your indulgence, Chair
17 Weisenmiller. Lynette Green, our Project Manager, who is
18 fabulous at juggling a hundred things at a time and
19 keeping us on track and on time; Stephanie Bailey, who
20 coordinated all the writing that went into the IEPR;
21 Heather Raitt who was the Project Manager for the
22 Renewable Action Plan portion of the report, who did a
23 stellar job bringing together a diverse set of
24 stakeholders to come up with a coherent set of actions
25 and recommendations; Donna Parrow and Michele Lorton who

1 provided administrative support; and of course the dozens
2 of CEC staff, technical staff, who provided the analyses
3 and the real meat of the report.

4 So at this point, I'd be happy to take any
5 questions from the dais.

6 CHAIRMAN WEISENMILLER: Sure. Let me first
7 start by -- I wanted to start also in acknowledging your
8 efforts and your team's efforts, that is, having been
9 through two IEPRs, I know how hard it is, but certainly
10 am always amazed at how effortlessly you manage to stay
11 on top of pulling this beast along and providing a very
12 very solid product at the end. You certainly do a very
13 good job of reaching out to the public and incorporating
14 their comments. But, again, it's a very hard job and
15 it's remarkable how smoothly you and your team pull it
16 all off.

17 MS. KOROSEC: Thank you.

18 CHAIRMAN WEISENMILLER: And so with that I
19 would also -- I've been asked by Commissioner Peterman to
20 read a few comments, so I would like to -- first, I
21 wanted to read the acknowledgement of Commissioner
22 Peterman and then I'll wrap up -- originally, I was going
23 to do the acknowledgements after Carla, but it seemed
24 better just to follow-up on her remarks.

25 So Commissioner Peterman can't be here today;

1 as many of you know, she has a different set of
2 responsibilities, but certainly she asked me to thank
3 myself and the other Commissioners for the opportunity to
4 provide comments in support of the adoption of the 2012
5 Integrated Energy Policy Report. And it was her esteemed
6 honor to be Lead Commissioner for the 2012 IEPR during
7 her tenure as a CEC Commissioner and to work with me, the
8 staff, and the stakeholders on this document.

9 "The 2012 IEPR Update provides valuable insight
10 into California's future electricity and natural gas
11 demand, market potential for Combined Heat and Power
12 facilities, electricity infrastructure needs in Southern
13 California.

14 As we look to increase the flexibility of
15 preferred resources, Chapter 5 of the IEPR Update lays
16 out a Renewable Action Plan which identifies actions to
17 help California achieve its renewable goals and position
18 it for potentially higher targets in the future.

19 Development of these recommendations would not
20 have been possible without the participation of the
21 speakers and attendees in the 11 IEPR workshops, input
22 from sister agencies for the outreach, expertise and
23 efforts of the CEC staff.

24 Thank all of you for your engagement in this
25 report, and a special thanks to Suzanne and the IEPR Team

1 for their tireless efforts and professionalism. The real
2 work is just beginning as we collectively work to
3 implement the IEPR recommendations if adopted by this
4 Commission.

5 Once again, I congratulate and support the
6 adoption of the 2012 IEPR Update."

7 So, again, those are Carla's comments.
8 Certainly appreciate her remembering this and, again,
9 sorry she can't be here today since obviously this
10 represents a lot of hard work on her part.

11 And, again, I would like to thank the
12 stakeholders. I think for context, we've spent the last
13 two years very focused on renewable energy at the
14 Governor's direction, and certainly the result of that,
15 the Renewable Action Plan, is a very strong document
16 which hopefully can guide this agency and the other
17 agencies going forward. Again, Commissioner Peterman
18 worked tirelessly to get a consensus among the other
19 agencies on our recommendations and to get buy-in on
20 those. So we've had a very solid approach on renewables;
21 I think at this point the good news is the other part of
22 the loading order will get more of a focus this year on
23 energy efficiency and Demand Response. We will have some
24 sort of a workshop on renewables, but again the notion is
25 to really pivot the focus of this IEPR from a very

1 focused, you know, DG renewable push to much more energy
2 efficiency and Demand Response this year, among other
3 topics.

4 And certainly with that in mind, you know, it's
5 interesting that what I characterize as the Big Hoover
6 Commission, this Schwartz, Grueneich Study basically
7 strongly recommended the other agencies rely upon the RAP
8 to sort of come up with a plan. Having said that, we're
9 pivoting, I would acknowledge that a lot of these issues,
10 particularly in renewable integration, we have a pretty
11 good understanding of at least the challenges for
12 utility-scale, and much less of an understanding for DG,
13 and certainly having said that I always remind people the
14 Transmission Distribution Systems are both, in fact,
15 interconnected, so the issues can go back and forth on
16 that. But again, it's a very good effort, we've sort of,
17 I think, met the challenge that the Governor gave us on
18 this area, and there are certainly a lot of issues that
19 we will continue to explore in the next couple of IEPRs,
20 but it's certainly time to move on. And I'd like to
21 thank people, again, particularly the participants, you
22 know, in that they certainly sharpened the language and
23 the thinking. So, again, thanks to you and your team
24 again.

25 COMMISSIONER DOUGLAS: I'd also like to comment

1 that I've also been through an IEPR cycle or two and I
2 know the work that goes into the IEPR and the workshops
3 and the communications with the stakeholders, and so on,
4 and a lot of work went into this. And as the Chair just
5 said, it's really two years of work that went into this
6 because, of course, we worked very hard on renewables in
7 the last IEPR, and this really helped boil down that work
8 into action steps and a plan that we have a significant
9 amount of buy-in on, and we can use to help guide our
10 implementation and measure our progress on getting to our
11 renewable energy goals. So I'm really pleased to see it.
12 Thank you, thanks to the team, thanks to the
13 stakeholders.

14 I'm also pleased to see the IEPR at this point,
15 having done that good work, shift to the Efficiency and
16 Demand Response topic. Of course, we have not been
17 sitting still on Efficiency and Demand Response in the
18 interim; Suzanne's team has been focused on renewable
19 energy, but within our building, of course -- and
20 Commissioner McAllister can talk more about this -- but
21 we have been hard at work on bread and butter energy
22 efficiency and Demand Response and other issues. And so
23 I think it's very timely to start getting into that in
24 the IEPR and I'll look forward to seeing that. Those are
25 my comments.

1 CHAIRMAN WEISENMILLER: Okay. And actually,
2 let me -- before Commissioner McAllister, let me have
3 four comments, so let's get those in, then Commissioner
4 McAllister, and then I have one other thing, too.

5 Okay, Valerie Winn. While she's coming, I
6 would note I think Valerie was at more or less every one
7 of these 11 workshops.

8 MS. WINN: I think I was at least at 10. So
9 good morning. I'm Valerie Winn with Pacific Gas &
10 Electric Company. And I, too, wanted to thank the CEC
11 staff for all of their work on this IEPR.

12 It's been quite a collaborative process and
13 through those workshops we all exchanged a lot of
14 information. And it was a really good effort and I
15 think, you know, that stakeholder process has led to
16 what's really a very balanced IEPR.

17 As we've noted in our comments, PG&E is a very
18 avid proponent of, you know, clean energy and helping
19 California get to its clean energy future. So we're very
20 pleased to see some updates to the IEPR, to the initial
21 IEPR language, that perhaps balance things a bit more
22 and, in particular, on the 2030 analysis which the
23 Commission will be pursuing in the 2013 IEPR, that that
24 will look not only at perhaps higher levels of
25 renewables, but also consider the broader spectrum of

1 energy issues and how we might get to our clean energy
2 future at a cost that's reasonable to customers and will
3 look at a variety of resources that are needed to get
4 there.

5 We're also very happy to see the updates to the
6 Nuclear Assessment Study and the characterizations of the
7 ISO's Grid Assessment Study, so we thank you for those
8 updates. And we look forward to continuing to work with
9 the Commission in 2013. So I did want to note, again,
10 thank you and we support adoption of this IEPR.

11 CHAIRMAN WEISENMILLER: Thank you. Again,
12 thanks for your participation. Jamie Asbury. And Tony,
13 hi.

14 MS. ASBURY: Good morning, Commissioners, Jamie
15 Asbury of the Imperial Irrigation District. With your
16 permission --

17 CHAIRMAN WEISENMILLER: Sure.

18 MS. ASBURY: -- Mr. Braun and I will sort of
19 take turns.

20 MR. BRAUN: Chairman, Commissioners, thank you.
21 Tony Braun on behalf of the Imperial Irrigation District.
22 First of all, I also want to thank staff. IID had some
23 initial communication on Friday and on some language
24 that's in the IEPR and also through a fairly substantial
25 letter on Monday, so we greatly appreciate the

1 willingness to work with us on this issue at such a late
2 time. The development of renewables and facilitating
3 interconnection has been all hands on deck, and Jamie is
4 the Interconnection Transmission Officer at IID, so we
5 thought it might be worth a couple of minutes to go over
6 some of the things that are fairly late-breaking with
7 respect to what's going on in the Valley.

8 IID's letter raised two primary concerns, 1)
9 try to give a more complete picture with respect to some
10 of the challenges that may be facing the generation in
11 Imperial Valley; and also to give a more accurate
12 assessment of the reference to the Arizona-Southern
13 California outage of September 8, 2011.

14 I think today we're really focused on the
15 latter issue and I'll go into that in a moment, but I
16 want to cede most of the time to Jamie to give the
17 Commission a brief update on some of the things that have
18 been going on in the Imperial Valley.

19 MS. ASBURY: As you know, IID sits adjacent to
20 -- we share facilities under the operational control of
21 the ISO, and IID staff has devoted a significant amount
22 of resource to not only our own customers, but also those
23 that have challenges in interconnecting in the Imperial
24 Valley Area proper.

25 We've come up with what we've perceived to be

1 some creative solutions in an effort to get those
2 resources interconnected, and we think we've developed a
3 really collaborative working relationship with them. And
4 we're very pleased that we were able to provide
5 assistance; at the end of the day, we want all of those
6 resources to develop.

7 We've also taken some pretty significant steps
8 on our own system to help our own generators achieve
9 success in the ISO market. We've adopted a transmission
10 service rate, and the only rate our consultant warned us
11 was the first of its kind, and it's a usage-based rate,
12 rather than a capacity-based rate. We're very pleased
13 that that's there. We're hopeful that will engender
14 additional development.

15 We also have done a lot of things in terms of
16 revising our tariff. We want to believe that we're
17 customer friendly and customer focused, and we want to do
18 what we can. We believe the interconnection process is
19 one by which we help generators achieve success, not keep
20 them from being interconnected. And so the District is
21 very flexible in that regard.

22 IID is funding its portion of the upgrades that
23 are required to Path 42. That's typically outside the
24 model that the District has in the past used, it's
25 generally been developer funded, but our ratepayers felt

1 it was important, our Board felt it was important, and so
2 that project is now moving forward.

3 We appreciate that fact that other agencies in
4 California worked collaboratively with us to adjust the
5 Maximum Import Capability Reforms; the methodology has
6 been adjusted to make it a little more palatable for
7 exports from the IID system.

8 And IID is pleased to announce that it is
9 participating in the ISO's competitive solicitation
10 process for the policy driven upgrade in Imperial Valley,
11 and we are very apologetic, as Mr. Braun stated, for our
12 late comments, but all hands have been devoted to making
13 sure that was a timely and comprehensive response on the
14 District's behalf.

15 IID remains willing to be flexible and helpful
16 to its generative -- we really want to see them achieve
17 success. We're willing to make whatever policy shifts
18 that are necessary to help that, but it's difficult in
19 the procurement process to know where we need to be
20 flexible, or where we need to be more customer friendly
21 because we have no visibility or insight into the
22 procurement process in California. So we just wanted to
23 get those few comments out there and let you know what we
24 are doing, and the District remains willing to be part of
25 the solution. And we appreciate your time.

1 CHAIRMAN WEISENMILLER: Great, thank you. Tony.

2 MR. BRAUN: So thank you for the changes that
3 have been posted. And I guess we're here to ask for a
4 little more.

5 Obviously, IID is highly sensitive, as should
6 everybody in California be, to the issue that occurred
7 with respect to the Regional Grid disturbance on
8 September 8th. And being fairly close to the weeds, we
9 think it's pretty difficult to really capture accurately
10 and fairly everything that contributed to the outage on
11 September 8th, particularly in such a short phrase, and
12 also given the myriad of players that were involved, the
13 fact that there were actions and inactions that occurred
14 outside this country, in neighboring states, and on the
15 ISO system, as well as IID's.

16 And so I guess we're renewing our request to
17 the Commission to just simply excise the last few words
18 of that paragraph that reference the interconnection
19 issues because, after all, that's what this section is
20 about, and reference the will (ph) and cost and
21 transmission cost allocation upgrades and some of the
22 other factors, and just not reference the outage at all?

23 However, we actually have come prepared,
24 despite our misgivings about trying to capture the outage
25 in a single sentence, with a sentence that is a little

1 more complete and references some of the specific
2 findings in the FERC report, if that's the desire of the
3 Commission. So I guess 1A, we'd really like to excise
4 the reference to the outage because of its complexity,
5 but, too, we've also got some additional language if the
6 Commission would like to consider it.

7 CHAIRMAN WEISENMILLER: Well, let's talk
8 generally. I mean, first of all, you know, last year one
9 of the things which, when we did our transmittal letter,
10 myself, Florio, and Peevey to the ISO, we basically
11 called out trying to work out something with IID, and as
12 I understand it, they did. Then we went through what was
13 actually a pretty frustrating year, you know, of trying
14 to deal with the interconnection issues. And my
15 impression is those challenges are behind us, but I would
16 say I was hearing at least once a week from Picker
17 comments about where things were with IID, and they
18 weren't dwelling most of the time, but as I say, I think
19 we've worked through those. And I think with the new
20 Board, we're hoping to make more progress; as I
21 understand it, all the projects that were at risk, those
22 have been dealt with. We still have the fundamental
23 issue of the rate challenge that you point to, and the
24 reliability issues. And, you know, I think I was trying
25 to come up with a sentence that just referred to the

1 outage. I mean, frankly, having talked to the Chair of
2 FERC, having talked to the FERC staff that are doing the
3 investigation in this area, I expect significant action
4 will be taken instead of normally going slower and, you
5 know, there will be blame all around, although certainly
6 they at least do a fair share of mumbling about IID, as
7 they look at solutions, so to foreshadow, I think, what
8 FERC would do. But, again, I was just trying to say one
9 of the huge impacts that we have to think about in this
10 state is how not to have that happen again.

11 You know, as we look at the summer of 2013 and
12 '14 without SONGS, if we can't even keep reliability, you
13 know, in a situation where there are no issues, really; I
14 mean, my God, we can't have that happen. So this was
15 trying to make sure that -- and, again, we can certainly
16 -- I think there's a lot of blame to go around and so not
17 singling out, although again I think certainly you're
18 going to be swept into the FERC actions eventually.

19 MR. BRAUN: So actually, that relates to one of
20 the issues. As Jamie had indicated, there's a lot of
21 generation that wants to connect within the Imperial
22 Valley, but not to IID. And that's really been a big
23 focus over the last several months, is how this is going
24 to be wrestled with. One of the things -- one component
25 of the solution going forward that is on the front burner

1 right now is this facility that Jamie referenced that is
2 a policy-driven upgrade that IID actually will be
3 submitting, and then if IID is successful, they will
4 actually transferring control of that facility over to
5 the ISO so that the solar resources that are directly
6 interconnected to it will be directly interconnected to
7 the ISO.

8 But to your point on this, one of IID's
9 concerns going forward is that there is a lot of reliance
10 on intervention and operational procedures rather than
11 physical upgrades to the system, and that greatly
12 concerns us. And so that's one of the things we'll be
13 looking at, is making sure that as we add more
14 generation, we make sure we upgrade the Grid rather than,
15 you know, rely on operating procedures, RAZ schemes and
16 things like that.

17 CHAIRMAN WEISENMILLER: Well, that's going to
18 be very important. I mean, again, certainly the reality
19 is, again, if you start with the FERC Chair down,
20 everyone is going to say we just have too many Balancing
21 Authorities in the West. And that's part of one of the
22 fundamental problems we had and, of course, the Balancing
23 Authorities' visibility was limited. And certainly, as
24 we look at renewable integration and other things, we
25 need better visibility. Obviously, yesterday's

1 announcement between the ISO and PacifiCorp, which deals
2 not with Balancing Authorities, but the energy and
3 balance market, was a huge step forward on renewable
4 integration issues in the West. And certainly, when you
5 look at the complexity, again, when I talked at Sunrise
6 at basically the opening, I talked about how our
7 grandparents had invested in the bridges back during the
8 Depression, to link the Bay Area to Marin and other
9 areas, and that was an investment to link basically
10 Imperial to San Diego that we made. And the question is
11 how to make sure that, with the physical investment, we
12 now come up with the institutional arrangement to get the
13 benefits certainly Imperial needs in terms of jobs and
14 economic developments, and the power that San Diego
15 needs. So part of what we're nudging you on is, again,
16 to think about creative ways to deal with the
17 institutional issues.

18 MR. BRAUN: So that's -- and I think that this
19 partial PTO solicitation is one of those steps in that
20 direction, to come up with a structure that it can work
21 for IID and yet gives the developers and the ISO what
22 they need as far as their arrangement.

23 CHAIRMAN WEISENMILLER: Right. No, I think,
24 certainly as you said, the policy driven line which came
25 out of the last letter we sent, is huge and I think the

1 PTO would be a step. And certainly what we're trying to
2 do with that sentence is to encourage that movement, but
3 reflect that the outage, you know, was very serious. But
4 again, we tried to tone it down to leaving it to FERC to
5 decide how to allocate blame.

6 MR. BRAUN: Well, you may like our alternative
7 language, then, because it actually, I think, goes down
8 that direction a little farther and lays out some of the
9 factors that need to be considered as the Grid is
10 operated in that area. It was just such a complex issue
11 and that's why obviously our druthers were to just
12 reference the interconnection issues rather than the
13 outage.

14 CHAIRMAN WEISENMILLER: Why don't you share the
15 language and we'll take up additional speakers. But,
16 again, we certainly want to thank Jamie Asbury for being
17 here.

18 MR. BRAUN: Do you want me to read it? I
19 actually brought copies. Do you want me to bring it up
20 to --

21 CHAIRMAN WEISENMILLER: Sure, yeah. Give us
22 one and then particularly Suzanne and the Court Reporter.

23 MR. LEVY: Chair Weisenmiller, if it's not too
24 long, it should probably be read out loud for the public
25 if you're going to consider it.

1 CHAIRMAN WEISENMILLER: Yeah. Well, again, I
2 think what I'd like to do is have the other speakers, you
3 know, that will give us a minute to look at stuff, and
4 then when we come to conclusion on stuff, but certainly
5 we'll read it. Actually, why don't we do this, Tony, why
6 don't you read it for the public?

7 MR. BRAUN: So as the last sentence, we would
8 start as the language is currently and then just expound
9 upon it a bit. So I'll read it in full:

10 "The Federal Energy Regulatory Commission
11 (FERC) report on the Arizona-Southern California outages
12 on September 8, 2011, identified significant...", and then
13 this is where we would add, "...issues from multiple
14 transmission operators across the region, including IID,
15 associated with contingency planning, situational
16 awareness, and reliance on protection schemes that point
17 to the potential need for system upgrades, particularly
18 in light of potential generation additions in the
19 Imperial Valley."

20 CHAIRMAN WEISENMILLER: Okay. So thanks, Tony.
21 We'll consider that while we hear the other comments.

22 MR. LEVY: Please specify for the record what
23 page that's on.

24 MR. BRAUN: And that would be an addition to
25 the proposed changes that were posted by the Commission

1 and the paragraph spans pages 63 and 64 of the IEPR
2 Update.

3 MR. LEVY: Thank you.

4 CHAIRMAN WEISENMILLER: Okay, thanks. Okay,
5 Manual Alvarez.

6 MR. ALVAREZ: Good morning. Manual Alvarez,
7 Southern California Edison. I'll be quick. We're here
8 to support the IEPR. We ask for your positive vote. It
9 was a pleasure working with Commissioner Peterman and the
10 staff, as usual. They definitely listened to our
11 concerns and our issues, and brought them forward in a
12 manner which resolved all our issues.

13 I just wanted to point out one item. I think
14 this report and the report that's coming is definitely
15 going to put the Commission -- or the 2013 IEPR is
16 definitely going to put the Commission in a challenging
17 area trying to balance its look into the future, while
18 still trying to meet our energy needs of the day. So
19 it's definitely going to be some issues before you in the
20 next coming year. So with that, I ask for your support
21 and endorsement of the report. Thank you.

22 CHAIRMAN WEISENMILLER: Thank you. I believe
23 George Nesbitt is on the line.

24 MR. NESBITT: -- couple years, although I was
25 involved in, I think, one workshop on the 2011 IEPR, I've

1 been involved in the 2013 Code Update and HERS issues.
2 You did kind of answer my question, it sounds like this
3 year you're going to go back and look at building
4 efficiency, efficiency, and more, which is good, the
5 comment I wanted to make to sort of lay the groundwork is
6 there is in that section, there's obviously a lot of talk
7 about our net zero, or zero net energy goals for 2020 and
8 2013, yet no mention of the HERS Rating System and HERS
9 Raters, which are so heavily relied upon for many
10 programs, including NSHP. And those of you who know me,
11 I speak often for the HERS Rater and the HERS Rater
12 industry, it's near and dear to me, having certified the
13 first new net zero energy home according to our 2020
14 goal, and working on 80 multi-family affordable units
15 currently. So I just want to sort of, I guess, plant the
16 seed and hopefully I will be less distracted and can
17 participate a little bit more in this. Thanks.

18 CHAIRMAN WEISENMILLER: Thank you for your
19 comments.

20 COMMISSIONER MCALLISTER: Great. I'll just
21 point out, Mr. Nesbitt, there are multiple forums this
22 year for addressing various aspects of HERS, the OII that
23 we have coming up is one of those forums which is
24 independent from the IEPR. But also, if you looked up --
25 it sounds like you did look at the 2013 IEPR Scoping

1 Order, Zero Net Energy is one of the core -- it's one of
2 the topics we're going to be treating and there will be a
3 workshop on that issue, and I think the practicalities of
4 getting to Zero Net Energy is certainly an important
5 theme that we're going to address in that workshop and in
6 the IEPR, itself. So I think there should be some
7 opportunities specific to your interests there.

8 I wanted to just thank Commissioner Peterman in
9 absentia for her leadership on the IEPR, you know, was
10 really impressed with the process, watching Suzanne and
11 her team go through the process, and with the Chair as
12 Commissioner Peterman's second. I learned a lot from
13 that and I'm really looking forward to being the lead on
14 the 2013 IEPR, working with the team, and really focusing
15 on a few of the issues. I think a few of the issues that
16 we've been talking about trans -- pivoting, but also
17 there's quite a bit of continuity here because, you know,
18 from my perspective, and maybe this is just sort of the
19 older one gets, the shorter a five-year period seems, but
20 we do -- we're seeing significant progress in the
21 renewables area just over the last few years, we've seen
22 -- we're in a very different place now than we were just
23 a few years ago with respect to scale, price,
24 marketplace, professionalism, sort of the things in the
25 renewables area, while there are lots of issues to work

1 out, of course, they're much more ready for primetime and
2 the marketplace is a real large scale marketplace; and
3 you couldn't really say that a decade ago. And so that's
4 fabulous progress and that's what's bringing up a lot of
5 these integration issues.

6 So I think all the good work that's been done
7 on renewables over the last couple years provides a great
8 foundation in terms of sort of keeping some of those
9 themes going, and one of those themes is integration.
10 And technology has also developed on the small scale,
11 both in generation and in energy efficiency and Demand
12 Response. There are lots of technologies out there, and
13 coordinating them, making sure that the right
14 stakeholders are in the room as we move towards a
15 distributed -- an energy future that relies more on
16 distributed resources, whether they're generation or some
17 kind of demand-based, or customer-based and demand side
18 kinds of approaches, really do require that conversation,
19 I think, to happen urgently now. And that's why Demand
20 Response is one of the issues we're going to be talking
21 about substantively in the 2013 IEPR.

22 So I think the point really is that there's
23 quite a bit of continuity because we have this urgency to
24 integrate up and down the chain, from the customer on up
25 to the ISO, and so figuring out how that's going to

1 happen.

2 And to sort of echo the Chair's point, that
3 visibility up and down the system is really important,
4 and it's complex, and we need to have that conversation
5 and help facilitate it, I think. And that's one of the
6 things I want to do in the 2013 IEPR.

7 So this IEPR, just I'll say on the issues that
8 are in my policy areas specifically, I really think the
9 quality was there; I was able to provide comments along
10 the way and feel those have been addressed, and am very
11 supportive of the IEPR, of adopting the 2012 IEPR Update.
12 So with that, do you want -- do you have another point
13 you want to make?

14 CHAIRMAN WEISENMILLER: Yeah. Tony, I think
15 this language works as an insert back in the IEPR, so
16 we'll include this correction. I'm not quite sure I
17 would have phrased everything exactly that way, but it's
18 certainly close enough in terms of the characterization,
19 although, as I say, stay tuned for FERC's action, I guess
20 which is true for a lot of players. But, again, anything
21 we can do to encourage you further to look at
22 institutional arrangements, PTO, Energy and Balance
23 market, to try to make sure that we're prepared for what
24 can be a pretty stressful couple of summers.

25 Now, the other thing I get to talk about today

1 is that this year, in order to meet the growing use of
2 electronic tablets and other mobile media devices, and to
3 save paper, the Energy Commission is offering the 2012
4 IEPR Update in the e-pub format. E-pub is a free open e-
5 book standard which is usable on most tablet devices and
6 smartphones. E-pub allows you to optimize a report to
7 your particular devices such as an iPad. And, indeed,
8 here it is on an iPad. Whoops. The good news is it's
9 still there, the iPad is still working, I didn't spill
10 the water. But anyway, as you can see, it's here and you
11 don't have to buy an iPad in order to read the IEPR, but
12 it's certainly better than carrying around a lot of
13 paper.

14 The Commission will continue to post the IEPR
15 online as a PDF, also. So anyway, again, kudos to Adam's
16 shop for, again, moving us more into the E-pub world. So
17 with that, do I have a motion?

18 COMMISSIONER MCALLISTER: So that's wonderful,
19 I guess I'm wondering what I'm going to give to our out
20 of state and foreign visitors now if it's not a hard copy
21 of the IEPR, but since we don't have anything else we can
22 offer them as a gift of good will --

23 CHAIRMAN WEISENMILLER: Well, there's always
24 old IEPRs.

25 COMMISSIONER MCALLISTER: So I'll offer the

1 motion to adopt the 2012 IEPR Update, it is Item 4, so
2 I'm going to move to adopt Item 4 with the Amendment from
3 IID included.

4 COMMISSIONER DOUGLAS: Second.

5 CHAIRMAN WEISENMILLER: Okay. All those in
6 favor?

7 (Ayes.) This IEPR has been adopted unanimously
8 and, again, kudos to staff and certainly to Commissioner
9 Peterman.

10 MS. KOROSEC: Thank you, Commissioners.

11 CHAIRMAN WEISENMILLER: Let's go on to Item 5.
12 Consol Home Energy Efficiency Rating Services, Inc.
13 (CHEERS). Possible approval of CHEERS as a Home Energy
14 HERS provider. And Jim Holland.

15 MR. HOLLAND: Good morning, Chairman and
16 Commissioners. I'm Jim Holland from the Building
17 Standards Implementation Office. And with me is Pippin
18 Brehler, Senior Staff Counsel with the Chief Counsel's
19 Office.

20 MR. BREHLER: Good morning, Commissioners.

21 MR. HOLLAND: Staff is requesting Commission
22 approval of Consol Home Energy Efficiency Rating
23 Services, henceforth referred to as CHEERS, as a HERS
24 Provider to oversee HERS Raters conducting field
25 verification and diagnostic testing on residential newly

1 constructed buildings.

2 The primary functions of a HERS Provider
3 include the training of HERS Raters, ensuring that
4 quality ratings are being performed by HERS Raters, and
5 registration and maintenance of compliance documents for
6 jobs performed by HERS Raters. A HERS Provider does not
7 directly employ HERS Raters, but rather plans an
8 oversight role over HERS Raters who perform their rating
9 tasks either as individuals or as part of a HERS Rating
10 company. HERS Raters determine what they will charge for
11 their services and what jobs they will take.

12 Staff has reviewed the CHEERS HERS Provider
13 Application, which includes but is not limited to the
14 CHEERS Quality Assurance Program, the Complaint Response
15 System, and the CHEERS Registry and Database, and have
16 found the application to be complete as required by
17 Section 1674 of the HERS Regulations.

18 Staff tested the CHEERS Registry and Database
19 for correct functionality and has determined that both
20 operate as required by the Building Energy Efficiency
21 Standards and the HERS Regulations.

22 CHEERS has applied for certification for field
23 verification and diagnostic testing on Residential Newly
24 Constructed Buildings, therefore their training program
25 will only include training for Rater certification and

1 field verification and diagnostic testing on Residential
2 Newly Constructed Buildings.

3 Based on this information, staff recommends
4 that you approve CHEERS as a HERS Provider for HERS
5 Raters conducting field verification and diagnostic
6 testing on Residential Newly Constructed Buildings.

7 And finally, I'd like to point out that Mr.
8 Michael Hodgson, President of CHEERS, is in the audience
9 today and may wish to speak on this topic.

10 CHAIRMAN WEISENMILLER: Great. So let's have
11 public comment.

12 COMMISSIONER MCALLISTER: So if Mr. Hodgson
13 wants to say some words, that would be very welcome.

14 MR. HODGSON: Good morning, Chair Weisenmiller,
15 Commissioners, staff, and interested parties. I'm Mike
16 Hodgson, owner of CHEERS, and Jay Lenzmeier, who is the
17 Executive Director of CHEERS is right behind me and would
18 like to say a few words also.

19 The road to recertification of CHEERS has been
20 a long process. We've had numerous dialogues and
21 conversations with staff, Commissioners, and even the
22 Executive Director. CEC and staff, as well as Management
23 have been very supportive and very frank in the process.
24 I would like to personally thank Pedro Gomez for his open
25 and frequent communications, and Jim Holland for

1 directing the technical efforts for review, critique, and
2 approval of the new CHEERS software and our processes.

3 CHEERS looks forward to becoming a full service
4 HERS provider for the California market. Today is the
5 first step in the approval of the New Construction
6 Registry. By approving CHEERS, there will be once again
7 the competent competition in the Registry marketplace.
8 This is good for the Rating industry as it allows choice,
9 and it keeps competitors sharper and more customer
10 focused.

11 Speaking for CHEERS, we look forward to
12 supporting the HERS industry. Our background is deep in
13 building science and the building industry. Our goal is
14 to improve the quality of construction and energy
15 efficiency in buildings in the California market. We
16 plan on actively participating in the industry with the
17 regulators to clarify regulations, to improve
18 enforcement, and to simplify the implementation of the
19 Building Standards.

20 I'd like to introduce Jay Lenzmeier, the
21 Executive Director of CHEERS, who has a few words. And
22 we'd be happy to answer any questions.

23 CHAIRMAN WEISENMILLER: Please come forward.

24 MR. LENZMEIER: Good morning, Commissioners and
25 CEC staff and other interested parties, as well. My name

1 is Jason Lenzmeier and I'm the Executive Director of
2 CHEERS.

3 First of all, I'd like to thank you for adding
4 our approval as a HERS Provider to your business meeting
5 today, it's been a long and arduous process and I, like
6 many others, am glad to be sitting here today in front of
7 you.

8 I also would like to thank, as Mike did, Pedro
9 Gomez and his staff for their extreme hard work and
10 expert guidance through this process of building the
11 Providership. They have proven to me that they're not
12 only professionals in their field, but are also very
13 excellent at interpersonal skills; time and time again,
14 we went to them for guidance and they responded extremely
15 well.

16 CHEERS has also built a professional staff
17 including Operations Managers, Customer Service Managers,
18 Quality Assurance Managers, IT professionals, that have
19 many years of experience in the construction and energy
20 and efficiency industry. Our staff, together with the
21 CEC staff, have developed a HERS Providership that we
22 believe will serve the goals of the CEC HERS program very
23 well, and we look forward to working with the CEC
24 Commissioners, CEC staff, to do what we can do to help
25 advance the CEC HERS program. Thank you very much.

1 CHAIRMAN WEISENMILLER: Thank you. Michael
2 Bachard (*sic*) from CalCERTS.

3 MR. BACHAND: Mike Bachand, President of
4 CalCERTS. Chairman Weisenmiller, Commissioner Douglas,
5 and Commissioner McAllister, good morning. It's my bad
6 luck, I've got a cold, I brought my water, it's got
7 nothing to do with the rebuttal speech from last night;
8 it's a national event to take a drink of water at a
9 podium, so I'm trying not to. I'll keep my comments
10 short.

11 CalCERTS is committed to the integrity and
12 success of the HERS industry. The HERS industry was
13 designed by the CEC with multiple Providers in mind, and
14 CalCERTS supports the entry of new Providers into a
15 competitive marketplace; after all, that's how we got
16 here in the first place, we were the first second
17 Provider.

18 The proposed certification of CHEERS as a
19 Provider for 2008 Residential New Construction appears to
20 be a partial certification. CalCERTS requests the
21 Commission provide guidance as to whether CHEERS and
22 other providers will be required to meet the full mandate
23 of the HERS program in order to provide a consistent and
24 complete training and certification program, as detailed
25 in both the Regulations and in authorizing statutes, or

1 whether partial certifications are now permissible and a
2 rulemaking will follow.

3 As is evident in the recommendation before the
4 Commission, CHEERS has selected which provisions of
5 Section 1672 and 1673 it wants to comply with, and for
6 which provisions it will seek certification. Despite
7 language in the Regulations that require applicants to
8 meet all of the requirements set forth in 1672 and 3.

9 If CHEERS has made assurances to the Executive
10 Director or is in the process of developing a complete
11 HERS training and certification program, we request that
12 the order reflect that timeline. Further, we would like
13 clarification regarding what is meant by governmental
14 programs as used on page 9 under limitations on CONSOL,
15 Inc. with regards to its conflict of interest -- I refer
16 to page 9 of Executive Director's recommendation
17 statement; the term seems unclear to us.

18 It is important that candidates who propose to
19 become Providers be adequately financed, staffed, and
20 fully knowledgeable in the role of Providers in the
21 California HERS Program. CalCERTS certainly understands
22 and appreciates the significant private investment of
23 capital and human resources that are required in order to
24 be certified as a Provider. Thank you for your
25 attention.

1 CHAIRMAN WEISENMILLER: Thank you. Let's cover
2 two speakers on the phone, and then I'll ask staff to
3 respond. Okay, John Flores.

4 MR. FLORES: Yes, I'm here.

5 CHAIRMAN WEISENMILLER: Please speak. You have
6 three minutes.

7 MR. FLORES: Okay, I just wanted to speak up
8 and say that we are totally in support of a new Provider
9 in the industry. I feel it's time that somebody else
10 comes in and to be able to help with this state, it's a
11 tough job for CalCERTS to be able to take over at all a
12 few years ago, and now with CHEERS coming in, I think it
13 will be great to have a new Provider. Thank you.

14 CHAIRMAN WEISENMILLER: Thank you. George
15 Nesbitt.

16 MR. NESBITT: Yes, thank you. Two and a half
17 years ago, the old CHEERS and the Energy Commission
18 almost decertified CHEERS, which would have been a
19 disaster. I threw myself under the bus and luckily the
20 Commissioners were wise enough to slow down *before*
21 running us over. But ultimately you decided to close the
22 Registry, which at least allowed us to finish our current
23 work, rebate programs, and also provided us smoother
24 transition to having to get recertified. I ended up
25 spending another five days and close to \$2,000 getting

1 recertified with CalcERTS and none of the stimulus money,
2 I think, went to any of us CHEERS Raters to maintain our
3 profession, yet money did go to certify new Raters for
4 jobs that didn't exist.

5 So unfortunately in the absence of CHEERS,
6 CBPCA has continued its public disinformation about that
7 HERS 2 is dead, despite the fact that they are a HERS
8 Provider and covering the fact that they failed to be
9 able to get approved as a Provider for rating and new
10 construction.

11 So when I first heard that Consol was going to
12 take over CHEERS, I have to admit, I was not totally
13 thrilled, but Consol is getting out of the rating
14 business and the Title 24 business, and I see that in
15 your Order you have actually a good explicit conflict of
16 interest; I've actually raised the issue with Mike
17 Hodgson about Consol's ties with the CBIA, and I have
18 some concerns over that but, despite that, I
19 wholeheartedly support the new CHEERS approval and I urge
20 the Commission and Consol to get approved for alterations
21 and change outs, and then the rating system and building
22 performance contractor as soon as possible, and I think
23 ultimately that will be of benefit to all of us, and I
24 look forward to hopefully the expansion of work for us.
25 So thank you.

1 CHAIRMAN WEISENMILLER: Okay. Thank you.

2 Okay, staff, would you like to respond to the comments?

3 MR. HOLLAND: Yes, sir. This is Jim Holland.

4 I would like to respond to the statement regarding
5 certification categories. First of all, we've added
6 potential HERS Provider Certification categories to the
7 agenda for the OII on March 6th where we will be having a
8 workshop because we have considered this issue in the
9 past.

10 Additionally, Mr. Dennis Beck, our previous
11 HERS legal counsel, did a review of the HERS Regulations
12 and found no basis to either promote or reject partial
13 certification in one category or another that is
14 alterations, or newly constructed buildings. So if we do
15 implement such a distinction, it will be following the
16 OII in an Order Instituting Rulemaking for Regulatory
17 Revision for the HERS Regs. So that would be my response
18 to the so-called partial certification.

19 MR. BREHLER: Good morning, Commissioners.
20 This is Pippin Brehler, Senior Staff Counsel with the
21 Energy Commission. Mr. Holland's comments, that the
22 Regulations that they're drafted now don't have a strict
23 requirement that Providers be certified for all aspects
24 to the program, the language of the Regulations doesn't
25 set that up as a bar, but as Mr. Holland mentioned, we'll

1 be looking at that in the OII.

2 Going to the comments about the Governmental
3 Home Energy Efficiency Program, that Consol, Inc.
4 administers on behalf of various municipalities, most
5 notably the City of Fresno, it's those programs that
6 these requirements on page 9 are meant to guard against.
7 And related to Mr. Nesbitt's comments, the conditions and
8 restraints that we're imposing on and that Consol and
9 Consol CHEERS have agreed to, are meant to protect the
10 integrity of the program, guard against those conflicts
11 of interest, and try to insulate Consol and its
12 relationships with CVPCA and builders from channeling
13 work to itself as a CHEERS provider. They are two
14 separate entities and, as such, those corporate forms
15 must be respected.

16 COMMISSIONER MCALLISTER: So I want to thank
17 you guys for all the hard work and also CHEERS and Consol
18 for really working all these issues out. I think there's
19 been a lot of back and forth on this and really a lot of
20 creative thinking on potential for conflict and solving
21 the problems, analyzing those problems, figuring out
22 which ones were potentially real, and dealing with them.
23 And I think that's reflected in the structure that is
24 before you now.

25 I want to sort of echo Mike Bachand's comments

1 about originally, the HERS Program was contemplated to
2 have multiple multiple providers, and it's good to be
3 back in a world where we're moving towards that. And
4 competition can be a good thing in this realm, and also I
5 think there's potentially a lot of work out there to be
6 done, hopefully the housing industry is bouncing back,
7 and we can have enough work to go around.

8 So I'm happy with this outcome. There's still
9 a lot of work left to sort of move forward and solidify
10 the marketplace, but I'm happy with this outcome and
11 really happy to support this CHEERS sort of being started
12 again. So thank you.

13 COMMISSIONER DOUGLAS: I'll just briefly add
14 that I agree with you. I've had the pleasure of being
15 pretty deeply involved through a lot of this history and
16 I think that this outcome is probably the best we could
17 have gotten. And it's great to see that we have another
18 Provider coming into this marketplace, it's great to see
19 that, and hopefully it strengthens the HERS Program.

20 COMMISSIONER MCALLISTER: I'll also just add
21 that there are some substantive issues in the OII and I
22 think, you know, we're certainly not resting here. The
23 OII, we've grown it to deal with some issues that we know
24 we have to deal with, but also it can contain additional
25 issues potentially that come up and that we believe that

1 also need to be discussed.

2 And I'd encourage all of the HERS -- definitely
3 the Providers and sort of the HERS ecosystem and
4 stakeholders to participate in that OII because we want
5 to have -- eventually we want to have recommendations or
6 thoughts about substantiated ideas and lots of input
7 about potential change to the Regs so that we can decide
8 whether or not we're going to open a formal rulemaking to
9 change the Regs for HERS.

10 And so I think that OII is the next step in
11 that process and I think we're developing a good basis
12 for asking the right questions and designing that forum
13 such that we can ensure that HERS -- that we continue to
14 design the -- to create the regulatory environment such
15 that this market can continue to thrive and responsibly
16 grow.

17 CHAIRMAN WEISENMILLER: Is there a motion?

18 COMMISSIONER MCALLISTER: I will make a motion
19 on Item 5.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in favor?

22 (Ayes.) Item 5 is adopted unanimously. Let's
23 go to Item 6. Final Evaluation Report: Compliance
24 Option for an Alternative to Temperature Measurement
25 Access Holes. Dave Ware.

1 MR. WARE: Good morning, Commissioners. My
2 name is David Ware. I am staff with the High Performance
3 Buildings and Standards Development Office.

4 The item that is before you right now is a
5 compliance option to allow an alternative to drilling
6 Temperature Measurement Access Holes in HVAC air-
7 conditioning equipment.

8 The Building Standards require that ducted
9 split system air-conditioners and ducted split system
10 heat pumps installed in new buildings and for building
11 change outs to existing buildings have the correct
12 refrigerant charge in order to operate at peak
13 efficiency. And that verification is the responsibility
14 of the third-party HERS Rater.

15 Temperature Measurement Access Holes are one of
16 the prescribed methods that are explicitly required in
17 compliance documents that support the Standards, hole
18 size, and the specific location are delineated in
19 compliance information.

20 The requirement for refrigerant verification
21 actually has been in the Standards for some time, and it
22 goes back to the 2005 adoption cycle. However, it's
23 taken us this long to figure out that manufacturers don't
24 always design equipment explicitly as we had thought, and
25 installers don't exactly install equipment exactly as we

1 had thought. And as a consequence, our rules state that
2 the HERS verification has to be completed prior to
3 granting of the Building Permit, or Certificate of
4 Occupancy. Who would have thought that equipment
5 actually would be different than what we've prescribed?

6 So what we are asking for your approval of
7 today is an alternative to the prescribed verification
8 procedures for Temperature Measurement Access Holes.
9 We're asking your approval of this under the Compliance
10 Options Procedure that is an allowed process within the
11 Building Standards, Section 10-109. It is a process by
12 which new designs, products, calculation, and procedures
13 can be approved by the Commission, it's a process by
14 which the Commission and staff can react to changing
15 market conditions, and that's really what we've found are
16 happening.

17 Staff held a public webinar last year in
18 November to discuss with stakeholders the value of an
19 alternative; it was unanimously supported by HERS Raters
20 and by installers of equipment. We have received
21 numerous supporting letters and telephone conversations
22 to me that support this activity.

23 So today what we are asking for is your
24 approval of this Compliance Option Alternative to
25 Temperature Measurement Access Holes. It does not

1 preclude refrigerant charge verification, all it does is
2 prescribe the documentation procedures that the HERS
3 Rater would -- that are necessary by the HERS Rater to
4 ensure that there are conditions, designs, or conditions
5 at the building site that prohibit Temperature
6 Measurement Access Holes, and that another allowed
7 refrigerant charge verification procedure is going to be
8 used.

9 So with that summary, I ask for your approval
10 of the Compliance Option, which is delineated in the
11 Final Evaluation Report for this item.

12 COMMISSIONER MCALLISTER: Thanks for that
13 explanation. I guess I wanted to just get a little more
14 description of what that alternative looks like and kind
15 of what it means for the Provider that's doing that test,
16 you know, what additional equipment, sort of time, that
17 kind of thing would be required for them to actually do
18 the alternative.

19 MR. WARE: The alternative basically says when
20 there is no -- there's a table that's listed in the Final
21 Evaluation Report, which I might add is an exact relative
22 duplicate of the same alternative procedure that was
23 approved with your adoption of the 2013 Standards, so
24 this alternative has been approved for 2013, it was
25 recognized and discussed in the 2013 process, and we're

1 just trying to bring that forward for the 2008 Standards,
2 as well. But that alternative basically specifies that
3 when Access Holes cannot be drilled, that is, there's a
4 wall next to the unit, or something like that, the HERS
5 Rater must take pictures of that situation, much
6 described on the Electronic Registry information, which
7 is tied to the compliance documents, that that procedure
8 cannot be used, that the installer did not actually drill
9 holes for the Rater to be utilized, and that another
10 procedure is going to be used. Typically, it's a flue
11 hood or something like that over a register where they
12 will measure the airflow temperatures at that point,
13 which is another allowed procedure under the Standards.

14 COMMISSIONER MCALLISTER: Okay, so it just
15 means basically they get the air flow on either end and
16 the Delta T and check refrigerant charge that way,
17 essentially --

18 MR. WARE: Correct, they're still measuring
19 temperatures which are indices of correct refrigerant
20 charge and operation of the system.

21 COMMISSIONER MCALLISTER: Right, so --

22 MR. WARE: And also, the alternative, what it
23 does for us because it electronically is uploaded into
24 our Registry information, it allows us to mine that
25 information over time and really maybe get a handle on

1 how much is this alternative being used, are we
2 experiencing equipment that is novel or different than
3 what we have seen in the past.

4 COMMISSIONER MCALLISTER: Okay, great. But
5 it's possible that HERS Providers, the folks testing
6 these units would need to purchase the equipment to do
7 these alternatives on their own?

8 MR. WARE: Yes, that's correct, but it's my
9 understanding that many of the HERS Raters, if not all,
10 typically have this anyway --

11 COMMISSIONER MCALLISTER: Have this equipment,
12 okay. Okay, great. So basically what we're doing here
13 is getting ahead of the 2013 Standards in the meantime,
14 before they take effect in January 2014. Is that
15 correct?

16 MR. WARE: Correct.

17 COMMISSIONER MCALLISTER: Okay, great. Well,
18 thanks for the clarification.

19 So I would move this item.

20 CHAIRMAN WEISENMILLER: We have one public
21 comment, I believe Mr. Charles Bachard (*sic*) from
22 CalCERTS -- Bachand.

23 MR. BACHAND: Hello, Commissioners and CEC.
24 It's probably my fault for writing an "N" that looks like
25 an "R", but it is Charlie Bachand. I'm the Director of

1 Quality of Assurance and Solar Programs at CalCERTS. And
2 I have some prepared words here.

3 The Temperature Measurement Access Hole, or I
4 call it TMAH Compliance Option, addresses a significant
5 issue for Raters that are verifying refrigerant charge
6 for Title 24 compliance. TMAHs are required by Code, but
7 are in some cases literally impossible to install as Code
8 requires, as David discussed.

9 This compliance option solves this issue, which
10 has been outstanding for more than two years. As we have
11 mentioned in our comments from the March OII workshop, we
12 believe it is necessary to develop a process for
13 providers and staff to develop solutions to problems like
14 this in a more expedient manner in the future.

15 Meanwhile, we're proud to have been involved in
16 discussing the problem and contributing to the solution
17 and we would also like to thank staff and the Commission
18 for their development of this solution. Thank you.

19 CHAIRMAN WEISENMILLER: Thank you.

20 COMMISSIONER MCALLISTER: I will move Item 6.

21 COMMISSIONER DOUGLAS: Second.

22 CHAIRMAN WEISENMILLER: All those in favor on
23 item 6?

24 (Ayes.) Item 6 is approved unanimously. Let's
25 go on to Item 7 and 8. Both involve Ivanpah Solar

1 Electric Generating System, Joseph Douglas. I believe we
2 will consider these in turn, but then vote on both at
3 once. Staff.

4 MR. DOUGLAS: Good morning, Commissioners. My
5 name is Joseph Douglas and I am a Compliance Project
6 Manager for the Ivanpah Solar Electrical Generating
7 System Project. With me this morning is Jeffrey Ogata,
8 Assistant Chief Counsel and Technical Staff from Biology
9 and Air Quality. Also present are representatives from
10 Solar Partners, LLC, the owners of Ivanpah Solar.

11 Ivanpah Solar Electrical Generating System
12 (ISEGS) is a 398 MW project that was certified by the
13 Energy Commission on September 22, 2010. The facility is
14 currently under construction and is 75 percent complete.
15 The facility is located in the Mojave Desert near the
16 Nevada border in San Bernardino County.

17 Solar Partners has submitted two Petitions to
18 Amend the Project with the Commission, one is concerning
19 Biology and the other is Air Quality. I will present
20 both Petitions starting with Biology.

21 On November 26, 2012, Solar Partners filed a
22 Petition with the California Energy Commission to modify
23 the wording of Bio-20 to allow them to mitigate the
24 impacts of their project by using the California
25 Department of Fish and Wildlife's Advanced Mitigation

1 Program.

2 Bio-20 requires the project to mitigate within
3 the same watershed as the impacted wash. Modified Bio-20
4 replaces that language within the California Desert
5 Renewable Energy Conservation Plan.

6 In addition, Solar Partners requested to add
7 language to allow them to satisfy this mitigation
8 obligation identified in the Decision by participating in
9 an Advanced Mitigation Program such as that established
10 by California Department of Fish and Wildlife pursuant to
11 Fish and Wildlife Code Sections 2069 and 2099.

12 Biology staff reviewed the Petition and
13 proposes to modify Bio-20. They determined that the use
14 of the parcels from California Department of Fish and
15 Wildlife's Advanced Mitigation Land Acquisition Grants
16 Program, to mitigate the Ivanpah Project, would provide
17 more than 500 acres of desert wash habitat that has been
18 determined to be jurisdictional waters of the State
19 pursuant to California Department of Fish and Wildlife
20 Code Section 1600. This is nearly three times the
21 acreage of State jurisdictional waters needed to mitigate
22 the Ivanpah Project, and the habitat values of the
23 properties within that Advanced Mitigation Program
24 selected for the Ivanpah would fully mitigate the project
25 and be consistent with those required by the Final

1 Decision.

2 A Notice of Receipt was mailed to the Ivanpah
3 Post-Certification List, docketed and posted to the
4 Energy Commission website on December 21, 2012. Staff
5 analysis of the Petition was docketed and posted to the
6 Web on December 21, 2012 and mailed to the Ivanpah Post-
7 Certification Mailing List on January 7, 2013.

8 A Notice Extending the Public Comment Period
9 from January 22, 2013 to February 8, 2013 was docketed
10 and posted to the Web and mailed to the Post-
11 Certification Mail List on January 9, 2013. No comments
12 were submitted on the Bio-20 Amendment Petition.

13 Now on to the Air Quality Petition. On March
14 8, 2012, Solar Partners filed a Petition with the
15 California Energy Commission requesting to modify several
16 air quality conditions of certification. These
17 modifications are necessary to allow equipment changes to
18 make the project operations more effective and efficient.
19 These changes include: provide additional operating
20 flexibility for the auxiliary boilers by increasing the
21 maximum allowable daily operation, and this is without
22 increasing allowable annual operation; increase the
23 nominal size of each of the three auxiliary boilers and
24 move each auxiliary boiler approximately 30-feet from the
25 location shown in the Application for Certification

1 drawings; add three natural gas-fired nighttime
2 preservation boilers; reduce the size of three power
3 block emergency generators from 2,500 KW to 1,500 KW
4 each; add a 250 KW diesel powered emergency generator
5 engine and a 100 horsepower diesel fire pump engine in
6 the common area; and supplement the auxiliary dry cooling
7 system with a wet surface air cooler system for
8 additional cooling during the hot weather.

9 Air Quality staff evaluated the expected air
10 quality impacts from the modified project and found that
11 the proposed changes to the Amendment would affect air
12 pollution emissions from various sources at the three
13 Ivanpah Power Units. Based upon final design
14 refinements, a small increase in the size and daily
15 operating hours of the auxiliary boilers is required for
16 efficient facility operation. This would result in a
17 small increase in hourly emissions due to additional fuel
18 use.

19 The Mojave Desert Air Quality Management
20 District released their final determination of
21 compliance, Revision E, on November 1, 2012, to
22 incorporate the proposed changes in the project. They
23 concluded that the proposed emission levels would meet
24 the District's best available control technology
25 requirements.

1 Additionally, staff concluded that with the
2 reduction in the solar field footprint and power block
3 equipment design of Unit 3 associated with biological
4 minimization measures, that the facility-wide annual
5 emissions would still be within the limits imposed by the
6 Final Decision.

7 Water Quality staff also reviewed the proposed
8 modifications and determined that the water-related water
9 usage would increase by 18 acre feet per year from 77 to
10 95. This additional use is still within the 100 acre
11 feet limit imposed in the Final Decision.

12 The Notice of Receipt was mailed to the Ivanpah
13 Post-Certification Mailing List, docketed and posted to
14 the Energy Commission website on April 9, 2012. Staff's
15 analysis of the Petition was docketed and posted to the
16 Web on January 21, 2012 and mailed to the Ivanpah Post-
17 Certification Mailing List on January 7, 2012.

18 A Notice Extending the Public Comment Period
19 from January 22, 2013 to February 8, 2013 was docketed,
20 posted to the Web, and mailed to the Post-Certification
21 Mailing List on January 9, 2013. No comments were
22 submitted on the AQ Amendment Petition.

23 Energy Commission staff reviewed the two
24 Petitions and find that they comply with requirements of
25 Title 20, Section 1769(A) of the California Code of

1 Regulations, and recommends approval of the project
2 modifications and associated revisions to the Biological
3 Resources and Air Quality Conditions of Certification
4 based upon staff's findings and subject to the revised
5 Conditions of Certification.

6 COMMISSIONER DOUGLAS: Mr. Harris.

7 MR. HARRIS: Good morning, thank you. Jeff
8 Harris here on behalf of the Applicant, and to my right
9 is John Carrier with CH2M Hill. Also in the audience
10 today are Steve Hill from Sierra Research, who can answer
11 any questions about air quality issues, and on behalf of
12 the Applicant, Doug Davis, who is a Senior Compliance
13 Manager and literally the boots on the ground for the
14 project, and Marc Sydnor, who is the Director of
15 Environmental Affairs.

16 Joe Douglas has done a very good job, as
17 always, of laying out the entire issues before you and I
18 think I'm going just going to at this point make
19 ourselves available for questions and thank the staff for
20 the very hard work on both of these amendments. And
21 we're making good progress towards this project coming on
22 line, and this is going to facilitate that. So, thank
23 you.

24 CHAIRMAN WEISENMILLER: Thank you. I guess the
25 one question is, when do you expect it to get to

1 commercial operation at this date?

2 MR. HARRIS: I'm going to ask Doug who, like I
3 said, is the boots on the ground, to tell you what's
4 going on out there.

5 MR. DAVIS: Currently, we're targeting sometime
6 around July for Unit 1 coming on line, September for Unit
7 2, and then actually Unit 3, from all lessons learned
8 from the three different phases, is actually ahead of
9 schedule, so about November for Unit 3.

10 CHAIRMAN WEISENMILLER: One of the interesting
11 things last year when we hit our summer peak in Southern
12 California, dealing with the San Onofre issues that we
13 also had a peak in solar generation that afternoon, so
14 hopefully we won't get another peak this year in solar
15 generation. So, thank you.

16 COMMISSIONER DOUGLAS: I'll just briefly say
17 I've reviewed these amendments closely. I'm pleased to
18 see both of them, and I'm particularly pleased to see the
19 Ivanpah Project take advantage of the Advanced Mitigation
20 Program. I think it's a real win/win all around. So if
21 there are no other questions or comments, do you want me
22 to take these one at a time?

23 CHAIRMAN WEISENMILLER: Why don't we move both?

24 COMMISSIONER DOUGLAS: Okay. I'll move
25 approval of Items 7 and 8.

1 COMMISSIONER MCALLISTER: I'll second.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes.) Items 7 and 8 have been approved

4 unanimately. Thank you.

5 Let's go on to Item 9. Biennial Amendments to

6 Conflict of Interest Regulations. Robin Mayer.

7 MS. MAYER: Good morning, Chair and

8 Commissioners. As you said, I'm Robin Mayer, newly

9 titled Attorney, rather than Staff Counsel, with the

10 Chief Counsel's Office.

11 This item is to consider adoption of amendments

12 to the Energy Commission's Conflict of Interest

13 Regulation concerning Employee Classifications.

14 The Fair Political Practices Commission

15 requires State agencies to amend their Conflict of

16 Interest Code as changed circumstances require.

17 Additionally, the FPPC requires a biennial report stating

18 what if any amendments are needed.

19 The next report is due March 1, 2013. Along

20 with the report, we will simultaneously submit the

21 adopted amendments for the FPPC's review.

22 Energy Commission Classifications are located

23 in Title 20, Section 2402. The Classifications express

24 which positions are required to report financial

25 interests on the Annual Form 700, as well as what types

1 of interests are to be reported.

2 The Proposed Amendments include an update to
3 the Commission's organization, addition of new and newly
4 designated positions, deletion of positions no longer in
5 use, updates to designated interests for certain employee
6 classifications according to their Duty Statements,
7 clarifying edits to Disclosure Category 6, which concerns
8 utility equipment interests, and non-substantive changes
9 and corrections.

10 We received one comment from a non-employee
11 regarding a portion of the Regulation about Consultants.
12 The commenter disagreed that Consultants should be
13 allowed to report more narrowly according to their
14 duties. This part of the Regulation was drafted by the
15 FPPC in 2010, and today's amendments do not affect that
16 section.

17 I recommend the Commission adopt the amendments
18 as proposed, and I'm happy to answer any questions.

19 CHAIRMAN WEISENMILLER: Thank you. Any
20 questions or comments?

21 COMMISSIONER DOUGLAS: No, no questions. I
22 think the legal team has done good work on this, but if
23 there are no comments or questions, I move approval.

24 COMMISSIONER MCALLISTER: I'll second.

25 CHAIRMAN WEISENMILLER: Okay, all those in

1 favor?

2 (Ayes.) Item 9 passes unanimously. Thank you.

3 Let's go on to Item 11. U.C. Irvine. Possible approval
4 of Amendment 1 to Contract 600-10-002 to add \$765,000 and
5 extend the term by 12 months. This is ARFVTP funding.
6 Tobias.

7 MR. MUENCH: Good morning, Commissioners; good
8 morning, Chairman.

9 This item is to request approval for an
10 amendment to the existing STREET contract by \$765,000 and
11 a one-year time extension to add two new major tasks and
12 components to the agreement; first, a high resolution
13 capability and, second, a web-based user interface for
14 Energy Commission staff to use from their desks.

15 STREET, the Spatially and Temporally Resolved
16 Energy and Environment Tool, is a highly complex
17 mathematical model that uses cutting edge spatial mapping
18 to model alternative fuels infrastructure development and
19 the associated multimedia environmental impacts.

20 The existing 2011 contract that is in progress
21 expands the STREET model to cover all of California and
22 all alternative fuels. It's about to become the most
23 important planning and modeling tool that we have at our
24 hands at the ARFVTP, the Alternative and Renewable Fuel
25 and Vehicle Technology Program.

1 About the benefits, STREET has already proven
2 its worth in recent ARFVTP solicitation development for
3 electric charging and hydrogen; the model allows for
4 planning California's alternative fueling charging
5 infrastructure placement and networks; its standardized
6 methodology can generate reproducible scenarios; and it
7 is a fuel-independent tool that can help the Energy
8 Commission staff in designing ARFVTP solicitations and
9 providing input to Investment Plans and other key
10 projects.

11 The high resolution street corner capability
12 allows for more precise than the current STREET, and
13 abundant siting options for alternative fueling and
14 charging station network building efforts. The web-based
15 user interface will enable Energy Commission staff to run
16 scenarios and use the full potential of this high
17 resolution capability. The Amendment ensures that U.C.
18 Irvine provides sufficient training and technical support
19 to Energy Commission staff to allow for an effective
20 implementation of the user interface.

21 The project is expected to be completed and
22 fully operational by January 31, 2015. The work is
23 carried out at U.C. Irvine campus in Irvine, for the most
24 part. Members of the STREET team will travel to
25 Sacramento to implement the user interface at the

1 Commission and present the results of the high resolution
2 capability.

3 And once again, we are requesting approval for
4 the amendment to this contract by \$765,000 and a one-year
5 time extension. We have Dr. Tim Brown here from U.C.
6 Irvine, who would like to say a few words if that's okay.

7 CHAIRMAN WEISENMILLER: Please. Come to the
8 podium.

9 DR. BROWN: Thank you. I'm pleased to be here
10 and I thank the Commission for considering this amendment
11 to our existing contract. We've been very pleased with
12 our work with the Commission thus far on this contract,
13 both the work itself, the research, as well as the
14 relationships and look forward to continuing that. I
15 think the web-based version will allow the Commission to
16 get much more use out of the tool by using it themselves,
17 and the high resolution spatial component will better
18 assist in the infrastructure planning and making sure the
19 infrastructure is placed and utilized as best as
20 possible. So, thank you.

21 CHAIRMAN WEISENMILLER: Great, thank you.
22 Commissioners, any questions or comments?

23 COMMISSIONER MCALLISTER: Just a quick comment.
24 I think clearly, well, I would point out that, as I
25 understand it, this contract was this year by year kind

1 of allocation was the plan all along, so it's been funded
2 in steps and that's been the plan, so this isn't sort of
3 a new approach, this is part of the approach that this
4 contract has contemplated all along.

5 And then I would just highlight that this
6 geospatial -- the new analysis capability in being able
7 to do things at a more granular fashion is really
8 important for planning work, and I really support that
9 because I think it's really critical and, you know, I
10 talked earlier in a previous item about distributed
11 resources, well the same kind of insight and granularity
12 is needed on the transportation front. Certainly lots of
13 agencies down there in the regions doing a lot of heavy
14 lifting on their transportation infrastructure, and this
15 is the kind of information that they'll be able to use,
16 so I really want to manifest my support for this and have
17 confidence that it will be a good resource for other
18 agencies and entities on the ground doing the planning
19 work. So, thanks.

20 And so I will move Item 11.

21 COMMISSIONER DOUGLAS: Second.

22 CHAIRMAN WEISENMILLER: Okay, all those in
23 favor?

24 (Ayes.) Item 11 passes unanimously. Let's go
25 on to Item 12. Eslinger Biodiesel, Inc. Possible

1 approval of Agreement ARV-12-026 for \$6 million. Akasha
2 Kaur Khalsa. Please.

3 MS. KAUR KHALSA: Good morning, Commissioners
4 and guests. My name is Akasha Kaur Khalsa. I'm from the
5 Emerging Fuels and Technologies Office.

6 Staff requests approval of a grant to help
7 build a 5 million gallons/year biodiesel production
8 facility. Eslinger Biodiesel has applied for ARV-12-026
9 for \$6 million titled Biodiesel Production Commercial
10 Facility.

11 The commercial biodiesel refinery is expected
12 to be fully constructed and operational within 12 months
13 of funding. The entire 5 million gallons/year is ASTM
14 compliant. The B100 production output will be presold
15 through the Kinder Morgan distribution network of
16 pipelines in California. Local consumer companies are
17 interested in meeting biofuel mandates and obligated to
18 purchase carbon credit offsets. Glycerol byproducts will
19 be sold also.

20 The production technologies produce no
21 hazardous waste stream and use no water in the process.
22 Recyclable waste vegetable oil and animal fats will be
23 used as feedstock in the process the first year and they
24 will be able to use other things as feedstock in
25 addition.

1 The project will be located in Fresno on
2 heavily industrial zoned property where the fuel can be
3 piped to a major fuel blending tank farm. Currently,
4 there are no improvements on the property and the
5 proposed development will be to build a process building
6 to hold the refinery, a detached office, a commercial
7 truck scale, two station truck load out, 3.5 million
8 gallon tank storage, 13 large tanks, truck parking,
9 employee parking, access roads and security fencing with
10 automated gates.

11 The full plan includes three phases. This
12 first phase will cost \$32 million, of which we ask \$6
13 million of AB 118 funding.

14 CHAIRMAN WEISENMILLER: Thank you.
15 Commissioners, any questions or comments? Or motions?

16 COMMISSIONER MCALLISTER: Yeah, I just wanted
17 to highlight, so this is a totally different scale for
18 these sorts of projects and I think it's great because
19 the technology here is not incredibly high, but it is
20 really important to get the volume that we need for this
21 marketplace, and so I think this is a big step in that
22 direction. And that's a lot of feedstock that needs to
23 be collected, and so I would just point that out, that
24 the business plan for this really -- it will be
25 interesting to see how it evolves and what the feedstock

1 supply chain looks like over time. I think this is a
2 great infrastructure to build that business case.

3 And with that, I will move to -- anybody else?

4 I move to approve Item 12.

5 COMMISSIONER DOUGLAS: I'll second that.

6 CHAIRMAN WEISENMILLER: Great. A motion and
7 second, so let's vote.

8 (Ayes.) This motion is approved unanimously.

9 Let's go on to Item 14. Alternative and Renewable Fuel
10 Electric Vehicle Supply Equipment. Aida Escala, please.

11 MS. ESCALA: Good morning. I'm Aida Escala
12 from the Alternative Fuels and Technologies Office. On
13 line, we also have Mr. Charles Botsford, the Project
14 Manager and Business Development head of Aerovironment,
15 who will be available to answer questions.

16 I'm presenting for possible approval three
17 grants to Aerovironment, Inc. totaling \$2,150,000 for the
18 purchase and installation of electric vehicle supply
19 equipment. These grants were awarded under Program
20 Opportunity Notice 11-602, Alternative Fuels
21 Infrastructure.

22 The first grant, ARV-12-016, for \$75,000 will
23 be used to supply and install level 2 EVSE-RS+ electric
24 vehicle charging stations at two YMCA locations in San
25 Diego, California. These charging stations will be used

1 by customers of Car2Go, an electric vehicle carshare
2 program provider.

3 The next grant, ARV-12-017 for \$75,000 will be
4 used to supply and install level 2 EVSC-RS+ electric
5 vehicle charging stations at two apartment building
6 locations, also in San Diego, California, and also for
7 the use of customers of the Car2Go Program.

8 The third grant, ARV-12-023 for \$2 million will
9 be used to provide 770 Level 2 EVSC-RS base models for
10 electric vehicle charging in single-family and multi-unit
11 dwellings throughout California.

12 These projects will encourage consumer adoption
13 of electric vehicles, expanded network of electric
14 vehicle charging infrastructure, and contribute to
15 emission reduction goals.

16 We would like to request approval of these
17 three grants. Thank you.

18 CHAIRMAN WEISENMILLER: Thank you.
19 Commissioners, any questions or comments? I believe we
20 have a representative of Aerovironment on the phone.

21 COMMISSIONER DOUGLAS: Just a brief comment.
22 I'm really pleased to see the expansion of electric
23 vehicle charging infrastructure because, of course, the
24 State has ambitious goals for scaling up electric
25 vehicles in California and there are a lot of benefits

1 associated with that, both frankly for air quality and
2 also for potentially the electricity system, depending on
3 how this all works out. So I'm pleased to see this one
4 and thank staff for their good work on this.

5 COMMISSIONER MCALLISTER: I would just add that
6 we desperately need more infrastructure for vehicle
7 charging that supports the PEV Readiness Plan, so it's
8 kind of a no brainer in that respect. I also really
9 would highlight the data collection aspect of some of
10 these installations because I think it's really important
11 that we understand who is charging when, how, patterns
12 that emerge on this stuff because that's going to really
13 help all of us up and down the food chain here to
14 optimize the system and our public investments, and
15 figure out how best to leverage the private investments,
16 and that's the only way it's going to happen over the
17 long period of time, or in the near future with the large
18 capital investment that's needed here, so this really
19 supports the right pathway, so I'm supportive.

20 So a motion for Item 14.

21 COMMISSIONER DOUGLAS: Second.

22 CHAIRMAN WEISENMILLER: All those in favor?

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

25 MS. ESCALA: Thank you.

1 CHAIRMAN WEISENMILLER: Let's go on to Item 15,
2 City of Yucaipa. And this is again ARV funding, ARV-12-
3 030, and this is \$75,000. Isaiah Larsen, please.

4 MR. LARSEN: Good morning, Chairman and
5 Commissioners. My name is Isaiah Larsen and I'm with the
6 Emerging Fuels and Technology Office.

7 Staff requests your approval for ARV-12-030,
8 which is a \$75,000 grant agreement with the City of
9 Yucaipa, using funding from the Alternative and Renewable
10 Fuel and Vehicle Technology Program under AB 118.

11 The proposed infrastructure project will
12 provide eight level 2 workplace vehicle charging stations
13 at three parking lot locations in the City of Yucaipa.
14 Currently, the City has no workplace or publicly
15 available charging infrastructure in place, making the
16 project an essential component of expanding the use and
17 impact of plug-in electric vehicles in the area of San
18 Bernardino County.

19 Four of the stations will be located at the new
20 City of Yucaipa Police Department, which is currently
21 under construction. Two stations will be installed at
22 the new Community Center, which recently completed
23 construction of an ADA compliant 126-space solar
24 photovoltaic parking structure, which included pre-
25 deployment of conduit in order to support future charging

1 stations. The remaining two stations will be constructed
2 in the new ADA compliant uptown parking lot. A total of
3 six out of the eight charging stations will be accessible
4 to the general public.

5 Construction is expected to be completed by
6 early 2014 and a final report including six months of
7 data collection and analysis will be finished by late
8 2014.

9 I respectfully ask for your approval of this
10 grant agreement and would be glad to answer any
11 questions. Thank you.

12 CHAIRMAN WEISENMILLER: Thank you. I believe
13 we have Lyn Harris-Hicks on the line, who wanted to speak
14 on Item 15 --

15 MS. HARRIS-HICKS: No, it's 14.

16 CHAIRMAN WEISENMILLER: -- 14.

17 MS. HEROSIX: It applies really to this whole
18 process. I'm the energy person for the local League of
19 Women Voters, and we had a study on the national level on
20 privatization and we were given a head up to watch for
21 the potential monopolization of the essential industries.
22 And so that just rang a bell with me when I read over the
23 agenda, and I wondered whether there is any organized
24 record of all this from the standpoint of major private
25 companies taking over the -- well, like the big box

1 stores have done, you know, the Wal-Mart and so forth.
2 It seems to us that there should be some very serious
3 discussion and concern and public participation in making
4 a decision about what part of our essentials should be
5 retained by our local governments, or our State
6 government, or whatever, and even if it's in a
7 partnership sort of a way, that we can have a handle on
8 the regulations and the costing, the pricing of the rates
9 for the use of them. And I think that this one is a very
10 important one to most of us because we're looking forward
11 to having the electric cars, and we're looking forward to
12 having the new simple -- the discoveries of the battery-
13 type installations for our garages. And in my case,
14 personally, my husband and I put in the electric solar
15 way back before the turn of the century, and it's been so
16 fabulous, and it's such a -- when you own it yourself,
17 it's just a wonderful monetary benefit. And there has
18 not been enough, we think, government protection of
19 people because the big push now is to sell leases, to
20 make people part of the privatization type of monopoly
21 efforts. And so I would just hope that you would put
22 this item on your agenda so that the public can
23 participate in the discussion about what we can do to
24 make better organization of this, and before the millions
25 of dollars are given away of our tax money and our rate

1 money and, in some cases, that the California Public
2 Utilities Commission is considering now, it's the basis
3 of this, is the foundation for the ability of the nuclear
4 industry again to promote, even after it failed
5 completely in the '70s, because of the cost and all that.
6 And now we're going through that again --

7 CHAIRMAN WEISENMILLER: Ma'am, I'm sorry, but
8 your three minutes is up.

9 MS. HARRIS-HICKS: Oh, I'm sorry. Anyway, Item
10 14.

11 CHAIRMAN WEISENMILLER: Let's talk about Item
12 14 and 15, so thank you for your comments. The PUC has
13 had a proceeding for about three years on the charge
14 stations, in terms of how that plays out. And one of the
15 big issues before the PUC, frankly, was what the
16 appropriate role of the utilities are. And I can say
17 that there's certainly interest among all the utilities
18 of basically getting into the charge station business
19 and, instead, what the PUC determined was that -- well,
20 getting into it I would say with ratepayer dollars, to be
21 precise -- and what the PUC determined is that they were
22 going to try to rely on more of a market approach and
23 ultimately with the openness to consider more of a
24 utility role in this function. But again, that's more at
25 the PUC at this point. And as you can tell, on 14 and

1 15, you know, we're working with various entities, the
2 PUC is also in the charge station -- has a very big
3 settlement with NRG on it, but for example, this is with
4 the City -- 15. Fourteen, again, was more of the private
5 developers. So, again, we appreciate your comments on
6 this and certainly value the League of Women Voters'
7 participation in our processes --

8 MS. HARRIS-HICKS: May I ask a question about
9 it? Because I know the gals will want to know what the
10 terms of these approvals are from the standpoint of
11 making adjustments when it's all worked out because I
12 think that there's a difference between a loan, which may
13 be forgiven, and an outright grant of millions of dollars
14 for something that we don't know how that will work out.
15 You know?

16 CHAIRMAN WEISENMILLER: Right. Well, again, we
17 appreciate your participation. We certainly will have
18 the Executive Director follow-up with you on the
19 specifics here.

20 MS. HARRIS-HICKS: All right, thank you.

21 CHAIRMAN WEISENMILLER: Thank you.

22 MS. HARRIS-HICKS: How can I contact the person
23 whose name was on that as the person --

24 CHAIRMAN WEISENMILLER: We have a Public
25 Advisor that can reach out to you and connect you with

1 the staff, so the important thing is to make sure that
2 our Court Reporter has not just your name, but your
3 contact information, and they'll follow-up. And
4 certainly in any future business meeting, or any of our
5 proceedings, please work with -- the Public Advisor is
6 here to help you in your participation.

7 MS. HARRIS-HICKS: Okay, thank you very much.
8 And who do I give this information to? My phone number?

9 CHAIRMAN WEISENMILLER: Wait a second. Please
10 tell it.

11 MS. HARRIS-HICKS: It's 949 --

12 MS. KALLEMEYN: Ms. Harris Hicks?

13 MS. HARRIS-HICKS: Yes.

14 MS. KALLEMEYN: You can call the Media Office
15 at (916) 654-4989. This is Harriet Kallemeyn speaking,
16 and you can ask for me. If you'll call me this
17 afternoon, I'll take all your contact information for the
18 Public Advisor.

19 MS. HARRIS-HICKS: Thank you very very much.

20 MS. KALLEMEYN: You're very welcome.

21 CHAIRMAN WEISENMILLER: Okay. So a motion?
22 Okay, Commissioners, comments? Questions? Motions?

23 COMMISSIONER MCALLISTER: I would just point
24 out that on these particular items, the Aerovironment
25 certainly is a private entity that will be installing

1 these things, but the vast majority of those funds are
2 going to installations that will be in residences and be
3 utilized by those residences, and so Aerovironment is the
4 contractor, but not necessarily -- it's not the sort of
5 idea that -- there's no monopolization of this
6 infrastructure going on with these particular grants.

7 So with that, I will move Item 15.

8 COMMISSIONER DOUGLAS: Second.

9 CHAIRMAN WEISENMILLER: All those in favor?

10 (Ayes.) Item 15 passes unanimously. Let's go
11 on to Item 16. Blue Line Transfer, Inc. Possible
12 approval of Agreement ARV-12-031 for a grant of
13 \$2,590,929. And this is ARFVTP funding. Hieu Nguyen,
14 please.

15 MR. NGUYEN: Good morning, Commissioners. My
16 name is Hieu Nguyen, Technical Staff from Fuels and
17 Transportation Division in the Emerging Fuels and
18 Technology Office.

19 I'm here to seek approval of a grant agreement
20 ARV-12-031 for Blue Line Transfer, Inc. to construct an
21 anaerobic digestion facility to produce renewable
22 compressed natural gas for transportation fuel from the
23 biomethane generated by the anaerobic digestion of
24 municipal solid waste in the City of South San Francisco.

25 Blue Line plans to process 9,000 tons of food

1 and plant waste per year into biomethane that would be
2 cleaned and compressed to produce CNG for their South San
3 Francisco scavenger companies, CNG Waste and Recycling,
4 Recycling Collection Vehicle Fleet, through their
5 proposed anaerobic digestion facility.

6 The project will include the construction of a
7 small scale anaerobic digestion system with Smartfirm
8 technology. Zero Waste Energy, LLC, a partner in the
9 project, is one of two companies in North America to have
10 an exclusive license to the Smartfirm dry anaerobic
11 digestion technology. This stage 2 demonstration
12 facility is expected to produce 56,000 diesel gallon
13 equivalent per year, enough to fill five waste collection
14 vehicles.

15 The carbon intensity for this biogenic CNG fuel
16 is expected to be a -15 grams CO₂ per megajoule. That's
17 116 percent reduction compared to ultra-low sulfur
18 diesel.

19 The estimated annual GHG reduction for this
20 project will be 830 metric tons per CO₂.

21 The implementation of this project will support
22 the creation of 15 jobs with three positions being
23 permanent.

24 This type of project that converts food and
25 plant waste into a low carbon CNG fuel for the Collection

1 Vehicle Fleet that collects the municipal solid waste has
2 never been done. A first of its kind in the state, the
3 Blue Line project can be replicated throughout California
4 based upon its modular design and small footprint, where
5 it can be co-located at other existing permitted
6 municipal solid waste processing and transfer stations.

7 The Energy Commission is providing \$2,590,929
8 in Alternative and Renewable Fuels and Vehicle Technology
9 Program Funds. And the Project Team will be providing
10 \$5,004,460 in match funds.

11 Thank you for your consideration of this item,
12 Commissioners. I have Rick Moore from Total Compliance
13 Management, and Doug Button, President of Blue Line
14 Transfer, Inc., to answer any questions that you may have
15 today.

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

18 COMMISSIONER DOUGLAS: Just a brief comment. I
19 think this is really an exciting project as you move
20 forward. My understanding is it's the first facility of
21 its kind really being built in California. I'll look
22 forward to seeing as they move through the construction
23 to operational phase how, you know, how the process
24 works. I think there's a lot we can learn from it, and
25 so I'm in strong support of the project.

1 COMMISSIONER MCALLISTER: I would just add very
2 quickly that this particular portion of the program is
3 over-subscribed. We got a nice briefing about this
4 project and many of the other projects, and dug in a
5 little bit on this one, and I think this program is over-
6 subscribed, this is one of the ones that really came
7 through with flying colors and is clearly a benefit to
8 the state, so I'm happy to support it.

9 So I'll make a motion to approve Item 16.

10 COMMISSIONER DOUGLAS: Second.

11 CHAIRMAN WEISENMILLER: Okay, all those in
12 favor?

13 (Ayes.) Item 16 passes unanimously. Thank
14 you. Let's go on to Item 17, which is Paso Robles Waste
15 & Recycle. This is ARV-12-029. This is 17. Yeah, we're
16 checking on the numbers, so let's assume Blue Line is
17 Item 16, and let's make a motion on 16. Okay, so let's
18 go on to 17. \$300,000, and again, ARFVTP funding. Hieu,
19 please.

20 MR. NGUYEN: Hello again, Commissioners. For
21 the record, my name is Hieu Nguyen, Technical Staff from
22 the Emerging Fuels and Technology Office.

23 Today staff is seeking approval of a grant
24 agreement, ARV-12-029, for Paso Robles Waste & Recycle to
25 build a new state-of-the-art compressed natural gas

1 refueling station to service a new fleet of CNG waste
2 haulers, as well as provide public fast fueling
3 capabilities which will be located in the City of Paso
4 Robles.

5 Constructing a fueling station will allow Paso
6 Robles Waste & Recycle to convert their fleet to CNG and
7 will also provide North San Luis Obispo County and the
8 Paso Robles Area access to CNG fuel.

9 Paso Robles is situated directly between San
10 Francisco and Los Angeles at the intersection of Highway
11 101 and Highway 46. Constructing a fueling station at
12 the Paso Robles Waste & Recycling location will provide a
13 critical link in the CNG fueling station network and
14 allow CNG vehicles a greatly enhanced range and
15 practicality.

16 The successful installation of one CNG fueling
17 station will fuel an initial five CNG waste haulers, with
18 a plan to deploy four more CNG haulers over a three-year
19 period.

20 There would be an estimated 50,000 gallons of
21 conventional diesel fuel being displaced by CNG annually
22 by the initial five waste trucks that would be used in
23 this project.

24 The estimated annual GHG reductions of five CNG
25 waste haulers would be 115 tons of CO₂.

1 The implementation of this project will support
2 the creation of 30 jobs, of which two positions will be
3 permanent positions for the operations of the facility.

4 The Energy Commission is providing \$300,000 in
5 Alternative and Renewable Fuel and Vehicle Technology
6 Program Funds and the Project Team will be providing
7 \$594,595 in match funding.

8 Thank you for your consideration for this item.
9 I have Ian Hoover, Manager from Paso Robles Waste &
10 Recycle here to answer any kind of questions that you may
11 have.

12 CHAIRMAN WEISENMILLER: Thank you. We
13 certainly appreciate you coming today for the meeting.
14 Commissioners, do you have any questions or comments for
15 these gentlemen?

16 COMMISSIONER MCALLISTER: I'm wondering if
17 there are any other fleets that might be able to use this
18 facility in the near term and how you're investigating
19 that possibility.

20 MR. HOOVER: We got split up. I'm Ian Hoover,
21 Paso Robles Waste & Recycle. And with me is Dale Gomer.

22 COMMISSIONER MCALLISTER: Oh, great. Perfect.

23 MR. HOOVER: Yeah, there are other fleets.
24 We've already talked with the school district who is
25 interested; however, because of budget reasons, they

1 weren't able to make any sort of commitment. AT&T has
2 stated that having CNG infrastructure in the area would
3 greatly influence their fleet rollout decisions, but San
4 Miguel Garbage to the north of us has committed to
5 convert their fleet to CNG, they will start with one
6 truck immediately as soon as the facility is complete.
7 Pacific Coast Transportation is a freight company that
8 runs fixed routes between the Paso Robles - San Luis
9 Obispo area, and L.A. - San Francisco, they run 25 units
10 and they are extremely interested, chomping at the bit to
11 see this facility come together. PG&E has expressed
12 interest, although their fleet plan is kind of already
13 set a few years out, but again it would influence their
14 decisions.

15 COMMISSIONER MCALLISTER: I think this
16 demonstrates the need to consider the network issues and
17 really get the infrastructure fully utilized so that we
18 can use these strategic investments that we have now to
19 help project to the marketplace the various pathways that
20 we're going with transportation alternative fuels, so I
21 really -- I think that kind of approach where you're
22 really working to build local -- take full advantage of
23 the infrastructure that we're investing in really
24 strengthens the proposals here in the ARV process and
25 that's what we ought to be looking for. So thanks a lot

1 for that.

2 MR. HOOVER: Thank you.

3 COMMISSIONER DOUGLAS: Yeah, I also appreciate
4 you being here. I'll move Item 17.

5 COMMISSIONER MCALLISTER: I'll second.

6 CHAIRMAN WEISENMILLER: Okay, all those in
7 favor?

8 (Ayes.) Item 17 passes unanimously. Thank
9 you.

10 MR. NGUYEN: Thank you, Commissioner.

11 CHAIRMAN WEISENMILLER: Let's go to Item 18,
12 which is CalSTART. Possible approval of Amendment 1 to
13 agreement ARV-11-014. And Eric VanWinkle, please.

14 MR. VANWINKLE: Good afternoon, Commissioners.
15 My name is Eric VanWinkle. I am a staff member with the
16 Emerging Fuels and Technologies Office.

17 I'm here to ask for your approval of Amendment
18 1 to grant agreement ARV-11-014, which was originally
19 approved at the May 31, 2012 Business Meeting and
20 executed on June 25, 2012 with CalSTART for their
21 California Clean Truck Demonstration Program.

22 The purpose of this block grant is for CalSTART
23 and their project partners to demonstrate high impact on-
24 and off-road near commercial medium- and heavy-duty
25 vehicle projects in California's highest need air basins.

1 This amendment formalizes changes CalSTART
2 encountered while executing agreements with their project
3 partners, including acknowledging withdrawal of
4 Caterpillar's Mini Five Ton Excavator Project after their
5 demonstration partner declined participation, and also to
6 transfer Project Lead responsibility for the Fuel Cell
7 Bus Project to Ballard Power Systems from the San
8 Francisco Airport Commission. Ballard was an original
9 project partner and they found a new location and
10 demonstration partner with the University of California
11 at Irvine, which will operate the bus as part of the
12 campus transportation system.

13 I'm also seeking to augment the project with an
14 additional \$3,523,498 in ARFVTP program funds from the
15 2012-13 Investment Plan, which will be used for Drayage
16 truck projects at the Ports of Los Angeles and Long
17 Beach, including fully funding the existing
18 Transportation Power Electric Drayage Truck Project,
19 which will increase the number of demonstration trucks
20 from two to five, and also include new job
21 classifications in their budget.

22 And we'll be adding two projects, the Volvo
23 Technology of America Project, which will demonstrate two
24 plug-in capable hybrid electric Class 8 Drayage Trucks
25 with a 10-mile zero emission range; and also the Artisan

1 Vehicle Systems Project, which will demonstrate two Class
2 8 Drayage Truck projects with electric powertrains, one
3 with a larger battery pack for a full time zero emission
4 operation, and the second with a natural gas generator
5 set for extended range operations.

6 And then the last change included in this
7 amendment is to extend the term of the grant by one year,
8 from March 31, 2016 to March 31, 2017, which will
9 accommodate a new timeline for the Fuel Cell Bus Project
10 by permitting UCI time to include their full match
11 contribution into their budgeting process.

12 And I would be happy to answer any questions.

13 CHAIRMAN WEISENMILLER: Thank you.

14 Commissioners, any questions or comments?

15 COMMISSIONER DOUGLAS: Just briefly. This is
16 all really good and really important work for the 118
17 program, for potential air quality improvements into the
18 future, so I don't know if there are any other comments
19 or questions, but I'll move Item 18.

20 COMMISSIONER MCALLISTER: And I'll second.

21 CHAIRMAN WEISENMILLER: Okay, all those in
22 favor?

23 (Ayes.) Item 18 passes unanimously. Thank
24 you.

25 MR. VANWINKLE: Thank you.

1 CHAIRMAN WEISENMILLER: Let's go on to Item 20,
2 City of Patterson.

3 MR. CHAUDHRY: Good morning, Commissioners.
4 I'm Shahid Chaudhry with the Special Projects Office.

5 CHAIRMAN WEISENMILLER: Thank you.

6 MR. CHAUDHRY: And I'm here today to request
7 your approval for an ECAA loan of \$2,876,172 to implement
8 renewable energy and energy efficiency projects at the
9 City's facilities. The City will use this loan to
10 install 1.12 kWh of solar panels, and to upgrade lighting
11 at their active facilities, as well as street lighting.

12 As a result of this project's completion, it's
13 anticipated that the estimated energy savings will be
14 about two million kWh hours a year, which is a equivalent
15 to about \$221,000.

16 And in addition to this project, it will reduce
17 approximately 567 tons of carbon dioxide greenhouse gas
18 emissions.

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

21 COMMISSIONER DOUGLAS: No, no questions. I'm
22 really supportive of the ECAA Program, it's great to see
23 this coming through. I'll move approval of Item 20.

24 COMMISSIONER MCALLISTER: I'll second.

25 CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.) Item 20 passes unanimously. Thank
2 you.

3 MR. CHAUDHRY: Thanks, Commissioners.

4 CHAIRMAN WEISENMILLER: Let's go on to Item 21,
5 City of San Pablo. Possible approval of Agreement 005-
6 12-ECD for \$1,141,738. And this is Joseph Wang, please.

7 MR. WANG: Good morning, Commissioners. My
8 name is Joseph Wang. I'm the Project Manager with the
9 Special Projects Office.

10 I'm here to seek your approval of a \$1,141,738
11 loan to the City of San Pablo. The City of San Pablo is
12 applying for this loan to install three PV systems at the
13 City Hall, City Police Station, and the City Center.

14 After the City implemented the Energy
15 Efficiency Lighting and HVAC projects at these three
16 facilities, they would like to further zero out the
17 electric bills at these three facilities. The PV
18 projects are designed to reduce over 90 percent of the
19 current kWh consumption, so this project is expected to
20 save about over \$87,826. And this almost would cut the
21 electric bills to zero.

22 This project has a 13-year simple payback, it
23 pays on a loan amount. And this project will be funded
24 by the CEC loan, CSI rebate, and the City Capital Project
25 Funds.

1 Staff has reviewed the technical feasibility of
2 this project and would like to recommend the approval of
3 this loan. I'll be happy to answer any of your
4 questions.

5 CHAIRMAN WEISENMILLER: Thank you.

6 Commissioners, any questions or comments?

7 COMMISSIONER MCALLISTER: No, I don't have any
8 questions or comments.

9 COMMISSIONER DOUGLAS: I'll move approval of
10 Item 21.

11 COMMISSIONER MCALLISTER: I'll second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.) Item 21 passes unanimously. Thank
14 you. Let's go on to Item 22, which is also yours. City
15 of California City. Possible approval of Agreement 006-
16 12-ECD for a \$161,890 of ECAA funding again. Joseph
17 Wang, please.

18 MR. WANG: I am also covering this item. The
19 City of California City is also applying for a \$161,890
20 loan through CEC's ECAA Loan Program, and this is a very
21 small city. The City has hired a consultant to conduct a
22 city-wide energy audit for all the City buildings.

23 Based on this recommendation, the City would
24 like to apply for the loan to implement both the lighting
25 and the HVAC projects. They plan to retrofit the old T-

1 12 lamps and ballasts with the new T lamps and electronic
2 ballasts in all City buildings, and then replace the old
3 package HVAC units with new ones at 300 facilities.

4 These projects are expected to save about
5 \$16,189 in utility costs and reduce 35 tons of CO₂
6 emissions annually, and have a simple payback of 10
7 years.

8 The staff has, again, reviewed the technical
9 feasibility of these projects and would like to recommend
10 the approval of this loan.

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

13 COMMISSIONER DOUGLAS: No, no questions.
14 Again, it looks like a really good project. I'll move
15 approval of Item 22.

16 COMMISSIONER MCALLISTER: I'll second this one,
17 energy efficiency and chiller, you know, HVAC upgrades
18 are clearly a very -- should be a very central focus of
19 ECAA loans and are going to typically have the kind of
20 payback that we're looking for, so I'm supportive of this
21 project. So I'll second it.

22 CHAIRMAN WEISENMILLER: Okay, all those in
23 favor?

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

1 MR. WANG: Thank you.

2 CHAIRMAN WEISENMILLER: Let's go on to Item 23.
3 Santa Barbara Community College District. Possible
4 approval of Agreement 004-12-ECD for \$750,000, an ECAA
5 loan. Amir Ehyai.

6 MR. EHYAI: Thank you, Chairman. Good
7 afternoon, Commissioners. My name is Amir Ehyai with the
8 Special Projects Office.

9 I am here today seeking your approval of an
10 Energy Commission loan to Santa Barbara Community College
11 District to fund lighting retrofit projects at the Santa
12 Barbara City College, East and West Main Campuses.

13 The loan award will be used to upgrade exterior
14 building lights, street lights, parking lot and pathway
15 lights, to LED and the latest generation fluorescent
16 lights.

17 In total, 1,767 light fixtures will be
18 upgraded, which is estimated to save the district 694,261
19 kWh of electricity, or \$97,197 annually in energy costs,
20 and reduce annual greenhouse gas emissions by 240 tons of
21 CO₂.

22 The total cost of this project is estimated to
23 be \$1.45 million, of which \$750,000 will be funded by the
24 Energy Commission loan at an interest rate of one
25 percent. The remaining project cost will be funded by

1 expected rebates totaling \$166,623, and On Bill Financing
2 offered by Southern California Edison.

3 Staff has determined that the loan request is
4 technically justified and meets the requirements for an
5 Energy Commission loan. I'm happy to answer any
6 questions you may have.

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

9 COMMISSIONER MCALLISTER: Not specifically. I
10 think previous items, similar comments would apply, so
11 I'll move Item 23.

12 COMMISSIONER DOUGLAS: Second.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 (Ayes.) Item 23 passes unanimously. Thank
15 you. Let's go on to Item 24. Newcomb Anderson
16 McCormick. Possible approval of contract 600-12-005 for
17 \$638,189, and this is DOE grant funding. Amir.

18 MR. EHYAI: Thank you, Chairman. My name is
19 Amir Ehyai. With me is Matt Sullivan, principal with
20 Newcomb Anderson McCormick. Mr. Sullivan will be
21 available to answer any questions following my
22 presentation.

23 Energy Service Performance Contracting is a
24 financing mechanism that allows building owners to pay
25 for energy upgrades through cost savings generated by the

1 installed equipment. Energy service companies known as
2 ESCOs are businesses that develop, design and arrange
3 financing for energy efficiency projects, often via an
4 energy services performance contract.

5 Under Agreement 600-12-005, Newcomb Anderson
6 McCormick will develop the California Public Facilities
7 Energy Financing Partnership Program and create a model
8 providing a range of services geared towards facilitating
9 energy service performance contracting in California's
10 public facilities.

11 The services will include standardized
12 processes and contracts for ESCO projects, technical
13 assistance with developing and evaluating projects,
14 identification of ESCOs or third-party financing for
15 projects, data collection, benchmarking, and measurement
16 and verification and, as well, outreach and education
17 activities.

18 The comprehensive set of services to be offered
19 by this program will overcome a number of barriers that
20 have been identified as limiting the widespread use of
21 energy service performance contracting in California's
22 public agencies. These include: identification and
23 selection of qualified ESCOs; lack of firm work scope
24 definition which results in shallow retrofit projects,
25 rather than deep comprehensive whole building energy

1 projects; lack of competition between ESCOs resulting in
2 higher costs; difficulties with contractor negotiation
3 and contractor performance management; and reluctance of
4 ESCOs to bring financing to projects and lack of
5 standards, common procedures, and communication of best
6 practices from one facility to the next.

7 Correcting these issues is a primary goal of
8 the California Public Facilities Energy Financing
9 Partnership Program. Once the program model is
10 established, ESCOs will have an improved method for
11 delivering energy efficiency retrofits to public
12 facilities.

13 It is important to note that this agreement
14 will be funded by a U.S. Department of Energy Grant to
15 the Energy Commission under the 2012 State Energy Program
16 Competitive Awards. The DOE Grant Award is meant to
17 assist the Energy Commission in improving and
18 implementing a comprehensive and well designed self-
19 funded program which relies on a fee for services model
20 that can be successfully used to retrofit public
21 facilities statewide and across many sectors.

22 The Energy Commission must demonstrate the
23 model on a small to medium scale to ensure its
24 workability and success, and then replicate the model
25 more widely in the State's portfolio of public buildings.

1 Accordingly, the California Public Facilities Energy
2 Financing Partnership Program will endeavor to fulfill
3 the DOE requirements by improving and expanding on an
4 existing energy service performance contract model
5 currently in use by the California Department of
6 Corrections, and provide comprehensive services to
7 overcome shortcomings identified in the current program.
8 The enhanced program model will be piloted at a number of
9 facilities within the Department of Corrections to
10 demonstrate success, and then a template will be
11 developed to expand the model statewide to California
12 Community Colleges and local governments.

13 Based on the success of this program, the
14 enhanced program model will be incorporated into the
15 Public Utilities Commission's Statewide Energy Efficiency
16 Partnership Programs with the Department of Corrections,
17 Community Colleges, and local governments, thus becoming
18 fully institutionalized and thus a sustainable program
19 delivery model into the future.

20 And Matt Sullivan and I are available to answer
21 any questions you may have.

22 CHAIRMAN WEISENMILLER: Thank you.
23 Commissioners, any questions or comments?

24 COMMISSIONER MCALLISTER: I would just point
25 out that, as you said, this is basically a pass-through

1 of DOE money and so it's, I believe -- you can confirm it
2 -- it's not an RFP process that we ran, but one that DOE
3 ran. Is that right?

4 MR. EHYAI: That is correct.

5 COMMISSIONER MCALLISTER: That is correct. At
6 the same time, it looks like a good project scope to us,
7 and actually I think scaling energy efficiency markets
8 and figuring out how to get into new and different
9 building types and working with the agencies effectively,
10 doing cogent planning, systematizing, is all very good
11 work. So I don't have any qualms about this program. So
12 I'll move Item 24.

13 COMMISSIONER DOUGLAS: Second.

14 CHAIRMAN WEISENMILLER: All those in favor?

15 COMMISSIONER MCALLISTER: It looks like there's
16 a public comment there.

17 MS. HARRIS-HICKS: Hello?

18 CHAIRMAN WEISENMILLER: Yes, please come
19 forward.

20 MS. HARRIS-HICKS: Are you talking to me?

21 CHAIRMAN WEISENMILLER: Oh, I'm afraid I was a
22 little confused. I had 15 and 24 down. You had
23 mentioned 14, so I wasn't sure if you were also
24 interested in talking on 24?

25 MS. HARRIS-HICKS: Yes, it's along the same

1 line. I think this sounds great and I'll report back to
2 my groups and creed. But I want to make the same comment
3 about this because it's a -- if the model results in
4 having to have expenses for various companies, and that
5 the Cities have staff who should be or could be doing
6 that, it's a matter of whether we have any kind of
7 control at all about the costs of what is done. If it's
8 putting the light bulbs in or something like that, it's
9 very obvious that that's perfectly wonderful, but I hope
10 that you can, in your consideration of this matter of the
11 people having a monopoly on how much they charge on an
12 ongoing basis, that those parts of this program can be
13 included in that solution of that problem from the
14 standpoint of it being a utility -- no, not a utility, a
15 City and a County obligation and responsibility, and
16 authority, the authority from the standpoint of the costs
17 municipalities will pay. Okay?

18 CHAIRMAN WEISENMILLER: Thank you. I would
19 encourage you to participate in our 758 process, which is
20 looking at how to get retrofits of energy efficiency in
21 existing buildings. Most buildings in California were
22 built before we had Building Standards and, as we
23 struggle, particularly in the public sector to do the
24 investments, one of the questions is performance
25 contracting. And as you say, there can be some

1 downfalls, but I can say now for the State of California,
2 if we can't recover the costs within a single year, that
3 Measures aren't going forward, and that's remarkably
4 shortsighted, but just a budget reality we're facing. So
5 certainly you're raising very good questions and we're
6 all struggling with how to do with what we have in
7 resources --

8 MS. HARRIS-HICKS: The loans should be enough
9 to break the logjam against the solar photovoltaic, that
10 the Fannie Mae and Fannie Mac put when they sent memos
11 out to all the Cities that that would be -- that 811
12 would not be a good solution to our problem of making it
13 available to the public because it might cause them a
14 problem when they had to foreclose a property. And so I
15 think that this recognition that what we're struggling
16 against is not just California, it's national.

17 CHAIRMAN WEISENMILLER: I'm sure you know the
18 pay stuff has had a huge impact on this.

19 MS. HARRIS-HICKS: Financial controls, yes. So
20 the financial control. So in our own city here, the
21 optimists have for 10 years been trying to break the
22 logjam and to get in the program of aggregations by which
23 we can own our own rooftop, and we've not been
24 successful. And so this type of program that you have
25 where you can give a loan for revolving funds, for

1 example, it would solve the problem completely. And so I
2 think that it's wonderful and I want to know who our
3 planners should contact to make an emergency loan.

4 COMMISSIONER MCALLISTER: Ma'am, thank you very
5 much for your --

6 MS. HARRIS-HICKS: -- we're closing San Onofre
7 and --

8 CHAIRMAN WEISENMILLER: Ma'am, again, your
9 three minutes is up on comments and we're dealing with a
10 very narrow item, not the San Onofre issues right now.
11 But, again, we'd certainly encourage you to be part of
12 the 758 discussion.

13 COMMISSIONER MCALLISTER: Assembly Bill 758 is
14 the one that we're using to discuss existing buildings
15 and how to get them upgraded, most specifically for
16 energy efficiency and energy performance, so there's a
17 proceeding that we'll be moving through this year and
18 we'll be holding some workshops likely in April on that,
19 so encourage the League of Women Voters to participate in
20 that. And then back to this item, I would just point out
21 that the SEEC, the State Energy Efficiency Collaborative,
22 is a really good forum for kicking some of the lessons
23 that the Newcomb Anderson work is going to produce and I
24 would very much encourage that. I think local
25 governments are really interested in those sorts of

1 models so they can be most effective with all the various
2 funding sources that they have, including the RENs in
3 some areas of the state, the Regional Energy Networks
4 that were supported, now by the PUC. So I think there's
5 a lot of good leveraging that can go on from this
6 contract and would encourage its adoption, and again,
7 just after the additional comments, would move Item 24.

8 COMMISSIONER DOUGLAS: Second.

9 CHAIRMAN WEISENMILLER: All those in favor?

10 (Ayes.) This item is approved unanimously.

11 And thank you again for your comments. Let's go on to
12 Item 25. Energy Efficiency and Conservation Block
13 Grants.

14 MR. EHYAI: Thank you, Chairman. This is Amir
15 Ehyai again with the Special Projects Office. I'm here
16 seeking your approval to amend a select few Energy
17 Efficiency and Conservation Block Grant Phase 2
18 agreements extending the term of these agreements by
19 three months. The Energy Efficiency and Conservation
20 Block Grant Program as administered by the Energy
21 Commission is nearing completion. Since 2009, the
22 Commission has awarded 205 Phase 1 and Phase 2 Block
23 Grant Agreements totaling approximately \$32 million to
24 local jurisdictions statewide, funding a wide range of
25 cost-effective energy efficiency projects.

1 Staff estimates that these projects are saving
2 the local municipalities over 30 million kWh of
3 electricity and 192,000 therms of natural gas, resulting
4 in \$4.2 million in energy cost savings annually. These
5 savings equate to reduced greenhouse gas emissions of
6 11,500 tons of CO₂ annually.

7 Of the 205 Block Grant Agreements funded, five
8 projects remain uncompleted as of today. The term of
9 these five remaining agreements will end next month on
10 March 13th. Staff anticipates that the majority of these
11 remaining five projects will complete on time; however,
12 it may be necessary to extend the term of one or more of
13 these agreements by three months to allow the local
14 jurisdiction additional time to fully complete their
15 project and expend the remaining Block Grant funds. As
16 such, I'm here today requesting your approval of a
17 resolution directing the Executive Director to extend the
18 term of these agreements by three months to June 13,
19 2013.

20 CHAIRMAN WEISENMILLER: Thank you.
21 Commissioners, any questions or comments?

22 COMMISSIONER DOULGAS: Just a brief comment.
23 This extension is warranted and the staff has worked
24 really hard with more than, as you noted, 200 grants to
25 local jurisdictions. We had a Phase 1 and a Phase 2.

1 The Phase 2 is largely dealing with the on time and under
2 budget problem, which is the not really a problem, it's a
3 great thing, except that we want to make sure that, to
4 the extent that money falls out because it's not used in
5 one project, it's available to another California
6 jurisdiction that wants to do another project. So, as we
7 get down to the wire on the Block Grant deadlines, you
8 know, we have still been working to fund projects that,
9 when there's money available, I think these jurisdictions
10 are going to complete. But as noted, the extension is
11 helpful, it's an extension of our own contract deadline,
12 it's not an extension of the Federal deadline. So it's
13 within the term of the DOE deadline.

14 So I would move approval of Item 25.

15 COMMISSIONER MCALLISTER: I would second.

16 CHAIRMAN WEISENMILLER: All those in favor?

17 (Ayes.) Item 25 passes unanimously. Let's go
18 on to 26. Sacramento Municipal Utility District.
19 Possible approval of Amendment 1 to Agreement ARV-10-003.
20 And this is Phil Cazel.

21 MR. CAZEL: Good afternoon. My name is Phil
22 Cazel from the Emerging Fuels and Technologies Office.
23 I'm presenting a request for possible approval of a
24 novation and an amendment for Agreement ARV-10-003.

25 In June 2011, the Energy Commission entered

1 into a Grant Agreement with Eurisko Scientific
2 Development, LLC, dba Eurisko Scientific, LLC, to
3 demonstrate a unique process developed by Argonne
4 National Laboratory to optimize biomethane production
5 from anaerobic digestion. However, in late December
6 2011, Eurisko Scientific ceased work on the project and
7 notified the Commission of its intent to dissolve the
8 company.

9 Today, staff is recommending that the
10 Commission novate Agreement ARV-10-003 to the Sacramento
11 Municipal Utility District so that the remaining
12 \$1,819,166 in grant funds can be used to complete the
13 project. Approval of a novation will transfer the
14 responsibility and remaining grant funds in this project
15 from the original recipient, Eurisko Scientific, LLC, to
16 the new recipient, Sacramento Municipal Utilities
17 District. SMUD was an original participant in the
18 project, has a good working relationship with Argonne
19 National Laboratory, who is the major subcontractor, and
20 has agreed to step into manage the grant agreement and
21 provide project support.

22 Approval of Amendment 1 to this agreement will
23 revise the Schedule of Products and Due Dates, Scope of
24 Work, and Budget, to reflect SMUD's new position as
25 recipient of this grant. This will also include an

1 extension of the project's end date to March 31, 2015;
2 however, there will be no other change to the scope of
3 the project.

4 Continuing this project will demonstrate
5 advancements in anaerobic digestion techniques, resulting
6 in enhanced biogas production, reduced coincident CO₂
7 creation, and improved removal of nitrogen and phosphorus
8 from process wastewater.

9 Staff is requesting the Commission's support
10 and approval of both the novation and amendment to this
11 agreement. I'm available for any questions.

12 CHAIRMAN WEISENMILLER: Thank you. Commission,
13 any questions or comments?

14 COMMISSIONER DOUGLAS: No, no questions. I'd
15 like to move approval of Item 26.

16 COMMISSIONER MCALLISTER: I will just add, just
17 comment very briefly that, you know, things change in
18 time and SMUD was on board initially and thank them for
19 taking on a greater role right now, and I think those
20 changes warrant an extension in time, as well. But the
21 underlying value of the project has not changed, and so I
22 think it's an amendment that we want to approve.

23 So I'll second.

24 CHAIRMAN WEISENMILLER: Okay, all those in
25 favor?

1 (Ayes.) This item is also approved
2 unanimously. Let's go on to the Minutes. Possible
3 approval of the January 9, 2013, Business Meeting
4 Minutes.

5 COMMISSIONER DOUGLAS: Move approval.

6 COMMISSIONER MCALLISTER: Second.

7 CHAIRMAN WEISENMILLER: Okay, all those in
8 favor?

9 (Ayes.) This item is also approved.

10 We're going to skip Lead Commissioner or
11 Presiding Member Reports today. Let's go on to Chief
12 Counsel's Report.

13 MR. WARD: None today.

14 CHAIRMAN WEISENMILLER: Let's go on to
15 Executive Director's Report.

16 MR. OGLESBY: A quick mention that we now have
17 a new Legislative Director, Jay Dickenson, and he comes
18 to us from the Assembly Appropriations Committee,
19 previously with the Legislative Analyst's Office, and
20 some other Executive Branch agencies. So we're very
21 happy to have him help us with our work with the
22 California Legislature.

23 CHAIRMAN WEISENMILLER: Great. Public
24 Advisor's Report.

25 MR. ROBERTS: Nothing to report.

