

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, JULY 10, 2013

1:37 P.M.

Reported by:  
Barbara Little

Commissioners Present

Robert B. Weisenmiller, Chairperson  
Karen Douglas  
Andrew McAllister  
Janea Scott

Staff Present:

Rob Oglesby, Executive Director  
Michael Levy, Chief Counsel  
Alana Mathews, Public Adviser  
Harriet Kallemeyn, Secretariat

Agenda Item

Joseph Wang	3
Joji Castillo	4
Aida Escala	5

Also Present

Interested Parties (\* Via WebEx)

Bruce Chamberlain	4
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P R O C E E D I N G S

JULY 10, 2013 1:37 p.m.

CHAIRPERSON WEISENMILLER: Good afternoon. Let's start the Business Meeting with the Pledge of Allegiance.

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

CHAIRPERSON WEISENMILLER: Thanks. I think this is going to be a brief meeting. But let's start out noting that Item 2 will be held for a future meeting.

So, let's go to the Consent Calendar.

COMMISSIONER MC ALLISTER: I need to disclose that for Items 1.a and 1.b, I'm not recusing, just disclosing that my wife is a professor at King Hall, the law school at UC Davis, which is not the department that's receiving these funds. There is no conflict there but I just felt it necessary to just make that note. So, that's it.

CHAIRPERSON WEISENMILLER: Thank you.

COMMISSIONER DOUGLAS: All right, so I'll move the consent calendar.

COMMISSIONER SCOTT: Second.

CHAIRPERSON WEISENMILLER: All those in favor?

(Ayes)

CHAIRPERSON WEISENMILLER: The Consent Calendar

1 passes four to zero.

2 Let's go to Item Number 3, Pittsburgh Unified  
3 School District. Possible approval of Agreement 001-13-ECD  
4 for \$1,766,65, and this is ECAA Project Program funding.  
5 Joseph Wang, please.

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

9 Pittsburgh Unified School District is applying  
10 for a loan for \$1,766,665 to install three energy-  
11 efficiency projects.

12 After a district-wide energy audit the number of  
13 energy-efficiency projects were identified by their  
14 consultants.

15 The school district, at this time, is planning to  
16 use this loan fund to retrofit interior and exterior lights  
17 in nine schools and install occupancy controls and door  
18 switch controls for over 60 HVAC package systems at three  
19 schools.

20 And then, also, they want to install a 150-KW  
21 photovoltaic system at Marina Vista Elementary School.

22 These projects are expected to reduce about  
23 788,148 kilowatt hours of electricity and 8,296 therms of  
24 natural gas annually.

25 The estimated annual energy cost savings for

1 these projects is about \$140,584 with a simple payback of  
2 12.6 years.

3 The staff has reviewed and approved the technical  
4 feasibility and energy savings of this loan and would like  
5 to recommend the Commission to award the loan to the School  
6 District.

7 If you have any questions, I'd be happy to answer  
8 them.

9 CHAIRPERSON WEISENMILLER: Okay, Commissioners,  
10 any questions or comments?

11 COMMISSIONER MC ALLISTER: Just a quick question.  
12 So, I see that we're combining with an incentive from the  
13 utility. Is that an incentive for the energy efficiency,  
14 or is it a CSI incentive, or is it both?

15 MR. WANG: Both.

16 COMMISSIONER MC ALLISTER: Both, okay, so they're  
17 participating in all the utility programs they can for  
18 these projects?

19 MR. WANG: Yes.

20 COMMISSIONER MC ALLISTER: Okay. Well, as I've  
21 said many times before, the ECAA model is obviously one  
22 that works, gets funds to the right projects and has a good  
23 amount of due diligence to make sure that the projects are  
24 good investments.

25 And I think I'm very supportive of this project.

1 And in fact, combining energy efficiency and some self-  
2 generation oftentimes makes a lot of sense to package those  
3 together, kind of get the best bang for the buck, and get  
4 the low-hanging fruit on the efficiency side, and also  
5 shore up the -- you know, part of the rest of the  
6 consumption, the remaining consumption with renewable  
7 generation.

8 So, at a school, you know, it just makes a lot of  
9 sense. So, I would recommend approval.

10 Okay, so I will move Item 3.

11 COMMISSIONER DOUGLAS: Second.

12 CHAIRPERSON WEISENMILLER: All those in favor?

13 (Ayes)

14 CHAIRPERSON WEISENMILLER: Item 3 passes four to  
15 zero.

16 MR. WANG: Thank you.

17 CHAIRPERSON WEISENMILLER: Thank you.

18 Let's go on to Item Number 4, Kilowatt  
19 Engineering, Inc., possible approval of Agreement 400-13-  
20 001. This is a \$2 million contract and this is ECAA  
21 Program funding.

22 Joji Castillo, please.

23 MS. CASTILLO: Good afternoon. My name is Joji  
24 Castillo and I'm with the Special Projects Office of the  
25 Fuels and Transportation Division.

1                   With me is Bruce Chamberlain, from KW  
2 Engineering, who will be the Project Manager of this  
3 contract.

4                   This is a contract with Kilowatt Engineering,  
5 Inc., dba KW Engineering, Inc., for \$2 million.

6                   This is a work authorization contract that will  
7 provide technical assistance and support to the Bright  
8 Schools Program, Energy Partnership Program, and the ECAA  
9 Financing Program.

10                  KW Engineering will be leading a contractor team  
11 composed of KW Engineering as the prime contractor, and  
12 five additional subcontractors.

13                  The contractor team will evaluate energy-  
14 efficiency opportunities in existing buildings, including  
15 water and wastewater treatment facilities, and provide  
16 support for new construction projects.

17                  They will evaluate energy opportunities for co-  
18 generation, distributed generation, renewable energy  
19 systems, thermal and other energy storage systems.

20                  In addition, they will also provide professional  
21 engineering support, project support, as well as program  
22 and energy-efficiency marketing support.

23                  In general, the technical support will come in  
24 the form of energy audits, feasibility studies and related  
25 services which will assist eligible entities identify and

1 evaluate energy-efficiency measures that are planned in  
2 existing facilities.

3 This will be a three-year contract to June 30,  
4 2016 and will be funded with ECAA Program funds.

5 At this time I would like to turn it over to  
6 Bruce.

7 MR. CHAMBERLAIN: Thank you. My name's Bruce  
8 Chamberlain, with KW Engineering. And besides representing  
9 our firm, I also want to represent today the KW team  
10 overall, made up of ARRUP, Ambient Energy, Sage Renewables,  
11 FCI Consultants, and Red Horse.

12 We're excited to start and prepared to hit the  
13 ground running on these three programs that include  
14 projects similar to the one on Item 3. I'm glad to see  
15 that moving forward.

16 And I'm happy to answer any questions at this  
17 time.

18 CHAIRPERSON WEISENMILLER: Thank you.  
19 Commissioners, any questions or comments?

20 COMMISSIONER MC ALLISTER: I wanted to just ask  
21 Joji if you could describe the RFP process that resulted in  
22 this one. I mean I know that there's a robust process and  
23 I think it's just good to get a little bit of that on the  
24 record just to show some of the work that went into, you  
25 know, the one contractor that gets the award. But a lot of

1 qualified folks are out there in the marketplace and we  
2 chose a good one.

3 MS. CASTILLO: So, we request -- so we released a  
4 request for qualifications on October 22nd, last year. And  
5 we had requested statements of qualifications to be  
6 submitted based on different criteria in the RFQ.

7 We had a scoring committee that was composed of  
8 technical staff. And we had scored this based on the  
9 scoring criteria that was in the RFQ.

10 The top three contractors that were -- or the  
11 contractor team that was scored the highest, that ranked  
12 the highest, the top three we invited back for discussion  
13 and we had asked them deeper questions or clarifying  
14 questions.

15 And added those scores to their technical -- to  
16 the scores from their SOQ, and then that's when we have  
17 chosen KW Engineering as the top ranking.

18 (Off-mic comment from audience)

19 MS. CASTILLO: Oh, that's right. I'm sorry, I  
20 forgot about that.

21 So, after we did the discussions we had chosen --  
22 KW Engineering was the top-ranking contractor, so we had  
23 done cost negotiations with them for a period of time.

24 And when we've agreed on the costs, then we  
25 proceeded to process the contract.

1 COMMISSIONER MC ALLISTER: Thanks. Thanks for  
2 that.

3 MS. CASTILLO: Sure.

4 COMMISSIONER MC ALLISTER: And I think the sense  
5 was that there were several, you know, good contractors and  
6 we had good options --

7 MS. CASTILLO: Yes, we had -- we actually --

8 COMMISSIONER MC ALLISTER: -- and we really -- we  
9 had a lot to work with and the result is sort of the bunch  
10 of the bunch, I think. So, I just wanted to make that  
11 process clear.

12 MS. CASTILLO: We actually received six SOQs in  
13 response to our RFQ.

14 COMMISSIONER MC ALLISTER: Great. Okay, thanks  
15 very much. So, I don't have any other questions. Anybody  
16 else?

17 This sort of falls more in the energy efficiency  
18 realm so I feel like it's sort of my obligation and desire  
19 to dig in a little bit.

20 But I think, you know, this is kind of -- it's of  
21 such huge benefit to the schools, in particular, to have a  
22 high-quality resource that's -- you know, it's obviously  
23 very important to get it right, but it also -- you know,  
24 it's something that really, I think, helps good projects  
25 happen across the State.

1           And so, you know, getting these resources out  
2 there to where they're most -- they're well-utilized I  
3 think is really top priority for us and, you know, happy to  
4 have this moving forward.

5           So, I'll move Item 4.

6           COMMISSIONER SCOTT: Second.

7           CHAIRPERSON WEISENMILLER: All those in favor?

8           (Ayes)

9           CHAIRPERSON WEISENMILLER: Item 4 passes four to  
10 zero.

11          Thank you.

12          Let's go on to Item Number 5, which is Tetra  
13 Tech, Inc., possible approval of agreement 600-13-002. And  
14 this is, again, for up to \$2 million, and this is ARFVTP  
15 Funding.

16          And Aida Escala, please.

17          MS. ESCALA: Good afternoon. I'm Aida Escala  
18 with Emerging Fuels and Technologies Office.

19          I'm presenting for possible approval Agreement  
20 600-13-002, with Tetra Tech, Incorporated for a work  
21 authorization contract of up to \$2 million to provide  
22 technical support and engineering consulting services for  
23 the Energy Commission's Alternative and Renewable Fuel and  
24 Vehicle Technology Program.

25          The contractor will assist in evaluating the

1 technical merits of proposals submitted for funding,  
2 provide technical assistance in troubleshooting projects,  
3 and conform that the projects have been built according to  
4 technical specifications in the agreement.

5 This is a cost reimbursement contract. The  
6 contractor and the Energy Commission shall agree on the  
7 scope of work and budget for each work authorization.

8 I'm available to answer your questions and thank  
9 you.

10 CHAIRPERSON WEISENMILLER: Thank you.

11 Commissioners, any questions or comments?

12 COMMISSIONER SCOTT: I'll move this item.

13 COMMISSIONER DOUGLAS: Second.

14 CHAIRPERSON WEISENMILLER: Okay, all those in  
15 favor?

16 (Ayes)

17 CHAIRPERSON WEISENMILLER: This item passes four  
18 to zero.

19 Thank you.

20 MS. ESCALA: Thank you.

21 CHAIRPERSON WEISENMILLER: Let's go on to the  
22 Minutes, Item 6.

23 COMMISSIONER DOUGLAS: I move the Minutes.

24 COMMISSIONER MC ALLISTER: I'll second.

25 CHAIRPERSON WEISENMILLER: All those in favor?

1 (Ayes)

2 CHAIRPERSON WEISENMILLER: The Minutes are  
3 approved four to zero.

4 Let's go on to Lead Commissioner or Presiding  
5 Member Reports.

6 COMMISSIONER SCOTT: All right, so I had a couple  
7 of things that I wanted to highlight for you all that I  
8 have been up to since the last Business Meeting.

9 I went to the Western Governors' Association  
10 Meeting that was at the end of June, with Secretary Laird.

11 And it was a nice opportunity to hear from some  
12 of our Western State counterparts about -- we had a land  
13 use panel, there was a panel on endangered species, there  
14 was a panel on energy.

15 One of the things that the Governors' Association  
16 put together was a report on state energy perspectives.

17 And what was interesting is each of the Governors of the  
18 Western States put together their own essay to talk about  
19 what they're thinking about on energy, and so that was  
20 something that I thought was kind of fund. And it's an  
21 interesting read for you all, if you're interested in that.

22 Let's see, this was attended at various points.  
23 There weren't any -- no one from Washington, Oregon -- none  
24 of the Governors from Washington, Oregon, or California,  
25 but many of the interior west Governors, Governor Otter

14

1 from Idaho, Governor Mead from Wyoming, Governor  
2 Hickenlooper from Colorado, Governor Herbert from Utah, and  
3 others were there at the meeting.

4           And folks were really excited to see both  
5 Secretary Laird and me there. They were happy to have a  
6 little bit of California representation and we were glad to  
7 provide that.

8           Another thing that I did was I got to go on a  
9 tour of the Sandia Labs. I went there with Rob and so he  
10 might have something that he wants to add.

11           But this was really interesting. We had an  
12 opportunity to look around the labs and see some of the  
13 things that they're working on. They have some advanced  
14 engine technologies where they're really trying to look at  
15 combustion, and try different fuels, and different ways of  
16 combusting them.

17           We only got to see one of the labs, but they have  
18 eight or nine where they've got different engines that are  
19 combusting different fuels, and just trying to figure out  
20 how to make them more efficient.

21           They've got a lot of hydrogen research that's  
22 going on and so that was really interesting to see. And  
23 there might be some interesting places for us to perhaps  
24 partner with Sandia Labs on some of the hydrogen work that  
25 we're doing.

1           They were really excited about collaborating and  
2 partnership. I think each of the folks that we talked to  
3 sort of highlighted that as we went through the lab, so I  
4 thought that was great.

5           They've also got some biofuels research going on.

6           And then what was fun about having those two --  
7 the labs were in slightly different places on the campus,  
8 but because they're co-located sometimes the biofuels folks  
9 will take their biofuels over to the engine folks and see  
10 what goes on there. So, there were some neat synergies.

11           And kind of one of the things I would have loved  
12 to do is like pop my head into everyone's office, hey, what  
13 are you working on? Hey, what are you -- because it was  
14 just really interesting what was going on there. So, that  
15 was a fun opportunity.

16           And then the other thing I wanted to highlight  
17 for you is I have working with me, this summer, an intern  
18 from the C.K. McClatchy High School for Law and Public --  
19 wait a second, let me do it again, C.K. McClatchy High  
20 School and Public Policy Academy.

21           She's wrapped up her 11th grade year. She'll be  
22 in 12th grade next year. And the internship this summer is  
23 part of her schoolwork, so we're going to try to take her  
24 around and show her some of the really amazing things that  
25 we do here at the Commission.

1           She's in the corner here watching our Business  
2 Meeting. And so that's just been -- summer is always fun.  
3 So, those are my updates.

4           Oh, Toyota, that's right. So, we went to -- the  
5 Chair and I, and also Rob, there was a dialogue with Toyota  
6 on hydrogen, over at the Governor's Office. That was a  
7 couple of weeks ago, actually right before I went to  
8 Western Governors' Association.

9           It was pretty interesting to hear what they are  
10 working on in terms of trying to get fuel cells out on the  
11 road, and commercialized to thinking about getting the  
12 hydrogen fueling stations and infrastructure in place so  
13 that when those cars are here, you know, folks know where  
14 to go and to fuel them up.

15           And it was pretty interesting dialogue. It was  
16 actually at the same time as some of the AB 11  
17 reauthorization -- AB 118 reauthorization was moving and so  
18 we had folks kind of coming in and out of the conversation  
19 a little bit.

20           But it was a nice chance to have a dialogue with  
21 some of the industry leaders, with the Governor's Office  
22 folks, and other folks around our agencies that are working  
23 on these issues.

24           And I don't know if you want to --

25           CHAIRPERSON WEISENMILLER: I was going to say the

1 thing that I thought was interesting was the depth of their  
2 commitment to fuel cells. You know, that again, this is a  
3 company with 750 engineers working on fuel cell technology.

4 Obviously, they've been a real leader on hybrids.  
5 They're sort of down on all-electric, frankly, you know and  
6 they -- but they were always pitching the fuel cells as,  
7 well, you don't have range anxiety. You don't have, you  
8 know, lengthy refueling. You know, so it's sort of  
9 standard, from their perspective, for customers.

10 And, you know, they're actually -- I mean they're  
11 talking about rolling out something in 2015. I guess  
12 they're looking at a -- the *Chronicle* had a story two days  
13 ago indicating it was like \$50,000 is what the target price  
14 is, which is a substantial decrease from the historic  
15 million plus scale for this.

16 And so, but they seem to be really making a  
17 strong effort to move this forward, obviously pushing us on  
18 a refueling station network.

19 But again, I think it certainly helps in the 118  
20 context where the hydrogen has been somewhat controversial,  
21 to see a company of that scale really putting its money  
22 behind the fuel cells, and having such optimism about the  
23 technology.

24 COMMISSIONER MC ALLISTER: All right, I'll just  
25 in line here. I'll be brief. I just want to -- I can't

1 let the opportunity go by without mentioning the AB 758  
2 workshops that we did across the State the week before  
3 last. And we did one in San Francisco, at the PUC. We did  
4 another one the next day in Fresno. And one -- that was  
5 Monday and Tuesday, and then Friday in Los Angeles, all  
6 doing different parts of the Assembly Bill 758 which, as a  
7 reminder, is the comprehensive energy efficiency program  
8 for existing buildings, which we're currently in the throes  
9 of developing an Action Plan for.

10           So, very exciting, potentially humongous impact  
11 on the State, a lot of interesting stuff is in the Action  
12 Plan now and we got, I think, a lot of good feedback from  
13 the stakeholders at each of the workshops. We had a lot of  
14 participation about that, roughly half in the rooms, and  
15 half online, so a lot of good web interaction.

16           And really the organizing principle has been tell  
17 us what you think works. Get the people out there in the  
18 world, in the marketplace doing installations, scoping  
19 projects, hiring contractors to tell us what is likely  
20 going to have the best possibility and probability of  
21 working so that we can actually scale up installations.

22           So, the Commission, I think, is in a good  
23 position to develop some foundational resources,  
24 potentially, and sort of do a bit of a rethink of the  
25 existing program landscape.

1           So that we can make recommendations that are  
2 actionable, that are modernized, that are sort of aware and  
3 take into account the current realities because, you know,  
4 we're in 2013 moving -- this is a long-term effort.

5           And taking a look at how we can really marshal  
6 market forces to get the contractors more business and help  
7 them do good projects that people are happy with both in  
8 the residential, and the commercial, and governmental  
9 spheres. I mean all of those.

10           So, we're just -- just, I guess, FYI, the  
11 schedule now is to take comment. Here in the next few days  
12 we'll get much of the public comment, written comments, and  
13 then update the -- staff will be updating the draft to move  
14 it towards final.

15           And, yeah, so still some lifting to do, but I  
16 think it's great to be at a certain milestone in this  
17 process.

18           Because it's a -- I think it's a big  
19 responsibility for us, has a lot of potential upside for  
20 the State. And so, really, we're taking it very, very  
21 seriously.

22           And I want to thank staff, Christine Collopy, and  
23 Dave Ashuckian, and their teams for pushing this forward.

24           The other thing I wanted to mention is just this  
25 week, on Monday, I made a presentation at the Major

1 Economies Forum, which was hosting -- Berkeley Labs was  
2 hosting them.

3 And the Major Economies Forum was actually  
4 mentioned in the materials associated with President  
5 Obama's recent climate speech. And it's the 17 largest  
6 economies in the world that are coming together.

7 And then the energy realm, it's a ministerial  
8 process, essentially, and in the energy realm the number  
9 one priority is existing building upgrades.

10 So, I obviously talked about Assembly Bill 758.  
11 Lots of interest, you know, from the UK, from Australia,  
12 from the EU, you know, all over about what we're doing and  
13 trying -- you know, learning what we're doing. And there's  
14 some interesting stuff going on across the world in this  
15 realm.

16 So, I think it's sort of an activity whose time  
17 has come, in some ways, but also we're all struggling with  
18 similar, you know, market barriers and other barriers that  
19 sort of inhibit the process and we're trying to figure out  
20 how to solve those.

21 So, anyway, it's a good -- it's being -- the  
22 chair of this working group, the Major Economies Forum, is  
23 a high-level official at DOE, and so it's nice to sort of  
24 be working directly with the Federal government to help  
25 shape that effort because I think it also could have a big

1 impact beyond California.

2           So, again, it sort of raises the importance of  
3 what we're doing here in the State because people across  
4 the U.S. and now further afield are looking at what we're  
5 doing to try to learn from it.

6           So, again, sort of the leadership roles get --

7           CHAIRPERSON WEISENMILLER: You can --

8           COMMISSIONER MC ALLISTER: Yeah. Oh, my gosh,  
9 we've had so many workshops on the IEPR, a very robust  
10 record looking at nuclear issues. I can't remember which  
11 ones we've had since the last Business Meeting.

12           But we have, actually -- right, we had a joint  
13 one with Transportation, which was terrific. And really,  
14 all around I've been extremely impressed.

15           Also, the Natural Gas Forecast and, you know, I  
16 think all around the workshops have just been really well  
17 put together and with excellent stakeholder input, really  
18 high-level discussions.

19           Some of them get very specialized but I think  
20 we're striking a good balance between not getting overly  
21 specialized. I mean remaining accessible but still getting  
22 to some of the core issues.

23           And I'll just mention this coming Monday, down in  
24 L.A. we're having an infrastructure workshop, which I think  
25 is shaping up to be one with quite a bit of gravitas given

22

1 that the SONGS is now coming back, we know.

2 And the infrastructure questions about, you know,  
3 what the grid needs to look like going forward. And I  
4 think there's lots of interest, we're going to have a good  
5 stakeholder, good public input in that.

6 And many, and representatives -- it's a joint  
7 workshop with the PUC so we'll have at least a couple of  
8 PUC Commissioners on the dais.

9 And also, Mary Nichols from ARB will be there.  
10 So, we're looking forward to a really very substantive  
11 discussion on Monday.

12 And I guess the last thing is as I see my plate  
13 actually get a little fuller lately, which I mean I'm all  
14 for hard work so it's all good.

15 But the Proposition 39 now is moving forward and  
16 we -- the way the budget negotiations came out at the end  
17 really puts the Energy Commission in lead agency role for  
18 developing the guidelines and framing that, getting the  
19 process rolling, working across agencies to make sure that  
20 the program -- that the funds are -- well, that the  
21 projects that are proposed for use of those funds are good  
22 projects that are well-scoped, and that the projects are  
23 actually done and there's accountability at the school  
24 level.

25 But now balance that with sort of process

1 intensity, so make it accessible to schools, particularly  
2 the small and medium schools that may not have the  
3 resources to really, you know, invest in a very deep sort  
4 of investment-grade audit beforehand.

5           So I think working through that with the  
6 agencies, the Department of Education, well, there's a  
7 number of agencies involved, and together with the  
8 Governor's Office.

9           And really we've got to give kudos to Rob, and  
10 Drew, and the executive office, and staff in the Special  
11 Projects Office and Efficiency and Renewables because  
12 they're all working very hard to get this done.

13           A lot of visibility on this so we're trying to  
14 move it forward as quickly as possible, get the money out  
15 as soon as feasible.

16           And, luckily, the Legislature granted us a  
17 guidelines process so it's not the full regs development.  
18 So, we want to really utilize that opportunity to get this  
19 moved forward quickly so that sometime in the first part of  
20 next year we can start giving the green light to get the  
21 money out to the schools who need it.

22           So, high priority effort there to, so push some  
23 stuff over on the plate so we can fit that on there, but  
24 definitely high priority.

25           CHAIRPERSON WEISENMILLER: Yeah, and I was going

1 to say to some extent we've been tag-teaming it between the  
2 IEPR, the 758, and I attended at least the San Francisco  
3 and L.A. portions, missed Fresno but, you know, certainly  
4 had a lot of pieces, and the Prop 39 stuff.

5 And, actually, I think we're all excited that the  
6 Legislature had the confidence to give us the Prop 39  
7 assignment. Which is all of us who have lived and survived  
8 ARRA know that it's not going to be easy, and it's really  
9 going to require a lot of attention up front setting it up  
10 to make it doable going forward.

11 Also, I was going to say I also have an intern  
12 this summer, too, so we're in good shape.

13 COMMISSIONER DOUGLAS: So, I've just got a brief  
14 report as well. I've spent quite a bit of time traveling  
15 the last couple of weeks on renewable energy and local  
16 government planning outreach.

17 I went to Los Angeles County and met with some of  
18 their planning staff, and had some meetings in the Antelope  
19 Valley, as well.

20 The Antelope Valley is where the utility-scale  
21 renewable energy development occurs in Los Angeles County.

22 I also have gone to San Bernardino County, had a  
23 brief meeting with some of the Riverside County staff.

24 And went to Imperial County and met not only with  
25 the county staff, but also with Imperial Irrigation

1 District staff.

2           Again, kind of really focused on, for most of  
3 these counties, the implementation of planning grants that  
4 they got from the Energy Commission, all but Riverside got  
5 planning grants. So, some of their plans, for how they're  
6 thinking about scoping those grants, how they work with the  
7 DRECP and will help us coordinate on the DRECP. Those are  
8 some of the topics we talked about.

9           I also spent quite a bit of time in Imperial just  
10 kind of talking about and learning more about the Salton  
11 Sea. It's an issue I've worked on in the past, prior to  
12 coming to the Energy Commission and it's very much an issue  
13 at the forefront of some of our thinking now.

14           Both because that area is a very good area for  
15 renewable energy development and also because of concerns  
16 about the impacts of lowering water levels in the Salton  
17 Sea and some of the environmental consequences that will  
18 come from that in the absence of some expenditures on  
19 reducing dust, emissivity from the sea bed, and creating  
20 wetlands and other key habitats, and just making sure those  
21 habitats aren't lost for migratory birds, in particular.

22           California's lost over 90 percent of its wetlands  
23 and the Salton Sea has become, almost by default and  
24 certainly not as a result of anyone's plan, a very critical  
25 stopping point for birds on the Pacific flyway.

1           So, it was a really interesting, something of a  
2 whirlwind sent of tours, but I'm looking forward to  
3 continuing to do more of that outreach. I also had an  
4 opportunity to participate in the legislative hearing on  
5 the Salton Sea that was convened by Senator Hueso through a  
6 Select Committee for Energy Independence.

7           CHAIRPERSON WEISENMILLER: Chief Counsel's  
8 report.

9           CHIEF COUNSEL LEVY: Good afternoon  
10 Commissioners. I have three items for you.

11           First of all, I'd like to publicly congratulate  
12 Alana Mathews, formerly from our office, who was recently  
13 appointed by the Governor to be the new Public Adviser for  
14 the Commission.

15           A huge loss to the Chief Counsel's Office,  
16 however, a new, very solid partner for the Energy  
17 Commission, and so we're delighted for her achievement and  
18 her appointment.

19           The second thing I'd like to do is I'd like to  
20 introduce to you our three legal interns who are here this  
21 summer that you may be seeing. I'll ask them to stand up.

22           First is Ben Bartlett. Ben is a UC Hastings,  
23 College of the Law, a third year this fall. He's on the  
24 Dean's List, he's class president. He has a bachelor of  
25 arts and government from Colby College, in Maine, where he

1 graduated cum laude.

2 He is currently the Vice-Chair of the Zero Waste  
3 Commission in the City of Berkeley. He did an internship  
4 at the Air Resources Board.

5 He was field director for Obama for America in  
6 Minnesota and North Dakota.

7 And I'm not sure if this is perhaps useful to  
8 Lori or Adam, but in a prior life he was casting producer  
9 for NBC, where he evaluated contestants for reality TV  
10 shows, like Survivor, American Gladiators and Amazing Race.

11 Ben's focus for us so far has been examining the  
12 effects of proposed legislation in a variety of trailer  
13 bills.

14 Kyle Jones is a Pacific McGeorge School of Law,  
15 third year this fall. He's in the top third of his class.  
16 He has a bachelor of arts in philosophy, logic and science  
17 from Cal State Sacramento, where he graduated cum laude.

18 His professional experience includes as a  
19 business manager at Macy's. And community involvement  
20 includes service on the campaign of Phil Serna for county  
21 supervisor.

22 For us, this summer, he's so far been analyzing a  
23 variety of new CEQA cases for our siting staff.

24 And third we have Sophie Tornatore, who's  
25 starting her second year this fall at UC Davis King Hall.

1           She is a staff editor of *Environmental Law and*  
2 *Policy Journal*. She's got a bachelor in political science  
3 and international relations from UC Davis, where she's on  
4 the Dean's List.

5           Her professional experience includes political  
6 funding with Site Chick HQ and environmental consulting  
7 with TSS Consultants.

8           And so far she's been working on litigation  
9 research for us, including a variety of points of civil  
10 procedure.

11           So, please welcome them to the Commission.

12           COMMISSIONER MC ALLISTER: Thanks a lot Michael,  
13 that's terrific.

14           CHAIRPERSON WEISENMILLER: Thank you. Certainly  
15 welcome.

16           (Applause)

17           CHIEF COUNSEL LEVY: I'll also, as well, extend  
18 my welcome to Arianna Clark, who's Commissioner Scott's  
19 intern, who's here as well, who I know through McClatchy.

20           Finally, Commissioners, I'd like to request a  
21 brief closed session to discuss whether facts and  
22 circumstances exist that may warrant the initiation of  
23 litigation.

24           CHAIRPERSON WEISENMILLER: Okay, we'll go take a  
25 recess after we do the Items 9 and 10.

1           So, let's go to Executive Director's Report.

2           EXECUTIVE DIRECTOR OGLESBY: Thank you, Mr.  
3 Chairman. Let me continue the trend by starting with a  
4 couple of introductions and then I want to move to a quick  
5 overview of the high points on the State budget.

6           But first, it's my very great pleasure to  
7 announce the Governor's appointment of Lori Sinsley as a  
8 Deputy Executive Director for Strategic Planning and Media.

9           Lori joins our staff after extensive experience  
10 in the private sector, as well as the NGO sector in public  
11 relations work and is a great augmentation to our  
12 resources. It will help us get the word out of our mission  
13 and become more effective in what we do.

14           So, with that I'm very grateful to have her agree  
15 to join us in this capacity.

16           (Applause)

17           EXECUTIVE DIRECTOR OGLESBY: I'm equally pleased  
18 to announce the appointment of Kourtney Vaccaro as our  
19 Assistant Executive Director for Consumer Assistance and  
20 Enforcement.

21           Many of you know Kourtney in her previous role.  
22 She's been with the Hearing Office of the Energy  
23 Commission, where she did a fine job as an attorney.

24           But she also has brought considerable enforcement  
25 experience with her. She did enforcement for the Fair

1 Political Practices Commission and also has private sector  
2 experience.

3           This position was created with the recognition  
4 that we have enforcement activities being undertaken in  
5 multiple divisions and some significant augmentations to  
6 our duties to enforce, which include oversight  
7 responsibilities related to the Renewable Portfolio  
8 Standard requirements, which you've recently adopted  
9 regulations to implement, in particular, working with the  
10 publicly-owned utilities.

11           But we also have existing enforcement duties  
12 related to consumer products, which was augmented by recent  
13 legislation.

14           And then, of course, we have long-standing  
15 compliance obligation oversight for power plants.

16           So, with all of these activities going on in  
17 multiple divisions it seemed to make sense to have some  
18 central leadership in the Executive Office. And for that  
19 I'm grateful that Kourtney has agreed to bring her  
20 extensive and very competent background to us and join our  
21 team.

22           (Applause)

23           COMMISSIONER MC ALLISTER: Rob, I want to just  
24 make a quick comment, as well. I think that was a great  
25 call to have a cross-cutting resource to really highlight

1 enforcement as an activity, an autonomous activity that  
2 affects across the agency.

3           Also, just want to welcome Kourtney, as well.  
4 Because I mean I think we all -- at least the three of us  
5 worked with her when she was here before and were very  
6 impressed, and happy to have her back, so thanks.

7           EXECUTIVE DIRECTOR OGLESBY: Great, thank you.

8           COMMISSIONER DOUGLAS: I know that Mike has  
9 mentioned the Public Adviser, but why don't we do a --

10          EXECUTIVE DIRECTOR OGLESBY: Well, Alana?

11          COMMISSIONER DOUGLAS: Yes.

12          EXECUTIVE DIRECTOR OGLESBY: Well, Mike kind of  
13 covered the introduction on that, but now that she's in the  
14 room --

15                 (Laughter)

16          EXECUTIVE DIRECTOR OGLESBY: Because she was not  
17 here when Mike introduced her -- recognized her  
18 appointment. But we are also very lucky to have the  
19 Governor appoint Alana Mathews to our Public Adviser  
20 position.

21                 And she's in the room now. If you'd like to  
22 stand?

23                 (Applause)

24          EXECUTIVE DIRECTOR OGLESBY: Okay, thank you.

25 Let me now, if I can, move on to just a couple of comments

1 on the budget. The last time I appeared before you the  
2 budget had yet to be enacted by the Governor. He's now  
3 signed the budget and most of the trailer bills. There's a  
4 few clean-up items that remain to be taken care of.

5 But I think first and foremost is, I'm happy to  
6 announce, is that the current budget supports the EPIC  
7 Program, which we're developing and rolling out.

8 So, in this budget we include 58.5 permanent full  
9 time positions to support our activity to implement the  
10 EPIC Program, which is \$182.4 million in this next fiscal  
11 year.

12 I think it's important to recognize that while we  
13 are getting this augmentation of staff of over 58  
14 positions, it comes with a ramp down of our existing PIER  
15 Program. And there's some overlap in the administration of  
16 the two programs. The PIER Program still has active work  
17 to go out the door and existing contracts to be followed  
18 through until their completion.

19 But at the end of the day, the EPIC Program will  
20 actually have fewer positions assigned to it than the PIER  
21 Program does, so we will actually have a net reduction in  
22 staff.

23 But I wanted to mention that because on its face  
24 you see this tremendous addition to our program. And we  
25 also are, at the same time and as part of this budget,

1 ramping down the PIER Program. And at the end of the day  
2 we end up a little leaner than we did when we began.

3 Commissioner McAllister spent some time  
4 describing the Prop 39 in the budget and what happened in  
5 that, but I guess I would augment that a little bit to say  
6 that we also have authority to hire eight folks to help  
7 implement that program.

8 Of course, we'll be using some of our existing  
9 resources to help support the development of that program  
10 and drawing on the expertise from our Efficiency Division  
11 as well in developing those guidelines, and then having  
12 full time staff to run the program once it's launched.

13 I think it's -- I should also mention that we  
14 gained \$28 million to the existing ECAA Program, which is  
15 one of our flagship programs. It has a great track record  
16 for finding very low-cost loans, so that we have a \$28  
17 million infusion for that, as well as part of the budget.

18 I guess in closing -- well, there's one other --  
19 I don't want to get too down into the weeds, but I will say  
20 that we are re-tasking some surplus funds that were left  
21 over from the Petroleum Violation Escrow account, which is  
22 to provide \$2.4 million to update our Appliance Efficiency  
23 Database, which was sorely needed to deal with our  
24 additional duties.

25 So, we're grateful to have that resource to be

1 able to update our capabilities in that area.

2 And, finally, the budget included a \$10 million  
3 transfer from ERPA, which is our main fund, to the  
4 Treasurer's Office to provide a loan loss reserve fund to  
5 support energy efficiency through a PACE Program, which  
6 will be under and developed in the Treasurer's Office.

7 So, we're grateful to have -- to see if that seed  
8 money can be used to create a successful PACE Program.

9 Thank you.

10 CHAIRPERSON WEISENMILLER: Okay, thank you.

11 Public Adviser's Report.

12 MS. MATHEWS: Good afternoon. So, I understand  
13 that traditionally there's not a lot that the Public  
14 Adviser reports on.

15 However, I would like to use this opportunity to  
16 highlight what the Commission is doing to make our process  
17 more accessible to the public.

18 So, I don't have a lot, but I do know in the week  
19 that I've been in my position I have seen more robust  
20 efforts to reach out to members of the public in different  
21 languages that the Commission has been doing. And I think  
22 it's worth mentioning that and the Public Adviser's Office  
23 is happy to support that. And that's it.

24 CHAIRPERSON WEISENMILLER: Thank you.

25 Is there any public comment?

1           Okay, so we will recess now to Closed Session.  
2           (Recess into Closed Session at 2:18 p.m.)  
3           (Reconvene Public Session at 2:24 p.m.)  
4           CHAIRPERSON WEISENMILLER: We are adjourned.  
5           (Whereupon, at 2:24 p.m., the Business  
6           Meeting was adjourned.)

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