

Commissioners Present

Robert B. Weisenmiller, Chair
Karen Douglas
David Hochschild
Janea Scott

Staff Present:

Rob Oglesby, Executive Director
Michael Levy, Chief Counsel
Kevin Bell, Senior Staff Counsel
Blake Roberts, Public Advisor's Office
Dr. James Reade, Jr., Project Manager, e-Filing/
e-Commenting system

	<u>Item No.</u>
Mary Dyas	3
Dale Rundquist	4
Eric Veerkamp	5
Laurie ten Hope	6
Rachel Salazar	7
Martha Brook	8, 9, 10
Suzanne Korosec	11
Gabe Herrera	11
Randy Roesser	12
Lauren Greenwood	13
Juan Garcia	14

Also Present (* Via WebEx/Phone)

Interested Parties

Jeffrey Harris, Esq., Ellison, Schneider, Harris
Samantha Pottenger, Esq., Ellison, Schneider, Harris
*Trey Bassett, Mojave Solar, LLC
Scott Galati, Esq., Galati & Blek
Ed Warner, Plant Manager, Colusa Generating Station
Troy Young, U.C. Davis

Public Comment

Jim Hawley, Bidgley
Peter Gibson, LG Chem
Daniel Malarkey, lEnergy Systems
Nick Jimenez, NRDC
Hellan Roth Dowden, Nexus eWater

Public Comment (Continued)

Robert Wichert, Engineer, Energy Modeler, Citrus Heights
Keane Sommers, NID

Susie Berlin, Northern California Power Agency and
MSR Public Power Agency

Diane Fellman, NRG Energy

Manuel Alvarez, Southern California Edison (SCE)

Tim Tutt, Sacramento Municipal Utilities District (SMUD)

Valerie Winn, Pacific Gas and Electric Company (PG&E)

Tim Carmichael, CA Natural Gas Vehicle Coalition

Bonnie Holmes-Gen, American Lung Association

*Anna Lowe, SANDAG

David Rocha, West Coast Bus Sales, representing
Tiffany Coachworks

*James Michon, Ford Motor Co.

Ed Crawford, Isuzu

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P R O C E E D I N G S

APRIL 22, 2014 9:05 a.m.

CHAIRMAN WEISENMILLER: Good morning.

Let's start the Business Meeting with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: Okay, we're going to hold Item 2. And we'll note that today is Earth Day. I'm going to read a statement when we get to the Commissioner report part. So with that, let's start with the Consent Calendar.

COMMISSIONER SCOTT: I move item 1.

COMMISSIONER HOCHSCHILD: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.) Item 1 passes 3-0.

CHAIRMAN WEISENMILLER: So, as I said, there's no Item 2, so let's go to Item 3. This is the Pastoria Energy Facility, 99-AFC-7C. And Mary Dyas, please.

MS. DYAS: Good morning, Commissioners. My name is Mary Dyas. I'm the Compliance Project Manager for the Pastoria Energy Facility Project. With me this morning is Kevin Bell, Senior Staff

1 Counsel, and technical staff is also available in
2 attendance to answer questions.

3 The Pastoria Energy Facility Project is a
4 750 megawatt combined-cycle power plant located
5 approximately 30 miles south of the City of
6 Bakersfield in Kern County. The project was
7 certified by the Energy Commission in December
8 2000, and began commercial operation in January
9 2003.

10 On September 27, 2013, Pastoria Energy
11 Facility, LLC filed a petition with the Energy
12 Commission to amend Condition of Certification
13 AQ-16 to eliminate the carbon monoxide one-hour
14 concentration limit of 25 ppm that becomes
15 effective two hours after a start-up.

16 Condition of Certification AQ-16 requires
17 that by two hours after a turbine start-up,
18 combustion turbine generator exhaust emissions
19 shall not exceed 25 ppm. This condition was
20 implemented to satisfy San Joaquin Valley Air
21 Pollution Control District Rule 4703.

22 However, the rule states that an owner or
23 operator may submit an application for a permit
24 to operate condition to allow more than the
25 duration of time specified for each transitional

1 period for reviewing a program by the Energy
2 Commission, the District, and the EPA.

3 Pastoria Energy Facility has indicated
4 that under cold ambient air start-up conditions,
5 low load carbon monoxide emissions are higher
6 than expected, and the emission controls take
7 longer than expected to reach full efficiency.
8 Therefore, Carbon Monoxide emissions during some
9 cold start-ups are higher and are elevated longer
10 than the two hours anticipated in the final
11 decision.

12 As a result, the turbine cannot
13 consistently comply with District Rule 4703.
14 There have been no exceedances of this
15 concentration limit because historically the
16 facility would abort start-up operations if
17 concentrations approached District Rule 4703
18 emission limits. However, the facility's new
19 Power Purchase Agreement does not allow the same
20 flexibility, which has resulted in the proposed
21 change.

22 An Application for Permit Amendment to
23 remove the carbon monoxide concentration limit in
24 AQ-16 was filed with the District on April 15,
25 2013. The District issued an authority to

1 construct permit August 20, 2013, demonstrating
2 that the proposed change complies with all
3 applicable laws, ordinances, regulations and
4 standards. This authority to construct permit
5 would become applicable only if the Energy
6 Commission approves this amendment request.

7 Eliminating the carbon monoxide one-hour
8 concentration limit of 25 ppm in Condition of
9 Certification AQ-16 does not alter any existing
10 best available control technology, hourly, daily,
11 or annual emission limits. Existing Conditions
12 of Certification limiting hourly, daily, and
13 annual carbon monoxide emissions keep the project
14 in compliance with applicable laws, ordinances,
15 regulations, and standards.

16 A Notice of Receipt for this Petition to
17 Amend was mailed to the Pastoria Energy Facility
18 post-certification mail list, docketed, and
19 posted to the Web on December 9, 2013.

20 Staff's analysis of the Petition to Amend
21 was docketed and posted to the Web on November 25,
22 2013.

23 The Public Comment Period on staff's
24 analysis ended on December 25, 2013, and no
25 comments have been received.

1 Energy Commission staff reviewed the
2 Petition and finds that it complies with the
3 requirements of Title 20, Section 1769A of the
4 California Code of Regulations.

5 It is staff's opinion that with the
6 implementation of revised Condition of
7 Certification AQ-16, the project will remain in
8 compliance with all applicable laws, ordinances,
9 regulations, and standards and that the proposed
10 modifications will not result in any significant
11 adverse direct or cumulative impact to the
12 environment.

13 The requested modification would not
14 change any hourly, daily, or annual emission
15 limits and would not cause any significant
16 impacts to the ambient air quality standards.

17 Staff recommends approval of Pastoria
18 Energy Facility's Petition to Amend Condition of
19 Certification AQ-16.

20 CHAIRMAN WEISENMILLER: Okay, Applicant?

21 MR. HARRIS: Good morning. Jeff Harris
22 and Samantha Pottenger on behalf of the
23 Applicant. Greg Wheatland is in transit and may
24 be a victim of the Fix50, so he asked me to sit
25 in for him today. Barbara McBride with Calpine

1 is also on the phone, among other folks with
2 Calpine on the phone, who were smart enough not
3 to drive in today, as well.

4 We're here mostly just to answer any
5 questions and to thank the staff for their work
6 on this amendment. We have no substantive
7 comments and would make ourselves available to
8 answer any questions you might have.

9 CHAIRMAN WEISENMILLER: Okay, thank you.
10 Commissioners, any questions or comments? A
11 motion?

12 COMMISSIONER SCOTT: I will move Item 3.

13 COMMISSIONER HOCHSCHILD: Second.

14 CHAIRMAN WEISENMILLER: All those in
15 favor?

16 (Ayes.) Item 3 passes 3-0. Thank you.

17 CHAIRMAN WEISENMILLER: Let's go on to
18 Item 4, which is Abengoa Mojave Solar Project,
19 09-AFC-5C. And this is also proposed amendments.
20 Dale Rundquist, please.

21 MR. RUNDQUIST: Good morning,
22 Commissioners. My name is Dale Rundquist and I
23 am the Compliance Project Manager for the Abengoa
24 Solar Power Project. With me this morning is
25 Kevin Bell, Senior Staff Counsel and Technical

1 staff from Air Quality. Also present in the
2 room, as well as on the telephone are
3 representatives from Mojave Solar, LLC, the owner
4 of Abengoa Mojave Solar Power Project.

5 The Abengoa Mojave Solar Power Project
6 was certified by the Energy Commission on
7 September 8, 2010. Construction is currently 90
8 percent complete and the project is expected to
9 be operational on July 7, 2014. It is a 250
10 megawatt project located near the town of
11 Hinkley, approximately 20 miles northwest of the
12 City of Barstow in San Bernardino County,
13 California.

14 On October 29, 2013, Mojave Solar, LLC
15 filed a Revised Petition with the California
16 Energy Commission, requesting to amend the
17 project description in the Final Decision for the
18 Abengoa Mojave Solar Power Project. A
19 Modification to Propose and a Revised Petition to
20 Amend would update the Alpha and Beta Power
21 Blocks' general arrangements to accommodate
22 changes in equipment; replace the existing low
23 boilers, and high boilers' cleaning distillation
24 Volatile Organic Compounds, or VOC control system
25 with a scrubbing and carbon absorption VOC

1 system; update the two vertical heat transfer
2 fluids storage tank condensers on the vent stacks
3 with a scrubber on the vent stream for each
4 plant; reduce the number of vertical expansion
5 vessels from five to four per Power Block;
6 replace the Tier 2 emergency generators with two
7 smaller Tier 2 Units; reduce the Tier 2 Emergency
8 Generator stack heights from a minimum of 60 feet
9 to a minimum of 30 feet above ground level, and
10 reduce the fire pump stack height from a minimum
11 of 60 feet to a minimum of 20 feet above ground
12 level; remove the operational testing restriction
13 of one emergency engine per hour to allow the
14 simultaneous testing of all emergency equipment
15 and replace the two 2/3 fire pump engines with
16 two larger 2/3 engines.

17 The Revised Petition also requested
18 deletion of Air Quality Conditions of
19 Certification AQ1 through AQ8.

20 Energy Commission staff approved a prior
21 request to replace two natural gas-fired
22 auxiliary boilers with two electric heaters.
23 These eight Conditions of Certification were
24 required for the gas-fired boilers and are no
25 longer necessary.

1 Energy Commission staff reviewed the
2 Revised Petition and assessed the impacts of this
3 proposal on an environmental quality and on
4 public health and safety. In the staff analysis,
5 staff proposes changes to Air Quality Conditions
6 of Certification AQ-10, 11, 12, 33, 38, 44, 47,
7 and AQ-50 through AQ-59.

8 Staff also proposes new Air Quality
9 Conditions of Certification AQ-29A, AQ-40A, and
10 AQ-60 through AQ-74 to accommodate the new
11 equipment.

12 Staff also recommends the deletion of AQ1
13 through 8 as they are no longer necessary due to
14 the elimination of the two natural gas-fired
15 auxiliary boilers.

16 Staff also proposes to delete Conditions
17 of Certification AQ-13 through AQ-15 and AQ-17
18 through AQ-20 since they are no longer needed due
19 to the proposed change to the scrubbing and
20 carbon absorption VOC control system.

21 AQ-37 and AQ-46 would be deleted because
22 of the proposal to allow the simultaneous testing
23 of all emergency equipment.

24 It is staff's opinion that with the
25 implementation of these new revised and deleted

1 conditions, the project would remain in
2 compliance with all applicable laws, ordinances,
3 regulations, and standards, and the proposed
4 changes would not result in any significant
5 adverse, direct, indirect, or cumulative impacts
6 to the environment. Staff believes the changes
7 would be beneficial because overall potential
8 emissions from the project analyzed in the Final
9 Decision would decrease as a result of the
10 proposed modifications, and the changes would not
11 result in any other adverse environmental risks
12 to the public health.

13 The Notice of Receipt was mailed to the
14 Post-Certification mailing list and affected
15 public agencies, docketed and posted on the
16 Energy Commission website on December 18, 2013.

17 Staff's analysis of the Petition was
18 mailed to interested parties, docketed and posted
19 to the Web on March 21, 2014. There were no
20 public comments received.

21 On April 7, 2014, staff received an email
22 from the Mojave Desert Air Quality Management
23 District, or MDAQMD, stating that they had
24 received a request from Abengoa to revise the
25 manufacturer of the above-ground fuel tank to be

1 installed at this project. MDAQMD states that it
2 does not object to the request or the proposed
3 system and will revise the gasoline dispensing
4 permit conditions pursuant to the Applicant's
5 request. Staff published an Errata to the Air
6 Quality Analysis on April 15, 2014.

7 These revisions are administrative in
8 nature and will not affect emissions, nor will
9 the facility operate contrary to any district,
10 state, or federal rules and regulations.

11 On Monday, April 21, 2014, Mojave Solar,
12 LLC notified the Energy Commission that MDAQMD
13 had issued permits and that AQ-12 and AQ-62
14 should reflect the applicable permit numbers in
15 the Final Commission Order. These two
16 conditions, as well as AQ-63, reflect the
17 applicable permit numbers. The Final Commission
18 Order you have before you include all the above.

19 Energy Commission staff reviewed the
20 Petition and finds that it complies with the
21 requirements of Title 20, Section 1769A of the
22 California Code of Regulations, and recommends
23 approval of the project modifications and the
24 associated revisions, additions, and deletions of
25 the Air Quality Conditions of Certification based

1 upon staff's findings and subject to the Revised
2 Conditions of Certification. Thank you.

3 CHAIRMAN WEISENMILLER: Thank you.
4 Applicant?

5 MS. POTTENGER: Good morning,
6 Commissioners. My name is Samantha Pottenger on
7 behalf of Mojave Solar. We would like to thank
8 Mr. Rundquist and the rest of CEC staff for their
9 hard work on this Petition and recommendation of
10 approval. I have nothing else to add. If you
11 have any questions, I would be happy to answer
12 them. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you. I
14 believe we have someone on the line?

15 MS. POTTENGER: Yes, that is Trey Bassett
16 with Mojave Solar.

17 CHAIRMAN WEISENMILLER: Oh, good. Mr.
18 Bassett, anything you want to say?

19 MR. BASSETT: No, thank you. Thank you
20 for your time and for Dale Rundquist's time.
21 Thanks.

22 CHAIRMAN WEISENMILLER: Great, thanks.
23 Commissioners, any questions or comments?

24 COMMISSIONER DOUGLAS: Well, this is
25 Commissioner Douglas. I did just miss the

1 presentation and discussion, but I have reviewed
2 the proposal.

3 MR. RUNDQUIST: It was a good one.

4 COMMISSIONER DOUGLAS: I'm sure it was.
5 I'm sure if I had one to miss, it shouldn't have
6 been this one. But I have reviewed this proposal
7 and I recommend it for approval.

8 If there are no other questions, I'll
9 move approval of this item.

10 COMMISSIONER SCOTT: Second.

11 CHAIRMAN WEISENMILLER: All those in
12 favor?

13 (Ayes.) This item passes 4-0.

14 MR. RUNDQUIST: Thank you.

15 CHAIRMAN WEISENMILLER: Thank you. Let's
16 go on to Item 5, which is Colusa Generating
17 Station, 06-AFC-9C. And this will be Eric
18 Veerkamp.

19 MR. VEERKAMP: Good morning,
20 Commissioners. My name is Eric Veerkamp and I'm
21 the Compliance Project Manager for the Colusa
22 Generating Station. With me this morning is
23 Gerry Bemis, representing our Air Quality staff.
24 Also present is Mary Lou Taylor representing Soil
25 and Water staff. And present representing the

1 project are Scott Galati -- I'm sorry, Ed Warner,
2 he's the plant manager at Colusa, and we have
3 Scott Galati with us, too.

4 The Colusa Generating Station is a
5 combined cycle natural gas-fired air-cooled 660
6 megawatt electricity generating facility
7 certified by the Commission in its decision on
8 April 23, 2008.

9 The facility is located in an
10 unincorporated area of Colusa County, California,
11 approximately six miles north of the community of
12 Maxwell, four miles west of Interstate 5. The
13 Colusa Generating Station began commercial
14 operation on December 22nd of 2010.

15 On March 14th of this year, Pacific Gas
16 and Electric Company filed a petition with the
17 California Energy Commission requesting to alter
18 the final decision for the CGS to modify
19 Conditions of Certification to allow the Colusa
20 Generating Station to obtain project water from
21 sources other than the Tehama-Colusa Canal. PG&E
22 has petitioned the Energy Commission to allow
23 water to be drawn directly from the Glenn Colusa
24 Irrigation District, or the GCID Canal, and
25 trucked approximately one mile to the project

1 site via water trucks. The changes necessitated
2 by drought-related water supply reductions,
3 preventing Colusa from continuing to receive
4 project water via the Tehama-Colusa Canal.

5 Energy Commission staff has reviewed the
6 Petition to Amend and have assessed impacts on
7 environmental quality, public health and safety,
8 and proposes a modified Condition of
9 Certification for Soil and Water S&W-8, which
10 would include language allowing the CGS the
11 flexibility to get their water from a source
12 other than Tehama-Colusa -- as it's worded now,
13 it's very strict, that's the sole source that
14 they can obtain their water -- and New Conditions
15 of Certification for Soil and Water S&W-11, which
16 would require them to provide their water
17 contract to us; and for Air Quality Staff
18 Condition 12, which would ensure compliance with
19 Tier 3 air quality standards for all diesel
20 equipment.

21 It is staff's opinion that with the
22 implementation of the new and revised conditions,
23 the project will remain in compliance with
24 applicable laws, ordinances, regulations and
25 standards, and that the proposed modifications

1 will not result in a significant adverse, direct,
2 or cumulative impact to the environment.

3 The staff analysis was completed and e-
4 filed through the Energy Commission's electronic
5 filing system on Tuesday, April 8th of this year.
6 The Public Review Period will expire on Monday --
7 it expired yesterday -- and no comments were
8 received by the Commission.

9 That concludes my presentation and I'd be
10 happy to take any questions you might have.

11 CHAIRMAN WEISENMILLER: Thank you.

12 Applicant?

13 MR. GALATI: Scott Galati representing
14 PG&E.

15 MR. WARNER: Ed Warner representing PG&E.
16 I'd just like to thank Mr. Veerkamp for working
17 with us on this amendment, especially since it
18 arrived to us in such short notice. We
19 appreciate staff's time and help with this.

20 MR. GALATI: A couple other things I'd
21 like the Commission to make sure that you're
22 aware of is it's the same water that we'd be
23 using, it just changes the delivery system. It
24 also is the same delivery system that was used
25 during construction while the pipeline was being

1 built to Tehama-Colusa Canal, and it would only
2 be used during those emergency times when the
3 GCID doesn't get enough water allocated to get in
4 the Tehama-Colusa Canal, will take it out of the
5 other canal.

6 MR. VEERKAMP: Scott, excuse me, I
7 understand as of 4:30 yesterday afternoon there
8 was some new information. Would you mind just
9 mentioning that for --

10 MR. WARNER: Yeah, we received notice
11 from GCID yesterday afternoon that they are going
12 to be able to supply us the allotment of water.
13 They received 75 percent allocation from the
14 Bureau of Reclamation and they are going to be
15 able to use the TCCA Canal this summer to
16 deliver. So this truly would just be a back-up
17 amendment for us, a back-up source. We hopefully
18 will not have to use it this summer, but if the
19 drought conditions continue into next year, we
20 definitely could be into this and we also have
21 been working with staff and we are going to be
22 submitting an amendment for a permanent pipeline
23 from the GCID Canal to the plant.

24 COMMISSIONER DOUGLAS: I'll just briefly
25 comment, that's very good news and it's good to

1 hear that your water supply is in good shape for
2 this year. You know, because of the drought, we
3 have been in the process of trying to ensure that
4 power plants, if they do need back-up plans or
5 emergency plans to ensure that they can get water
6 from a different source, or convey water a
7 different way to the facility due to drought
8 conditions, that they're able to do that. And
9 sometimes that does require an amendment, as in
10 this case where the license was very specific
11 about where the water should come from.

12 At the same time, as Mr. Galati noted,
13 the proposal here was analyzed as part of the
14 initial decision, it was in use for some time as
15 a way the projects did get water. I think it's
16 important that we take action and provide this
17 additional flexibility because, as was noted,
18 while it is very good news, that the allotment
19 was sufficient for the Colusa Power Plant to get
20 its water this year. You know, we're all hoping
21 for a wet winter, but should these conditions
22 continue, we are going to need these kinds of
23 contingencies in place. So I strongly recommend
24 this for approval. I'll see if there are any
25 other questions, as well.

1 I will move approval of Item 5 and then
2 we'll see --

3 CHAIRMAN WEISENMILLER: Let me ask one
4 question, which is what is the plan status now in
5 terms of availability?

6 MR. WARNER: The plan status right now is
7 we have two major equipment malfunctions that
8 we're working on, the CT-1 Generator Step-Up
9 Transformer has been replaced. They are in final
10 hook-up and they'll be testing it next week. And
11 then the steam turbine generator is going through
12 a complete state of rewind. It will be available
13 the first week of June. CT-2 is available to
14 operate at 170 megawatts, one by zero capacity.

15 CHAIRMAN WEISENMILLER: Okay, and do you
16 expect the whole plant to be available this
17 summer?

18 MR. WARNER: Yes, beginning to middle of
19 June, the whole plant should be available.

20 CHAIRMAN WEISENMILLER: Okay, thanks.

21 COMMISSIONER HOCHSCHILD: I second the
22 motion.

23 CHAIRMAN WEISENMILLER: All those in
24 favor?

25 (Ayes.) This item passes 4-0. Thank

1 you.

2 MR. VEERKAMP: Thank you.

3 CHAIRMAN WEISENMILLER: Let's go on to
4 Item 6 which is Electric Program Investment
5 Charge, EPIC, Triennial Investment Plan. Laurie
6 ten Hope, please.

7 MS. TEN HOPE: Good morning.

8 CHAIRMAN WEISENMILLER: Good morning.

9 MS. TEN HOPE: This is set up a little
10 differently, I feel very short and trying to see
11 you over the projector here.

12 I'm Laurie ten Hope. I'm here today to
13 present the Electric Program Investment Charge
14 2015-2017 Triennial Investment Plan. We were
15 here 18 months ago on Halloween 2012 to approve
16 the first Investment Plan for 2012 through 2014,
17 and we are well on our way in implementing the
18 first plan. We have a schedule of all our plan
19 solicitations for that first plan on our website,
20 we have two solicitations posted, the first
21 solicitation is a \$25 million solicitation for
22 building energy technology, and the second is a
23 \$5 million solicitation for energy storage, and
24 the next solicitation that should be posted in
25 the next couple of weeks is for utility-scale

1 renewable technologies. And we'll continue to be
2 rolling out solicitations over the rest of 2014.

3 Today we're on to Investment Plan 2. The
4 2015-2017 EPIC Investment Plan will also fund
5 pre-commercial clean energy technologies and
6 approaches. The budget in this plan is \$388.8
7 million and it complements the Investor-Owned
8 Utility Plans that are focused on Smart Grid
9 technologies in the Technology Demonstration
10 Area.

11 The Energy Sector desperately needs
12 innovation if we're going to meet the policy
13 goals that we've set for ourselves at a cost and
14 reliability portfolio that is not exorbitant.
15 These EPIC funds will drive investment and foster
16 a local clean technology economy, and customers
17 will reap the benefit.

18 The EPIC Plan is designed to build on a
19 foundation of Energy Innovation in California,
20 including programs that have been administered
21 here at the Energy Commission, building on a
22 solid return on investment.

23 Just a couple of examples that we would
24 anticipate continuing in the second Triennial
25 Investment Plan, examples like energy efficiency

1 that feeds the pipeline into our Building
2 Standards. Over the course of the last decade,
3 the PIER Program funded 19 research projects, of
4 which led to upgrades in the efficiency
5 standards, and are going to reap a benefit back
6 to customers exceeding \$10 billion.

7 We also at our last business meeting
8 presented the PIER Annual Report for 2013 and in
9 that plan we profiled the accomplishments of
10 SunPower, both in terms of technology development
11 and building a strong business environment and
12 sales from technologies that were originally
13 funded here, exceeding \$58 billion. Those types
14 of sales numbers build companies and create jobs,
15 and we hope to build on that legacy with the EPIC
16 Program.

17 So to develop this program, we kicked it
18 off in earnest in January, we sent out
19 questionnaires asking for initiative ideas from
20 stakeholders, we held a scoping workshop here in
21 Sacramento on February 7th, and then two
22 workshops where we presented the proposed
23 initiatives, the first one in Northern California
24 on March 17th, and the second one in Southern
25 California on March 21st. We posted our Draft

1 Investment Plan on April 10th, and we're here
2 today seeking approval for the proposed
3 Investment Plan.

4 The next steps will be to submit the plan
5 to the CPUC by May 1st, and the CPUC will then
6 conduct a proceeding in the May to November
7 timeframe, and a decision is expected in December
8 2014.

9 This Investment Plan follows the thinking
10 of the first Investment Plan of proposing
11 initiatives that fit different buckets of the
12 energy innovation pipeline and also follows the
13 form established in the CPUC Decision for the
14 EPIC Program.

15 So I'll be going over the research
16 initiatives in the Applied Research and
17 Development Area, Technology Demonstration and
18 Deployment, and Market Facilitation. We did
19 change the emphasis a little bit in the second
20 plan from the first plan. We've increased the
21 funding percentage slightly in the technology
22 demonstration and the market facilitation area,
23 and I think you'll hear in the market
24 facilitation that it's a fuller, more well-
25 rounded program to help bring technologies to

1 market.

2 The budget for the proposed initiative is
3 outlined here. Applied Research and Development
4 for the three-year plan of a little over \$151
5 million, Technology Demonstration and Deployment
6 at \$145. This might seem smaller than you would
7 expect percentage-wise, but that's where the
8 focus of the investor-owned utilities is in TD&D
9 for Transmission and Distribution Technologies.
10 And Market Facilitation for \$53 million. And
11 later in the presentation, I will talk about the
12 New Solar Home Partnership, the options that we
13 are proposing in this plan.

14 There is also a footnote that, as part of
15 this plan, the CPUC will be doing a consumer
16 price index adjustment and that would
17 proportionately adjust the budget numbers in our
18 submittal here.

19 The initiatives were proposed with
20 several considerations in mind. The first was SB
21 96. SB 96 passed between the development of the
22 first Investment Plan and the second Investment
23 Plan. It establishes program priorities, as well
24 as some administrative responsibilities for the
25 Energy Commission's administration of the

1 program. We incorporated stakeholder comments.
2 We had a lot of initiatives submitted in January
3 and we had over 100 sets of comments as we went
4 through the workshop process this spring. Those
5 comments were really critical in helping to shape
6 the initiatives and in some cases revise or
7 change the focus of some of the initiatives. It
8 also builds on the R&D that's been done to date,
9 including what we anticipate to be accomplished
10 through the first Investment Plan. And it also
11 incorporates the funding criteria outlined by the
12 CPUC in terms of the defined program areas and
13 mapping it back to the guiding principles and the
14 electricity value chain that they've outlined in
15 their Decision.

16 So now getting to the initiatives,
17 themselves. In the Energy Efficiency and Demand
18 Response area, we have two strategic objectives
19 in the Applied Research and Development Area.
20 The first objective is to improve energy
21 efficiency technologies and strategies in
22 California's buildings, industries, agriculture,
23 and water sectors. This will continue some of
24 the research that's been ongoing in the first
25 plan in the major energy using areas in buildings

1 such as lighting, HVAC, building envelope, and
2 plug loads, especially to test and verify
3 performance of new systems and help inform future
4 Codes and Standards.

5 In the Plug Load Consumer Device area, we
6 plan to develop a competition mechanism for one
7 or more plug-load devices to encourage the market
8 to go well beyond incremental existing
9 efficiencies. For ZNE, our focus is research to
10 overcome barriers of cost-effective designs,
11 technologies, and acceptance. We are looking at
12 strategies that will allow builders to build
13 buildable, proscriptive packages, thereby
14 lowering the cost of complying with the ZNE
15 requirements.

16 Two new areas in this objective are
17 water-related, to develop and test the water
18 energy nexus improvements in the industrial
19 sector, and advance water and energy efficiency
20 in buildings through end-use water efficiency,
21 use of gray water and stormwater, and the use of
22 smart meters and controls.

23 The second initiative is focusing on
24 Demand Response for the Investor-Owned Utility
25 Electricity Customers. The second plan focuses

1 on developing and testing and demonstrating DR
2 technology and operational capabilities. For
3 example, developing hardware and software systems
4 that facilitate the use of DR, and DR combined
5 with onsite storage and/or DG as a reliable
6 substitute for fossil generation.

7 The clean generation area has three
8 strategic initiatives, the first one is to
9 develop innovative solutions to increase the
10 market penetration of distributed renewable
11 generation. This will leverage the advancements
12 in the first Investment Plan in bioenergy, solar,
13 and integrated building design. The second
14 Investment Plan adds a topic area for small hydro
15 and Piezoelectric technology, building off a CEC
16 report on recommendations to explore these areas.

17 The second generation initiative is to
18 improve utility-scale renewable generation,
19 including concentrating solar, improved solar and
20 wind forecasting, geothermal power production
21 improvements for existing plants, and wind
22 turbine repowers.

23 The final generation initiative is to
24 reduce the environmental and public health
25 impacts of electricity generation and make the

1 electricity system less vulnerable to climate
2 impacts. Examples include going beyond the DRECP
3 area to analyze the environmental impacts from
4 renewable energy development, using degraded
5 water for cooling towers, and modeling climate
6 change impacts on the electricity system.

7 Applied Research also has initiative
8 areas in Smart Grid to enable clean energy; this
9 has more to do with the integration of
10 technologies into the Grid. And the first topic
11 area is the use of Smart Inverters for Grid
12 support. In this area, we'll be very cognizant
13 of the research that's identified by the Smart
14 Inverter Working Group and developing
15 solicitations that will help solve some of the
16 research challenges that are identified in that
17 group.

18 The next strategic objective is to
19 develop advanced distribution modeling tools for
20 the future Smart Grid, including developing open
21 source distribution modeling tools to dynamically
22 model the distribution system. And this is an
23 area where we've received several comments of
24 support, that this is something critically
25 needed.

1 Two final objectives in the Smart Grid
2 area, one is to advance the customer systems to
3 coordinate with utility communications; for
4 example, coordinating the PV and EV charging for
5 customers in response to price signals from
6 either the utility or the ISO.

7 And finally, Strategic Objective 9 is
8 advancing Electric Vehicle infrastructure to
9 provide electricity system benefits including
10 managed charging to address intermittency issues
11 and for load following capabilities.

12 In the Technology Demonstration and
13 Deployment area, we are pursuing energy
14 efficiency demonstrations in new and existing
15 buildings. And the second plan is really going
16 to focus on scale-up of ZNE to focus on turnkey
17 package designs in residential, multi-family, and
18 commercial developments. So this will be going
19 sort of beyond the one-off to looking at
20 development-wide strategies.

21 The next objective is to demonstrate and
22 evaluate biomass to energy conversion systems.
23 Strategic Objective 14 is probably one of the
24 real focal points in the demonstrations area that
25 will integrate a lot of technologies into

1 microgrids. This approach is really designed to
2 maximize the value of microgrids to customers,
3 and this time really adding the values of
4 resiliency and adaptation to climate change.

5 The next objective focuses on storage.
6 Our first Investment Plan really focused on
7 storage technologies and helping to achieve the
8 CPUC's AB 2514 Energy Storage Targets. The
9 second plan will focus on customer-side
10 interconnection of energy storage and reducing
11 the cost of communications.

12 And finally, the Expanding Smart Charging
13 and Vehicle to Grid Demonstration Projects, we
14 have one project now and are interested in
15 expanding the demonstration opportunities for
16 testing vehicle to grid ancillary services.

17 I said "finally," but there is one more,
18 which is to provide federal cost share for
19 technology demonstrations and deployment awards.
20 So this will be a set aside for cost sharing of
21 federal grants.

22 The final bucket area is Market
23 Facilitation. And in this, the second plan
24 expands quite a bit from the first plan, and it
25 really takes a fresh look at what some of the

1 non-technical barriers to commercial adoption of
2 emerging technologies are. So one of the first
3 barriers is making a connection between
4 innovators who are developing a technology and
5 finding their way to investors. And so this
6 first Objective 18 will help foster that
7 relationship between the entrepreneurs and
8 investors by providing mentoring, business model
9 assistance, and connection opportunities.

10 We'll also be funding initiatives under
11 this objective that will help technology
12 developers demonstrate that their innovations are
13 valid from both a technical and a market
14 standpoint.

15 The next objective is really focusing on
16 the procurement processes and leveraging the
17 purchasing power of large purchasers like the
18 Military, the Government, building developers,
19 universities, who by purchasing emerging
20 technologies can really accelerate bringing these
21 technologies to market.

22 Objective 20 is focusing on the barriers
23 of permitting and planning at the local
24 government level. We are exploring strategies to
25 assist in the review of permitting and planning,

1 and one example is to develop and test innovative
2 permitting strategies in the IOU territories that
3 achieve ZNE community readiness and providing
4 reduced development fees for ZNE projects located
5 in the community.

6 And finally, the last Strategic Objective
7 is to do market and technical analysis that helps
8 feed into and inform future investments.

9 The staff EPIC Plan proposes the option
10 of using EPIC to help fund NSHP if other sources
11 of funding aren't available. At this time, staff
12 proposes keeping all options for NSHP funding
13 open, including combining different funding
14 options, provided that the total funding does not
15 exceed the \$400 million cap for NSHP under SB 1.
16 So we propose that the CPUC entertain this and
17 allow this as part of the second Investment Plan
18 proceeding.

19 We had a very active public process and I
20 want to thank all the stakeholders, it was a
21 pretty fast process and we still had a lot of
22 researchers, stakeholders, NGOs, and others
23 provide some really thoughtful initiatives that
24 made their way into the plan.

25 And also, a comment on the draft plan:

1 this feedback has been critical in the plan and
2 we'll continue to have opportunities for
3 engagement going forward as projects roll out and
4 share the results of research projects.

5 So next steps. Staff seeks adoption of
6 the plan today. As I mentioned, if the plan is
7 adopted, then we will submit this to the CPUC by
8 May 1st, they will begin their proceeding, and we
9 expect a decision in December 2014.

10 Just before I turn it over for questions,
11 I do want to thank the staff that prepared the
12 Investment Plan, particularly Lorraine Gonzales
13 and Pam Doughman, but also many other staff that
14 supported the effort, that are too many to name,
15 but they know who they are. I want to thank
16 Damon Franz at the CPUC for his assistance as we
17 went through the workshops, and the three IOU
18 Administrators.

19 With that, I seek adoption of the plan
20 along with the Appendices and the Errata. The
21 Errata before you is before you in paper copy,
22 it's also available in the back of the room and
23 online. The Errata includes corrections to the
24 budget in the market facilitation area and it
25 also adds comments. We received comments after

1 the posting of the final plan on April 15th,
2 those are reflected in the Errata, as well as
3 verbal comments that were provide in our
4 workshop. So now you have a full portfolio of
5 the comments received and how staff responded to
6 them in the plan.

7 If the plan is adopted today, staff plans
8 to make other minor corrections and non-
9 substantive changes to the Investment Plan in the
10 Appendices before submitting to the CPUC on May
11 1st. So I'll open it up for any questions.

12 CHAIRMAN WEISENMILLER: Thank you. Let's
13 go on to public comment. So the first one is
14 representing Bidgley.

15 MR. HAWLEY: Mr. Chairman, Jim Hawley
16 representing Bidgley, a Sunnyvale, California
17 start-up. And I'll keep my comments very brief.
18 But they are leading the development of
19 disaggregation technology, technology that uses
20 real time Smart Meter data to deliver device-by-
21 device recommendations to consumers to save
22 energy, an approach that offers significantly
23 more powerful energy savings than technologies
24 currently on the market.

25 We very much strongly support the final

1 staff report that authorizes further research,
2 development, demonstration and deployment of
3 these technology tools like the Home Area Network
4 Devices and the associated services. And we
5 appreciate specifically the inclusion of the
6 clarification requested by Bidgley in Section
7 12.1.

8 Finally, I just want to also say we very
9 much appreciate the work of the Commissioners and
10 the staff to make the work of this Commission
11 accessible to California start-ups like Bidgley
12 to strengthen the clean energy economy. Thank
13 you.

14 CHAIRMAN WEISENMILLER: Thank you. Peter
15 Gibson.

16 MR. GIBSON: Good morning, Commissioners.
17 My name is Peter Gibson from LG Chem, that's part
18 of the Korean LG Group and we are a global
19 company involved in energy storage systems.

20 First of all, I'd like to emphasize that
21 we commend the Commissioners and the staff for
22 their work on EPIC, and we fully support the plan
23 as it is proposed. And what we're seeking is for
24 the Commission staff to look at an amendment, or
25 consider an amendment, to the Strategic Objective

1 19 on market facilitation. And the reason we are
2 requesting this is LG Chem, we're heavily
3 involved in storage projects within California,
4 in fact, we just recently installed the largest
5 lithium ion battery system in the nation in
6 Tehachapi for Southern California Edison. And
7 what we've learned and the projects we've been
8 involved in is that the interconnection issues
9 involved in connecting the storage system to the
10 Grid, and particularly the communications issues,
11 can present significant challenges. And that can
12 both delay project installation and it could
13 increase costs, and ultimately it's slowing down
14 the deployment of storage systems within the
15 State of California.

16 And therefore, what we'd like to support
17 is consideration of development of some open non-
18 proprietary standards that will accelerate the
19 ability for storage systems to connect to a Grid,
20 so that's connecting on the utility scale,
21 connecting to the utility's communication and
22 control standards. And at the moment, there is
23 no standard defined that an energy storage
24 company, or an energy storage system developer
25 can follow when they're planning to install a

1 storage system.

2 And just one final brief comment in
3 support of this. There's recognition that
4 there's a gap here, and the Electric Power
5 Research Institute, EPRI, has been working with
6 about 200 stakeholders ranging from suppliers to
7 the national labs, to universities, as well as
8 the utilities, and through the Energy Consortium
9 Integration Council, they're addressing civil
10 things which are slowing down the deployment of
11 storage systems onto the Grid. And one of the
12 elements of that work is to identify the gap in
13 standards. And our concern is it's good to
14 identify the gap, but we need to start developing
15 the standards to fill that gap. The EPRI
16 initiative won't be developing the Standards, and
17 through the amendment that we're proposing, we
18 would like some work within EPIC to develop the
19 standards to fast track the deployment of storage
20 onto the utility systems. Thank you.

21 CHAIRMAN WEISENMILLER: Thank you. I
22 would note your client, Edison, has held up the
23 air force interconnection storage for three years
24 and I suggest that you work with them to get
25 their act together, as certainly Commissioner

1 Picker is working with them.

2 MR. GIBSON: Thank you.

3 CHAIRMAN WEISENMILLER: Next commenter,
4 David Malarkey from lEnergy.

5 MR. MALARKEY: Thank you, Commissioners.
6 My name is Daniel Malarkey from lEnergy Systems,
7 and I also want to commend the Commission and the
8 staff for their work on the next Triennial
9 Investment Plan for the EPIC Program. I want to
10 echo Peter's comments about the opportunity to
11 amend Strategic Investment 19, S-19, which goes
12 to procurement, and add to that the ways that
13 utilities procure energy storage systems.

14 There's quite a bit in the record that
15 the plan puts out in terms of the importance of
16 standards, Public Utilities Code Section 8360
17 specifically says part of the goal is to develop
18 standards for communication, interoperability of
19 appliances, including infrastructure serving the
20 Grid.

21 The Commission has funded great work
22 through the PIER Program in the areas of Demand
23 Response and noted in their 2012 Report that the
24 lack of a standard communications protocol would
25 have slow development, raise customer cost, and

1 limit customers' ability to change vendors. So
2 we think there's both direction in the Code and
3 great precedent in the past work and the support
4 the Commission has done for developing open non-
5 proprietary standards for Demand Response, and we
6 think a similar need exists in the market today
7 for standards for energy storage.

8 We've prepared a draft amendment to
9 Strategy 19, we have engaged both EPRI and
10 Lawrence Berkeley Labs, who had submitted in
11 terms of developing that, we see there an
12 opportunity to engage both the Labs and Utilities
13 and industry groups in moving these standards
14 forward to really help serve the CPUC's
15 objectives for this large-scale deployment of
16 energy storage into the California grid.

17 CHAIRMAN WEISENMILLER: Thank you. Let's
18 go on to Nick Jimenez from NRDC.

19 MR. JIMENEZ: Good morning. My name is
20 Nick Jimenez and I'm a legal fellow in the Energy
21 Program with NRDC. First, I'd like to thank the
22 CEC staff for your hard work on these
23 presentations and to thank, of course, the
24 Commissioners for your continued leadership on
25 this crucial investment in California's future.

1 NRDC strongly supports the EPIC Program
2 which continues California's tradition of
3 leadership in clean energy research and
4 development. The projects in the 2015-2017
5 Triennial Investment Plan are not only
6 innovative, but they are critical for California
7 to meet its long term climate and renewable
8 energy goals. The EPIC Program's second
9 Investment Plan promises to support solutions to
10 some of the key obstacles that we face in making
11 the grid cleaner and more efficient.

12 Multiple categories of projects will help
13 California achieve its clean energy and carbon
14 reduction goals, improving performance and
15 reducing the cost of distributed generation,
16 especially distributed solar photovoltaic rooftop
17 solar. It should help diminish concerns about
18 the cost and logistics of integrating larger
19 percentages of distributed generation into the
20 California Grid, as well as promote the goals of
21 the California Solar Initiative and the goal of
22 deploying 12 gigawatts of distributed energy by
23 2020 that Governor Brown set up in his Clean
24 Energy Jobs Plan.

25 We recommend that storage projects make

1 it easier and cheaper for utilities to comply
2 with the minimum storage requirements set by the
3 CPUC under AB 2514 and easier to integrate
4 variable and distributed renewable energy
5 resources into the Grid.

6 Finally, using the EVs for Grid storage
7 will help advance EV penetration into the
8 California auto market, bringing Californians
9 cleaner air, avoiding health care costs, creating
10 new jobs, and keeping more transportation dollars
11 in state.

12 The innovative and important projects
13 that the EPIC Program funds can help the
14 California Grid become cleaner, more efficient,
15 and ultimately cheaper for customers. We eagerly
16 await the results of the Commission's research
17 projects and the IOUs demonstration projects, and
18 we look forward to working together to continue a
19 strong EPIC Program into the future. Thank you
20 for considering our comments.

21 CHAIRMAN WEISENMILLER: Thank you. Let's
22 go on to Hellan Roth Dowden.

23 MS. ROTH DOWDEN: Thank you. I'm here
24 from Nexus e-Water, which is an in-home recycling
25 company that uses energy created by cleaning

1 shower, sink, laundry water to heat water used in
2 the homes. KB Homes has already done a model
3 project with Zero Net Energy and Zero Net Water,
4 and this is in Lancaster. We think that the EPIC
5 Program can help us grow and grow these programs.
6 This is a company from Australia that has a lot
7 of experience, of course, with water shortages,
8 but this company has taken and used those water
9 shortages to also deal with providing energy in
10 the home, so they're able to provide a Zero Net
11 Energy Home using the recycling procedure. And
12 we feel that these EPIC funds would be
13 appropriate to use for these sorts of projects,
14 particularly with large home developments in
15 California. Thank you.

16 CHAIRMAN WEISENMILLER: Thank you. Next,
17 the Public Advisor has a statement to read into
18 the record for Bob Raymer.

19 MR. ROBERTS: Hello, my name is Blake
20 Roberts. I'm the Assistant Public Advisor, and
21 Robert Raymer is not able to be here today, and
22 so he asked our office to read his comments into
23 the record. And he is with the California
24 Building Industry Association (CBIA).

25 "My apologies, but I will be attending a

1 Building Standards Commission hearing next
2 Tuesday and will be unable to attend the CEC
3 Business Meeting. I just wanted to let you know
4 that the CBIA is in strong support of Agenda Item
5 6 regarding the proposed EPIC Investment Plan for
6 2015 through 2017. CBIA is especially supportive
7 of the portion of the plan that would provide
8 funding if needed for the continuation of the New
9 Solar Home Partnership Program, pages 172 through
10 174.

11 The market penetration of the NSHP
12 Program has been phenomenal over the past two
13 years, and there's every reason to believe that
14 growth will continue. While NSHP program funding
15 looks solid for the next 12 to 15 months, there
16 is the potential for a shortfall during the final
17 year of the program, July 2015 through June 2016.
18 The proposed EPIC investment recognizes this
19 possibility and proposes continued funding for
20 NSHP Program if there is indeed a funding
21 shortfall during the final year of the program.

22 CBIA supports this proposal and, if
23 approved by the CEC on Tuesday, we will continue
24 to support this item as it goes before the PUC
25 for formal adoption. Please feel free to contact

1 me at your convenience should you have any
2 questions regarding our support."

3 CHAIRMAN WEISENMILLER: Thank you. Okay,
4 Laurie, do you have any responses to the comments
5 we've received, particularly the suggested
6 amendment?

7 MS. TEN HOPE: I think overall the
8 suggestions on the importance of open protocols
9 for communication for storage and other
10 distributed generation, interconnections, is
11 something that we support. We feel that it's
12 included in the initiatives that are in the plan
13 in terms of storage, specifically. In fact, that
14 was one that was changed at your direction from a
15 technology focus to a communication focus. We
16 also have an initiative in the distribution
17 planning area that's focused on open standards,
18 well, open protocols for distribution planning
19 and interconnection. So I think the spirit of
20 the recommendations are included in the plan. I
21 wouldn't object to a standalone, but I don't
22 think it's necessary given the inclusion in other
23 topic areas.

24 CHAIRMAN WEISENMILLER: Okay, thank you.
25 Are there any other comments? If not, we'll move

1 to a discussion among the Commissioners. I mean,
2 first as the Lead in this area, I wanted to thank
3 the staff, particularly Laurie ten Hope, and
4 basically the team for putting together a great
5 second Investment Plan that builds off the first.
6 I think it's a little awkward in the sense, as
7 you know, we have the PONs out, we're just
8 launching the first, and we're trying to
9 anticipate the results of the research and other
10 factors going forward. But I think, again, we've
11 done a very good job on that. I'm very excited
12 we have the solicitation out the door and ready
13 to basically jumpstart our R&D program again.

14 And again, this was a huge undertaking, I
15 mean, we are continuing to ramp down the PIER
16 Program, ramp up the EPIC Program, get those
17 solicitations out, and go through the second
18 Investment Plan. And again, I would like to
19 thank the primary authors, Pam Doughman, Lorraine
20 Gonzales, Lillian Mirviss, Rachel Salazar,
21 certainly Laurie ten Hope has a great team of
22 office managers, and at the same time certainly
23 the Executive Office has been a key part of
24 getting us to where we are today.

25 This is last, but not least, I'd like to

1 thank some of the attorneys who were working on
2 this, particularly Gabe and Alan and Melanie
3 Moultry.

4 I'm proud of the document being presented
5 here. I wanted to talk for a second about - we
6 had a lot of suggestions, and particularly on the
7 storage. Certainly, I think the basic message is
8 that we've all seen real problems with
9 interconnection. As I said, Picker and I have
10 really focused on that. We saw basically a
11 Vehicle to Grid demo at China Lake fall apart
12 because of Edison's lack of performance on
13 interconnection. You know, we've had the Air
14 Force Base Vehicle to Grid Demo which has been
15 painful. And again, obviously part of the
16 reality is, as you go through the existing
17 tariffs at the ISO and PUC, and I must say the
18 ISO has been more proactive on this issue,
19 oftentimes the first thing you run into, the
20 question is, is this a load or is it a resource?
21 And as we know, storage can be both. And so at
22 that point you sort of get that fork in the road
23 and the system stops. And so there's a real need
24 to clean up the interconnection area. Certainly
25 Commissioner Picker at the PUC has this at the

1 top of his agenda, encourages people to call him
2 or notify him of issues, and his resolve to whack
3 them and get them resolved. So I think the basic
4 message certainly I've given staff, certainly
5 I've given the Utilities, certainly Picker has
6 given folks, is to move on this. I don't think
7 we need any further reinforcement. And certainly
8 I applaud the push for open standards here, but
9 certainly as we move forward there's going to be
10 a lot of emphasis on it and I'm going to
11 encourage the staff to again, as we go forward,
12 keep working with industry and stakeholders,
13 certainly the gentlemen we've heard today, but
14 others to again make sure our program is
15 delivering the results we need. So with that,
16 any other comments or questions from the
17 Commissioners?

18 COMMISSIONER SCOTT: I just wanted to say
19 also thank you to Laurie and her team leads,
20 they've provided me with a very thorough briefing
21 on the excellent plan that's before us today, so
22 I really appreciated that. As the public member,
23 I just wanted to point out the good public
24 process that went along with this and I
25 appreciate not only that you carried out a

1 terrific public process, but that you highlighted
2 it in both the presentation and it's got its own
3 special call out on page 8, I think, of the
4 report, or of the plan.

5 And then, as the Lead on Transportation,
6 I'm really glad to see the places where the EPIC
7 Program and the Alternative and Renewable Fuel
8 and Vehicle Technology Program complement one
9 another, and I'm already eagerly anticipating the
10 projects and the results that come from those and
11 to see what we have there, and I want to thank
12 Laurie and Randy Roesser, the Deputy at Fuels and
13 Transportation, because they do stay in contact
14 with each other so that we can share information
15 and lessons learned there. So thank you for
16 putting together a great plan.

17 COMMISSIONER HOCHSCHILD: So, Laurie,
18 personally I'm just really proud of you and your
19 team. I've had the good fortune to have, you
20 know, gone with you to a number of meetings and
21 the leadership group, and the U.C. System, and
22 with individual companies, and I've just been
23 enormously impressed how open you are and
24 receptive. I think good decisions and good plans
25 flow from good dialogue and I've just been really

1 proud of you and your entire team. And in
2 particular, I think this plan includes a more
3 expansive view of what innovation is, things like
4 aggregate procurement which you wouldn't
5 ordinarily think of in the category; in fact, our
6 innovation and particularly important for driving
7 clean energy forward, along with permitting, and
8 all the other streamlining that we need to do
9 that's beyond just raw technology innovation, I
10 think this plan captures that.

11 I also want to say I think we're in a
12 competition constantly with other states and
13 other countries for where capital will flow.
14 There is a lot of capital looking for a home, and
15 the clean energy economy, and a lot of places
16 want that. I think having a strong plan with a
17 meaningful budget, which I think this is, makes
18 it much more likely that capital is going to land
19 in California and it's going to benefit all of us
20 and the clean energy economy.

21 And finally, one of the areas of
22 innovation I've been most excited about is what's
23 happening in new home constructions, so yesterday
24 we had a workshop up here for the New Solar Homes
25 Partnership. California is actually going to

1 build 20 percent more homes than we did last
2 year, so last year was about 85,000, this year
3 it's going to be 100,000, and making those homes
4 as efficient as possible and as clean as possible
5 is a key part of it, so I really appreciate the
6 option to fund NSHP if it comes to that because
7 as we move towards a Zero Net Energy future,
8 keeping that momentum going is absolutely
9 critical. So I'm happy to enthusiastically
10 support this plan. Thank you.

11 COMMISSIONER DOUGLAS: Yeah, I'll just
12 add on my appreciation to Laurie and to the team,
13 as well. This has been a really great effort.
14 So are you ready for a motion?

15 CHAIRMAN WEISENMILLER: Yeah.

16 COMMISSIONER DOUGLAS: I'll move approval
17 of the EPIC Investment Plan, Item 6, with what,
18 Laurie? With --

19 MR. LEVY: It's all in the resolution, so
20 you could just move approval of the resolution.

21 COMMISSIONER DOUGLAS: I move approval of
22 Item 6.

23 COMMISSIONER SCOTT: Second.

24 CHAIRMAN WEISENMILLER: All those in
25 favor?

1 (Ayes.) This passes 4-0. Thank you.

2 CHAIRMAN WEISENMILLER: Let's go on to
3 Item 7, which is Electric Program Investment
4 Charge Annual Report. Rachel Salazar, please.

5 MS. SALAZAR: Good morning. I just
6 wanted to thank Laurie -- she's still back there
7 -- for presenting a really big background, so I
8 didn't have to. This segues really nicely with
9 my item.

10 Today, staff seek your approval of the
11 Commission Draft 2013 Electric Program Investment
12 Charge Annual Report. The report complies with
13 all applicable CPUC EPIC decisions, including
14 Decision 1205037 and Decision 1311025, as well as
15 Senate Bill 96, which was signed into law in
16 September of 2013.

17 In particular, SB 96 added Section
18 25711.5 to the Public Resources Code, which
19 requires the Energy Commission to prepare and
20 submit to the Legislature no later than April
21 30th of each year an Annual Report that includes
22 a brief description of each project awarded or
23 completed in the previous calendar year, as well
24 as an update for each project underway.

25 This includes the name of the recipient,

1 project title, the date and amount awarded, an
2 explanation of how the project is expected to or
3 will lead to technological advancement or
4 breakthroughs to overcome barriers to achieving
5 the state's statutory energy goals,
6 identification of Awardees that are California-
7 based entities, small businesses, or businesses
8 owned by women, minorities, or Disabled Veterans.
9 Also, the identification of the method used for
10 each award including the action of the Joint
11 Legislative Budget Committee for each non-
12 competitive or interagency agreement award that
13 is made in accordance with Paragraph 2 of
14 Subdivision G of Section 25711.5. And also, the
15 total amount of administrative and overhead costs
16 incurred for each project.

17 SB 96 also required the Energy Commission
18 consult with the State Treasurer's Office to
19 establish terms that shall be imposed as a
20 condition to receipt of funding for the state to
21 accrue any intellectual property interests or
22 royalties that may derive from the projects
23 funded by EPIC. The Energy Commission staff
24 completed this requirement prior to releasing the
25 first competitive solicitations for EPIC funds

1 earlier this year. This report covers calendar
2 year 2013 and is similar to the EPIC Annual
3 Report delivered to the CPUC on February 28,
4 2014.

5 In November 2013, the CPUC modified and
6 approved the Energy Commission's first EPIC
7 Triennial Investment Plan covering 2012 through
8 2014. The first competitive solicitation from
9 this Investment Plan was released in March of
10 2014, so no projects were awarded EPIC funding in
11 2013, and therefore no projects were reported in
12 this Annual Report.

13 Some of the activities covered in this
14 report include coordination with the IOUs and the
15 holding of two public workshops. Pending Energy
16 Commission approval, this report will be
17 submitted to the Legislature on April 30th.

18 I just wanted to thank you for your
19 consideration and ask if there were any
20 questions.

21 CHAIRMAN WEISENMILLER: Thank you.
22 First, are there any comments? We'll move over
23 to the Commission discussion. First, again, I'd
24 like to thank the staff for this report,
25 particularly you and Laurie for your leaderships

1 on this, but many of the staff I mentioned
2 earlier for the development of the Investment
3 Plan certainly worked on this Annual Report.
4 Again, I think it was a pretty solid effort and
5 certainly again commend people for getting both
6 the Investment Plan and the Report done in a
7 timely fashion, and also getting Program
8 Opportunity Notices out. So thanks. Any
9 comments or questions?

10 COMMISSIONER DOUGLAS: No. I'll move
11 approval of Item 7.

12 COMMISSIONER HOCHSCHILD: Second.

13 CHAIRMAN WEISENMILLER: All those in
14 favor?

15 (Ayes.) This is approved 4-0.

16 CHAIRMAN WEISENMILLER: So let's now
17 transition over to the Energy Efficiency part.
18 Item 8, 2013 Public Domain California Building
19 Energy Code Compliance Software-Residential,
20 CBECC-RES Version 1-F. Martha Brook, please.

21 MS. BROOKS: Good morning. Martha Brook
22 with the Standards Development Office here in the
23 Energy Efficiency Division.

24 The next three items on your agenda
25 result from efforts the Energy Commission is

1 making to prepare for the July 1 implementation
2 date of the 2013 Building Energy Efficiency
3 Standards.

4 So first I'd like to correct the agenda
5 in terms of the version number. What we would
6 like you to approve today is CBECC-RES Version 2,
7 and we've already put Version 2 in the Resolution
8 that goes with this agenda item.

9 We are seeking your approval of CBECC-RES
10 Version 2 as 2013 Residential Standards
11 Compliance Software for newly constructed homes,
12 as well as alterations and additions to existing
13 homes. CBECC-RES Version 2 includes all
14 previously approved features for 2013 Residential
15 Standards Performance Compliance Software, plus
16 several new features such as the ability to model
17 non-standard construction assemblies like
18 structurally integrated panels, steel framed
19 walls and roofs, concrete masonry, logs and straw
20 bales. It also includes the ability to model
21 non-standard heating and cooling systems such as
22 heat pump-based combined hydronic systems,
23 central outdoor air Ventilative cooling systems,
24 and mini split systems.

25 This version of CBECC-RES also corrects

1 software bugs previously identified, and back-up
2 materials for this item includes staff's
3 technical review of the software.

4 If you choose to approve this item, you
5 will also be approving the decertification of all
6 previous versions of CBECC-RES and also directing
7 the Executive Director to make future changes to
8 the software Res necessary to ensure it is
9 accurately estimating building energy use and
10 correctly implements the performance compliance
11 approach for the 2013 Residential Standards,
12 including correcting any functional and
13 analytical errors identified in the future.

14 Thank you and I'm available to answer any
15 questions that you have.

16 CHAIRMAN WEISENMILLER: Thank you. I
17 believe once more the Public Advisor has
18 something to read into the record.

19 MR. ROBERTS: Hello. Again, my name is
20 Blake Roberts with the Public Advisor's Office,
21 and Robert Raymer, of course, was not able to be
22 here with the California Building Industry
23 Association, so he asked us to read this into the
24 record.

25 "I will be unable to attend the Tuesday,

1 April 22nd Business Meeting due to a prior
2 commitment. I just wanted to let you know that
3 the California Building Industry Association
4 (CBIA) is in strong support of the resolution
5 approving the use of the 2013 Domain Compliance
6 Software, CBECC-RES Version 1F. We are
7 especially supportive of the portion of the
8 resolution which delegates authority to the
9 Executive Director to make future changes to the
10 software to ensure it accurately estimates the
11 energy use in residential buildings and
12 demonstrates compliance with the 2013 Residential
13 Energy Efficiency Standards.

14 Please feel free to contact me at your
15 convenience should you have any questions
16 regarding our support for Agenda Item 8." Thank
17 you.

18 CHAIRMAN WEISENMILLER: Thank you. Any
19 other comments? I would note that Commissioner
20 McAllister, who could not be here today, I
21 discussed these items with him, he is very happy
22 that we've gotten to this stage in the process.
23 He did ask me to make sure people were clear
24 that, I think as we go forward on the software,
25 certainly as you go from Version 2 to 2.01 or

1 something, you know, that basically that has been
2 delegated to the Executive Director. Obviously,
3 as the Presiding Member in this area, all of
4 these changes will go through him and the intent
5 is that, if there's a major major upgrade, to
6 more like Version 3, that again he will bring
7 that back to the full Commission, but that in
8 terms of moving forward on dealing with
9 corrections at this point, it's at a very good
10 stage in the compliance software to have gotten
11 it mature enough for it to be coming to the full
12 Commission.

13 COMMISSIONER DOUGLAS: I will just make a
14 brief comment, as well. I also want to call out
15 Commissioner McAllister's leadership, he has been
16 very engaged in this issue weekly and sometimes
17 almost daily, he and his advisors. And I've had
18 the opportunity to work with him a bit, but he's
19 really done a nice job on this.

20 I want to thank staff. This has been a
21 really heavy lift and, so, Martha and others on
22 the team, great work. The Executive Office was
23 very engaged, as well. It is really nice to have
24 come to this point where we're generally happy
25 the products have come when they said they would

1 come, and I'm very comfortable with the
2 delegation of further tweaks and bug fixing and
3 so on to the Executive Director. This was
4 extremely high priority and important work for
5 us, and so it's great to be where we are today.
6 I think that I'll move Item 8.

7 COMMISSIONER SCOTT: Second.

8 CHAIRMAN WEISENMILLER: All those in
9 favor?

10 (Ayes.) Item 8 passes 4-0.

11 CHAIRMAN WEISENMILLER: Let's go on to
12 Item 9, which is 2013 Public Domain California
13 Building Energy Code Compliance Software for the
14 Nonresidential, CBECC-COM, and Version 2. Martha
15 Brook again.

16 MS. BROOK: We are seeking your approval
17 of CBECC-COM Version 2 as 2013 Non-Residential
18 Standards Compliance Software for newly
19 constructed buildings, as well as alterations and
20 additions to existing buildings. CBECC-COM
21 Version 2 includes all previously approved
22 features for 2013 Nonresidential Standards
23 Performance Compliance Software, plus several new
24 features such as the ability for users to
25 describe building geometry using a simplified

1 approach, compliance for building projects
2 needing only envelope or lighting or mechanical
3 tradeoff approaches, and additions in alterations
4 to existing buildings, and also new reporting
5 that detail more elements of the compliance
6 projects. This version of CBECC-COM also
7 corrects software bugs previously identified and
8 the back-up materials for this item include
9 staff's technical review of the software.

10 Again, if you choose to approve this
11 item, you will also be approving the
12 decertification of all previous versions of
13 CBECC-COM and also directing the Executive
14 Director to make future changes to the software
15 as necessary to ensure it accurately estimates
16 building energy use and correctly implements the
17 performance compliance approach for the 2013
18 Nonresidential Standards, including any
19 functional and analytical errors identified in
20 the future. And I'm here to answer any questions
21 that you have.

22 CHAIRMAN WEISENMILLER: Thank you.
23 Again, any comments or questions from the public?
24 Then transitioning to the discussion among the
25 Commissioners. First, again, I would note I

1 talked to Commissioner McAllister and he's very
2 happy at this point, sort of echo again
3 Commissioner Douglas's comments about the staff
4 work on this, particularly call out Drew Bohan
5 for sort of the yeoman activity and really
6 pushing this along. And again, I think the one
7 thing that would be good, Martha, if you could
8 say a few words about where we are in the
9 training process.

10 MS. BROOK: Right. And just a little bit
11 of background, the CBEECC-COM is completely
12 different and new for any of the stakeholders
13 that choose to use it in the future, and so it is
14 really necessary that we get some boots on the
15 ground in terms of training everybody who wants
16 and needs to learn the software. So the
17 Investor-Owned Utilities have really stepped up
18 to our request for such training of the public
19 domain software and there are right now available
20 five two-day training sessions across the state,
21 two in Irwindale hosted by the Southern
22 California Edison, May 21st and 22nd, and also
23 June 25th and 26th, hosted by Pacific Gas and
24 Electric in San Francisco, our two training
25 sessions June 4th and 5th and also June 18th and

1 19th, and San Diego Gas and Electric sponsoring
2 training in San Diego June 16th and 17th. And
3 these are intensive two-day sessions. Staff was
4 invited down to kind of a pilot test training
5 session in Irwindale about a month ago and it was
6 very very beneficial in terms of really stepping
7 through every stage of the software and really
8 getting to the point where users are building
9 that confidence and comfort in using the
10 software.

11 And additional training sessions will be
12 scheduled in the future based on demand, so I
13 guess I'm here to say that everybody should sign
14 up and create that demand so the Utilities will
15 continue to offer training.

16 CHAIRMAN WEISENMILLER: Thank you.
17 Commissioners?

18 COMMISSIONER HOCHSCHILD: I will move the
19 item.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in
22 favor?

23 (Ayes.) This item also passes 4-0.
24 Thank you.

25 CHAIRMAN WEISENMILLER: Let's go on to

1 Item 10. 2013 Amendments of Residential
2 Alternative Calculation Method, ACM Reference
3 Manual. Martha.

4 MS. BROOK: We are seeking your approval
5 of an updated 2013 Residential ACM Reference
6 Manual which documents the CBECC-RES modeling
7 assumptions used in the new Version 2 software.
8 These revisions are needed to ensure consistency
9 with the 2013 Building Energy Efficiency
10 Standards.

11 A summary of updates, as well as the
12 entire manual are posted a backup materials for
13 this agenda item, therefore no resolution was
14 prepared. This manual is posted as CEC-400-2013-
15 003-SD with an April 2014 date, and the suffix,
16 the final SD suffix will be changed to represent
17 a final Commission document and republished upon
18 approval here today. And I'm here to answer any
19 questions that you have.

20 CHAIRMAN WEISENMILLER: Okay, we have one
21 public comment. Mr. Wichert.

22 MR. WICHERT: Thank you, Commissioner.
23 Good morning, Commissioners, staff. Hi, Martha.
24 Thank you for talking to me about this, I really
25 appreciate it. I better understand your

1 position. I happen to not agree with it, but I
2 do better understand it.

3 The reason I'm here today is because just
4 the one text which says -- I'm a professional
5 Engineer, I'm an Energy Modeler also, my name is
6 Robert Wichert, and I work out of Citrus Heights,
7 so as an introductory.

8 The text which says "until there is an
9 approved compliance option for ductless heat
10 pumps, mini-split, multi-split VRF systems, they
11 are simulated as a split-system equivalent to the
12 standard design with default duct conditions."
13 So what that means is their modeled as minimum
14 efficiency units. My information up until this
15 day is that there actually is an approved
16 compliance option for modeling these systems,
17 which in fact is the database published by the
18 Air Conditioning Heating and Refrigeration
19 Institute, which is referenced repeatedly in the
20 Energy Efficiency Standards, as well as in the
21 Appliance Standards, and specifically called out
22 in Table C-1 of the Appliance Standards.

23 So my thinking is that there's already an
24 option for using data that's obtained using the
25 protocols and test procedures that are recognized

1 by the Federal Government, Energy Star, most of
2 these are efficient Energy Star devices, and
3 really shackling them with a minimum efficiency
4 rating for performance calculations is unfair.
5 There's actually a letter that I have with me
6 that was published in 2011, it was directing
7 modelers, it was actually signed by Paula David
8 of the Appliance Standards Unit directing us to
9 use the HRI data for these specific units. Prior
10 to that in 2005, I have a letter that was signed
11 by Bill Pennington, actually, saying that we
12 could use minimum efficiency standards. So if
13 this text is implemented today, we turn the clock
14 back almost 10 years, and I don't think that's
15 appropriate. Thank you.

16 CHAIRMAN WEISENMILLER: Thank you.
17 Martha, do you want to respond?

18 MS. BROOK: Sure. So there's a little
19 bit of a mix-up in terminology and those letters
20 are really referencing the Appliance Regulations
21 and the ability for manufacturers to sell their
22 products in California, and the ratings that the
23 gentleman referenced are talking about the
24 ratings that you have to put into the appliance
25 database in order to sell your product in

1 California.

2 The Building Standards Performance
3 Compliance approach uses those ratings from the
4 Appliance database, that's only a very beginning
5 part of our modeling exercise, and the
6 performance compliance software approach for a
7 very long time has focused on actual field
8 performance of HVAC systems. And we've actually
9 dedicated the majority of our modeling work and
10 research funded by PIER in the past to really
11 understand how these systems perform in real
12 homes in California, and in real climate
13 conditions.

14 And we set our performance standard based
15 on our expectations of that performance, and
16 we've done quite a bit of work in 2013 ratcheting
17 up our mandatory requirements for the field
18 performance of central HVAC systems with duct
19 work, and that's the system that's in our
20 Standard Design and Performance software; it has
21 mandatory airflow requirements, it has mandatory
22 refrigerant charge testing, it has mandatory duct
23 sealing, and mandatory airflow if I didn't
24 already mention that.

25 So that sets the standard. And what

1 we've said in the Amendment to the Reference
2 Manual is that these new systems, they're new to
3 us because we haven't done exhaustive studies on
4 them, and we don't know how they perform in the
5 field, and there are no field test protocols that
6 we can use to tell our HERS Raters and their
7 providers how to do the testing for these
8 systems. So we think it's inappropriate at this
9 time to let them achieve a performance credit,
10 and therefore trade away other efficiency
11 measures based on a published rating that we have
12 not yet had the ability to translate into field
13 performance.

14 So we're actually at a point now where
15 we're actually saying -- we are treating them as
16 good as this really highly specified, highly
17 tested piece of equipment in our standard design.
18 We're just not letting them go beyond that and
19 get credit beyond that when we don't have field
20 test protocols, we don't know how to measure
21 airflow in these systems in the field, we don't
22 know how to measure EER and SEER, the rated
23 metrics in the field, so we need to work with the
24 manufacturers. That's why we have this
25 exceptional method, the compliance option process

1 that allows us to work with the manufacturers and
2 their stakeholders to say "where is the in situ
3 empirical data that allows us to develop field
4 test protocols and the other modeling assumptions
5 we need to really really get to the field
6 performance level for these systems, so that
7 we're modeling apples to apples instead of apples
8 to oranges?" So I could answer any other
9 questions that you have.

10 CHAIRMAN WEISENMILLER: Any comment?

11 MR. WICHERT: Sure. I'm not going to try
12 and go point by point because I totally lost
13 track. I'm a HERS Rater also, I'm a HERS 2
14 Rater, as well as a HERS Rater that does the
15 testing and all that, and I'm a designer, and so
16 I try to design efficient systems. These are
17 Energy Star systems, and they are higher SEER and
18 higher EER, and higher COP, and higher HSPF,
19 etc., etc., then the minimum. My point is that,
20 if the designers aren't able to use those high
21 ratings which are established in accordance with
22 the protocols that are in the Energy Standards
23 and the Appliance Standards, they won't use them.
24 They won't design them, they won't put them in
25 because they need that kind of high efficiency

1 rating in order to justify the performance
2 approach, that's my point. So without going
3 through every single issue one by one, what I'm
4 asking for today is that this particular language
5 might be set aside and we could talk about it
6 between now and the next meeting. I don't know
7 that there's any real urgency for it, but that's
8 my position. Thank you.

9 MS. BROOK: Right. So I guess what I'm
10 saying is that we can go forward and approve the
11 manual as is and, again, this is like a short
12 term -- well, it's up to time and resources,
13 right? So if the manufacturers and stakeholders
14 bring resources to the table where we can work
15 with them and understand how to develop these
16 field test protocols and understand the
17 performance, we can move to where we can give
18 credit for the systems in due process. But
19 that's what we need and that's why we can't make
20 that determination now because we don't know what
21 to specify, we don't have the information in
22 front of us. So it's the difference between --
23 it's just like every test procedure that DOE
24 specifies for the Appliance Regulations are
25 specific test procedures that are not necessarily

1 represented in real field performance in homes in
2 California, and that's the difference between the
3 Appliance Regulations and the Performance
4 Compliance approach in the Standards, that we
5 really are trying to get at real actual
6 performance. And we have to be careful that
7 we're not allowing credits because they really
8 are trading away windows and wall insulation and
9 other things that are real and permanent in these
10 homes, and so we have to be very careful.

11 COMMISSIONER DOUGLAS: So this is the
12 sort of issue that of course time and resources
13 allowing can be pursued and on a slower/faster
14 track given time and resources --

15 MS. BROOK: Right.

16 COMMISSIONER DOUGLAS: -- and opportunity
17 to do that.

18 MS. BROOK: And we did notify the
19 manufacturer reps that we know of and to let them
20 know this was the implementation that we were
21 going to start out with, and hopefully we'll hear
22 from them quickly that they'll work with us and
23 we can get the needed test protocols in place so
24 that we can move forward.

25 COMMISSIONER DOUGLAS: All right, well

1 based on that, I'm comfortable moving forward.
2 You know, there are many really good ideas and
3 many good technologies out there, and we try to
4 be able to capture them in the performance
5 package in the Standards, and we can't -- if we
6 hold off approval on some of these key measures
7 until we get them all, we'll never get there.
8 And on the other hand, that doesn't represent a
9 lack of interest in being able to fold in real
10 opportunities for savings into the performance
11 path because we need to have that flexibility and
12 we need to do that. So, you know, I am
13 comfortable moving forward. I think it would be
14 helpful to spend some time with this commenter
15 and with the manufacturers and see if there's a
16 path, and see how long you think it will take.
17 On the other hand, I'm also mindful of the amount
18 of work that has been placed on the efficiency
19 staff, and especially in this key area of
20 Building Standards, so we can't lose sight of the
21 broader set of workload that we have, and we've
22 got to find a balance there.

23 MS. BROOK: Well, and I think that, to be
24 honest with you, the ductless distributed
25 technologies are definitely something that we're

1 interested in, especially for the next update to
2 the Standards, so the more work we can do, the
3 sooner, it will be better for everybody, for both
4 compliance with the 2013 Standards and developing
5 the 2016 Standards.

6 COMMISSIONER DOUGLAS: Good.

7 CHAIRMAN WEISENMILLER: I do believe that
8 makes sense, again, I think we have at least two
9 more Business Meetings between now and July 1st,
10 and so certainly we need to adopt the Reference
11 Manual today, but encourage you and other
12 stakeholders to work with the staff for
13 subsequent amendments on that.

14 COMMISSIONER DOUGLAS: So with that, you
15 know, I'll move approval of Item 10.

16 COMMISSIONER SCOTT: Second.

17 CHAIRMAN WEISENMILLER: Okay, all those
18 in favor?

19 (Ayes.) Item 10 passes 4-0. Thank you.

20 MR. WICHERT: Thank you very much.

21 CHAIRMAN WEISENMILLER: Let's go on to
22 Item 11 which is Renewable Portfolio Standard
23 Program - Time Extension Process for
24 Certification. Gabe Herrera, please.

25 MS. KOROSSEC: Good morning,

1 Commissioners. Obviously I am not Gabe Herrera,
2 but I do have him with me. I am Suzanne Korosec,
3 the Deputy Director for the Renewable Energy
4 Division.

5 Today staff is asking for your approval
6 of a Resolution that would establish a process to
7 extend and waive application deadlines for
8 Renewable Portfolio Standard Certification.

9 Some quick background. The Energy
10 Commission administers the RPS program jointly
11 with the PUC, and our role is to certify
12 renewable generators as eligible for the RPS, to
13 verify renewable generation that has been claimed
14 for RPS compliance, and to adopt regulations and
15 determine compliance for the publicly-owned
16 utilities.

17 The Energy Commission's RPS Guidebook,
18 which was first adopted in April 2004 and has
19 been revised over time to reflect changes in the
20 law and in the market describes requirements and
21 process for certifying renewable generators as
22 RPS eligible. The Guidebook sets out various
23 deadlines related to applying for RPS
24 certification or for pre-certification in the
25 case of facilities that aren't yet online. These

1 deadlines are then used to determine the date
2 when a facility's generation can actually be
3 claimed by a retail seller or by a publicly-owned
4 utility to satisfy an RPS procurement obligation.
5 For example, under the current Guidebook rules, a
6 facility that applies for pre-certification April
7 1st of this year would have an eligibility date
8 of April 1st, but only if the facility then
9 applied for full certification once it came
10 online within 90 days.

11 However, if the facility comes online in
12 May and doesn't apply for full certification
13 until December, its eligibility date would be in
14 December and none of the generation between the
15 April 1st original application deadline and the
16 December 1 date would qualify. And this
17 situation can have financial consequences for
18 these facilities. They would be unable to sell
19 their RPS non-eligible generation, or they could
20 be subject to contract penalties, or both.

21 The deadlines and the associated
22 requirements in the RPS Guidebook were put in
23 place for a couple of reasons, first, to make
24 sure that the Energy Commission has current
25 information about RPS certified facilities, next,

1 to reduce the time and labor with verifying RPS
2 certified generation by making sure that
3 facilities are certified in advance of when their
4 generation gets actually claimed, and finally, to
5 guard against fraud in cases where it might be
6 difficult to retroactively go back and verify
7 whether a facility used fossil or another non-
8 renewable fuel. However, because of the
9 potential for the significant financial impact to
10 these facilities from failing to meet the
11 deadlines, staff has proposed a process that
12 would allow the Executive Director to extend and
13 waive an application deadline for RPS
14 certification based on certain specific criteria,
15 including the Applicant demonstrating good cause
16 for the extension.

17 The resolution before you also clearly
18 outlines situations in which an extension would
19 not be granted; for example, if it would allow an
20 Applicant to be exempt from complying with
21 eligibility requirements such as registering for
22 the WREGIS tracking system or our metering
23 requirements.

24 I'll note that staff has been working
25 with four Applicants who are currently already

1 facing this situation, and facing financial
2 consequences, and we're also aware of another 15
3 facilities that could face this situation in the
4 near future.

5 So if you approve this process and
6 resolution, our outreach to stakeholders is to
7 let them know the process is going to include
8 notifying everyone on a renewable listserv,
9 posting the resolution with the new process on
10 our website, we'll do targeted outreach to the
11 facilities that we're aware of that are already
12 either affected or will be affected, and we're
13 also going to expand our existing outreach that
14 we're doing to pre-certified facilities to notify
15 them that their online dates are coming up, to
16 include this process as well in that information
17 package.

18 Gabe, would you like to add anything?

19 MR. HERRERA: No thanks, Suzanne, you did
20 a great job.

21 MS. KOROSSEC: Okay, great. At this
22 point, I'll ask for your approval of the item and
23 I'm happy to answer any questions.

24 CHAIRMAN WEISENMILLER: Okay, thank you.
25 We have a number of commenters. Let's take

1 comments and then we'll go to questions. First,
2 Nevada Irrigation District.

3 MR. SOMMERS: Good morning. My name is
4 Keane Sommers and I'm the Hydroelectric Manager
5 with Nevada Irrigation District. On behalf of
6 the District, I would like to thank the
7 Commission and its staff for their attention to
8 this issue and for their hard work in quickly
9 developing a solution.

10 The proposed process for extension or a
11 waiver of RPS certification deadlines can help
12 prevent unintended financial consequences on
13 otherwise qualified renewable energy facilities.
14 The Energy Commission's timely recognition and
15 response to this issue will benefit Nevada
16 Irrigation District, its ratepayers, and the RPS
17 Program as a whole. Thank you.

18 CHAIRMAN WEISENMILLER: Thank you.
19 Thanks for being here. Susie Berlin. You're
20 speechless, huh?

21 MS. BERLIN: Sorry about that (coughing).
22 Such an emotional topic -- no. Susie Berlin for
23 Northern California Power Agency and MSR Public
24 Power, and we also are very supportive of this
25 process. We appreciate the recognition of the

1 facilities that would be jeopardized. We
2 appreciate staff's responsiveness to what appears
3 to be just an oversight in the Guidebook, and we
4 strongly urge you to adopt the process and also
5 to ensure that in implementation there's a
6 recognition of the way to create or otherwise
7 track RECs that are for generation that's created
8 during this pendency. Thank you very much.

9 CHAIRMAN WEISENMILLER: Thank you. Diane
10 Fellman.

11 MS. FELLMAN: Good morning,
12 Commissioners. I'm Diane Fellman representing
13 NRG Solar today. And we're in support of this
14 process. It was a gap in the Guidebook and we
15 feel that the staff has done an excellent and
16 expeditious job in coming up with procedures to
17 accomplish its goals in protecting the state for
18 eligible renewables, and at the same time
19 preventing unintended consequences for
20 developers. Again, we support adoption of the
21 process. Thank you. Any questions?

22 CHAIRMAN WEISENMILLER: Thank you. If we
23 do, we'll call you back. Manny Alvarez.

24 MR. ALVAREZ: Good morning,
25 Commissioners. Manuel Alvarez, Southern

1 California Edison. I'm just here to support this
2 proposal before you. I think I've gone through
3 most of the Guidebooks and the history of this
4 program, and this is actually one of the quickest
5 and easiest and definitely is helpful in the
6 marketplace to solve these problems and give the
7 flexibility the staff needs to address some of
8 these issues. So with that, we'll support.
9 Thank you.

10 CHAIRMAN WEISENMILLER: Thank you. Tim
11 Tutt.

12 MR. TUTT: Good morning. Tim Tutt from
13 Sacramento Municipal Utility District, and I too
14 am here to support the time extension process
15 that's being laid out by the staff. As you know,
16 SMUD adopted a 33 percent RPS before the
17 Legislature brought the program to the state as a
18 whole, and gave the Energy Commission and the PUC
19 the roles that they have. The Legislature might
20 have been taking a few too many complexity pills
21 when they did that, but we are faced with what we
22 have, it's a complex program in many ways, and
23 this kind of flexibility is needed as we start
24 out on this path towards achieving the 33 percent
25 goal. So we support it and we support the spirit

1 of flexibility moving forward, particularly as
2 the POUs enter a new regulatory structure here at
3 the Energy Commission, we think we're going to
4 need that flexibility and let the program proceed
5 by its own design, and we support it. Thanks.

6 CHAIRMAN WEISENMILLER: Thank you.
7 Valerie Winn.

8 MS. WINN: Good morning. Valerie Winn,
9 Pacific Gas and Electric Company. And we too
10 would like to add our support for the approval of
11 this resolution. We're supportive of these
12 changes to the certification process because
13 they're reasonable changes that will improve the
14 flexibility of the program while still
15 maintaining the integrity of the RPS Program.
16 So, again, we support the approval of this.
17 Thank you.

18 CHAIRMAN WEISENMILLER: Thank you.
19 Suzanne, any responses?

20 MS. KOROSSEC: No, other than to thank the
21 parties for bringing their support.

22 CHAIRMAN WEISENMILLER: Okay,
23 Commissioners, any questions or comments?

24 COMMISSIONER HOCHSCHILD: Yes. We spent
25 quite a bit of time on this and, just to

1 reiterate, I think that this moves us from being
2 a bit rigid to being more nimble, which is always
3 a good thing, so I want to thank the staff for
4 developing this. And, Rob, if you could please
5 update Senator Grey after the meeting, I would be
6 grateful. Thanks. I'll make the motion to
7 approve.

8 COMMISSIONER DOUGLAS: Second.

9 CHAIRMAN WEISENMILLER: All those in
10 favor?

11 (Ayes.) So this passes 4-0.

12 MS. KOROSSEC: Thank you.

13 CHAIRMAN WEISENMILLER: Thank you. Let's
14 go on to Item 12, which is 2014-2015 Investment
15 Plan Update for the Alternative and Renewable
16 Fuel and Vehicle Technology Program. Randy
17 Roesser, please.

18 MR. ROESSER: Good morning, Chairman and
19 Commissioners. I'm Randy Roesser, Deputy
20 Director of the Fuels and Transportation
21 Division. I'm joined here today by Jim McKinney
22 on my left, Program Manager for the Alternative
23 and Renewable Fuels and Vehicle Technology
24 Program. And on my right, Charles Smith, Project
25 Manager for the Program's 2014 and 2015

1 Investment Plan Update.

2 I'm here today to present the 2014-2015
3 Investment Plan Update for possible adoption. If
4 adopted, this plan will become an official
5 Commission report and it will establish the
6 program's funding allocations for Fiscal Year
7 '14-'15.

8 As you are aware, the ARFVTP was created
9 by Assembly Bill 118 in 2007, with the primary
10 purpose to develop and deploy innovative
11 technologies that transform California's fuel and
12 vehicle types to help attain the state's climate
13 change policies. Its primary purpose complements
14 other important state goals, including improving
15 air quality, increasing fuel diversity, reducing
16 our dependence on petroleum, and promoting
17 economic development.

18 Given that the transportation sector is
19 responsible for roughly 40 percent of the state's
20 greenhouse gas emissions, the importance of this
21 program and the opportunity it provides cannot be
22 overstated.

23 Today, previous Investment Plans for the
24 ARFVTP have allocated more than \$550 million
25 across five Investment Plans. As of last month,

1 we've made more than \$450 million in investments
2 in over 260 projects. And last fall, Assembly
3 Bill 8 extended the program until January 1, 2024
4 so that we can continue to play an important role
5 in California's transition to a lower carbon
6 future.

7 Assembly Bill 8 also allocated \$20
8 million of the Annual Investment Plan funding to
9 establish an early network of hydrogen fueling
10 stations.

11 As you can see in this graphic, our
12 program provides funding for a broad portfolio of
13 alternative fuels, intended to address the
14 individual and evolving needs of multiple fuel
15 types. We have invested in projects across the
16 supply chain from alternative fuel production to
17 fuel infrastructure to vehicles and
18 manufacturing, as well as other critical programs
19 supporting project types.

20 The program has made significant
21 contributions toward the Governor's ZEV Action
22 Plan. We have existing agreements in place for
23 nearly 8,000 charging points for Plug-In Electric
24 Vehicles, this does not include our most recent
25 awards, which provide nearly \$12 million for

1 similar type projects. We've also providing
2 funding to establish 17 regional planning grants
3 to help local communities prepare for and
4 streamline the arrival of alternatively fueled
5 vehicles, particularly Plug-In Electric Vehicles.
6 We've also funded 21 new or upgraded Hydrogen
7 stations, part of the early network of stations
8 supporting the automakers' introduction of Fuel
9 Cell Vehicles.

10 We're also promoting the economic
11 development that can result from advanced
12 technologies, including funding of 18 in-state
13 manufacturing projects.

14 The program has also funded 35 biofuel
15 production projects, including development pilot-
16 scale and full-scale production projects that
17 produce a mixture of gasoline substitutes, diesel
18 substitutes, and renewable natural gas. Our
19 funding has supported the installation or
20 upgrading of 62 natural gas fueling stations,
21 many serving the fleets of school district and
22 public transit agencies. We've also incentivized
23 the development of nearly 2,000 natural gas
24 vehicles, resulting in immediate petroleum
25 displacement, as well as early greenhouse gas

1 emission and criteria pollution reductions.

2 And we've also provided funding for the
3 demonstration of approximately 30 advanced truck
4 technologies that we believe will be critical in
5 helping the state meet not just its greenhouse
6 gas emission reductions, but its air quality
7 goals in the most impacted portions of the state.

8 The program has received \$1.6 billion in
9 funding requests, nearly five times more than the
10 available funds in the solicitations to date.
11 Funded projects have leveraged more than \$700
12 million from private, federal and other funding
13 sources.

14 And in terms of jobs, our workforce
15 training programs have provided training to
16 nearly 12,500 individuals and our awards have
17 supported the creation of over 3,000 short term
18 and 3,000 long term jobs around the State of
19 California.

20 Development of this year's Investment
21 Plan began early last fall leading to its
22 proposed adoption at today's Business Meeting.
23 The journey included the release of two staff
24 drafts and a lead commissioner report, and
25 conducting two public advisory committee

1 meetings, one in Northern California, and I'm
2 happy to report one in Southern California this
3 year. I have to give the credit there to
4 Commissioner Scott, who worked hard with staff to
5 get that scheduled and held in Southern
6 California, which I think was a good move for the
7 program, a change from last year.

8 During the plan's development, we
9 received and considered about 40 items submitted
10 to the public docket. We held ongoing meetings
11 with stakeholders and received and considered
12 comments from 22 Advisory Committee members and
13 25 other groups and individuals at our two
14 Advisory Committee meetings. There has been no
15 shortage of public stakeholder involvement in
16 this process.

17 And as in previous years, the development
18 of the Investment Plan benefitted significantly
19 from the suggestions, questions, comments
20 provided by our Advisory Committee members.
21 Their input, their support, their challenging
22 questions and challenging input is all a great
23 process to help us produce the best Investment
24 Plan possible. The members of our Advisory
25 Committee include representatives from fuel and

1 vehicle technology industry groups, non-
2 governmental organizations, academia, and our
3 sister agencies.

4 Over the next few slides, I'll provide a
5 summary of the funding allocations proposed in
6 this year's Investment Plan that is before you
7 today.

8 From the top of the supply chain, our
9 first funding category is alternative fuel
10 production. As in previous years, we intend to
11 prioritize projects that utilize waste-based and
12 sustainable feedstocks, which possess some of the
13 lowest carbon intensities recognized by the ARB's
14 Low Carbon Fuel Standard. Biofuels have the
15 advantage of being compatible at various levels
16 with existing vehicle stock, and we will
17 prioritize biofuel projects that can maximize and
18 take advantage of this built-in advantage. Our
19 ultimate goal, of course, is to expand the in-
20 state production of these low carbon biofuels,
21 both decreasing their lifecycle carbon intensity
22 and promoting in-state economic development. For
23 these purposes, we are proposing an allocation of
24 \$20 million.

25 Turning to fueling infrastructure, this

1 year's Investment Plan includes a significant
2 increase in our allocation for Electric Vehicle
3 charging infrastructure. The ZEV Action Plan
4 establishes an aggressive ZEV goal of vehicles on
5 the road by 2025, and most are expected to be
6 battery electric vehicles. Continued support for
7 an early network of chargers throughout the state
8 strategically located will be critical in
9 promoting both the visibility and feasibility of
10 Electric Vehicles as an option for all
11 Californians.

12 We continue to look at multiple types of
13 chargers in determining the best role for public
14 funding. The soon to be released State PEV
15 Infrastructure Plan will provide further guidance
16 on where and how many charges are needed around
17 the state. We are proposing a \$15 million
18 allocation for charging infrastructure reflecting
19 the rapid increase in PEVs and the expectation
20 that growth will continue.

21 Our program has provided support for the
22 upgrade and installation of 21 hydrogen fueling
23 stations. Automakers have indicated that an
24 early network of roughly 60 stations properly
25 located are needed to support an initial roll out

1 of Fuel Cell Vehicles. Both the ZEV Action Plan
2 and Assembly Bill 8 recognize a higher target of
3 100 stations to support a full commercial launch
4 of these vehicles, thus Assembly Bill 8 sets
5 aside \$20 million a year, as I mentioned earlier,
6 from each Investment Plan toward achieving this
7 upper target. A \$20 million allocation in this
8 year's plan reflects both of these policies and,
9 depending on actual costs, this \$20 million in
10 the '14-'15 plan may fund an additional
11 approximately 10 stations.

12 For Natural Gas Fueling Infrastructure,
13 we're proposing to maintain the \$1.5 million
14 allocation as we've done in previous years. This
15 funding recognizes that most commercial fleet
16 networks are finding private sector solutions for
17 their funding needs, but there are still a small
18 number of other entities, such as school
19 districts is the best example I can offer, that
20 have a more difficult time accessing the
21 necessary capital.

22 Moving on to Vehicles, this year's plan
23 proposes a \$10 million allocation for continued
24 support of the development of natural gas
25 vehicles. These vehicles offer immediate

1 petroleum and greenhouse gas emission reduction
2 benefits, as well as the potential for early NO_x
3 reductions as part of ARB's voluntary emissions
4 standards currently under development.

5 While initial greenhouse gas emission
6 reductions from natural gas vehicles might be
7 modest, we also see these deployments as
8 opportunities for larger greenhouse gas emission
9 reductions resulting from renewable gas, which
10 represents some of the largest greenhouse gas
11 emission reductions recognized by the Low Carbon
12 Fuel Standard.

13 In addition to the direct benefits from
14 deploying these vehicles, our funding also
15 encourages suppliers to expand their natural gas
16 vehicle options and production.

17 We are proposing to continue our funding
18 for medium- and heavy-duty truck demonstration
19 projects with an allocation of \$15 million.
20 These trucks represent a disproportionate share
21 of the transportation sector's petroleum use,
22 greenhouse gas emission, and criteria pollution
23 emissions. We recognize the ZEV technology will
24 be critical to achieve in the state's goals in
25 these areas, and some previous truck

1 electrification demonstration projects have
2 already translated into subsequent commercial
3 deployment. However, due to the broad range of
4 applications these trucks serve in the state, we
5 will need to develop a similarly broad range of
6 solutions. We have therefore remained open to
7 near zero emission technologies, as well, in this
8 area.

9 Our final vehicle category focuses on the
10 light-duty Plug-In Electric Vehicles. Deployment
11 incentives for these vehicles have largely been
12 provided through the Clean Vehicle Rebate Project
13 administered by the ARB. However, as I mentioned
14 before, the number of PEVs within the state has
15 been rapidly increasing, nearly doubling each
16 year, in fact, and demand for these incentives
17 has begun to out-strip the ARB's normal available
18 funding. ARB staff has been investigating
19 modifications to their CRVP project to increase
20 sustainability without undermining its
21 effectiveness. As in previous Investment Plans,
22 we are proposing a \$5 million allocation to this
23 category to help sustain the CRVP in the coming
24 year.

25 The Investment Plan also recognizes the

1 value of support activities that do not neatly
2 fall into fuel production, infrastructure, or the
3 vehicle categories I just spoke about. For
4 emerging opportunities, the plan proposes a \$6
5 million allocation. This category provides
6 funding opportunities for projects that do not
7 fit into any existing funding allocation
8 proposed.

9 More recently, the category has focused
10 on providing match share to California-based
11 projects that receive federal funding support.
12 We just completed a recent federal cost share
13 solicitation that was successful and I'm happy to
14 proposed continued funding in that arena.

15 The plan also proposes a \$5 million
16 allocation to support in-state manufacturing of
17 products related to Alternative Fuels and
18 Advanced Technology. Previous awards have
19 demonstrated this funding can encourage companies
20 to upgrade, expand, or even relocate their
21 businesses within the state.

22 And lastly, \$2.5 million is proposed for
23 workforce training and development. This funding
24 will continue agreements with existing partner
25 agencies such as the Employment Development

1 Department, the Employment Training Panel, and
2 the Community College's Chancellor's Office, as
3 well as we plan to investigate some new options
4 for expanding workforce training opportunities.

5 So this table on this slide just
6 summarizes the \$100 million ARFVTP funding
7 categories that I just spoke of in the form here
8 that we're offering for your consideration today.

9 If adopted as the official Commission
10 report today, this document will serve as the
11 official allocation guide for Fiscal Year 2014-
12 2015 activity. Staff will continue with
13 currently scheduled solicitations and agreements,
14 we will backfill existing solicitations with
15 these new funds when it is appropriate, and we
16 will continue to work on new solicitations and
17 agreements.

18 Looking forward to the future, just to
19 plan ahead, staff is already discussing the
20 beginning development of next year's Investment
21 Plan, the 2015-2016 Plan, that will commence
22 later this fall.

23 I'd like to acknowledge Charles Smith for
24 his excellent work as Project Manager and primary
25 author for this Investment Plan Update, and I'd

1 also like to acknowledge Commissioner Scott for
2 her leadership through this valuable public
3 process. It's been quite a five, six, or seven-
4 month journey with a lot of learning, at least on
5 my part, and a lot of great input from Advisory
6 Committee members, the public, stakeholders, and
7 of course, the staff in the division who, like
8 Charles and Jim McKinney over here, who are long
9 time experienced in this area.

10 So with that, I would ask for your
11 consideration to approve this item and we would
12 be happy to answer any questions you might have.
13 Thank you.

14 CHAIRMAN WEISENMILLER: Thank you. Let's
15 first take public comment. Tim Carmichael.

16 MR. CARMICHAEL: Good morning. Tim
17 Carmichael with the Natural Gas Vehicle
18 Coalition. Happy Earth Day. I am fortunate to
19 be a member of the Advisory Committee that has
20 worked on these plans the last few years, so I
21 get to not only advocate for natural gas, but
22 also to weigh in on the broader spectrum the
23 broader Investment Plan. And I really consider
24 it an honor to be part of the process, I've
25 enjoyed working with the staff and Commissioner

1 Scott over the last year.

2 We're here to support the plan. The plan
3 keeps getting better, or the plans keep getting
4 better, which is what I think we want to do, both
5 as an agency and as a clean fuel advocates
6 industry.

7 On the specific issue of natural gas and
8 biofuels, which includes biomethane or renewable
9 natural gas, this plan reduces the funding
10 compared to previous plans. We appreciate the
11 fact that Commissioner Scott and her lead
12 Commissioner version bumped up the natural gas
13 vehicle funding a little bit. We did not get a
14 bump up back to the previous level for the
15 biofuels, and I think that's one of the
16 shortcomings of the funding split in this plan.
17 I know it's a very difficult balancing act,
18 there's a lot of good clean fuels and
19 technologies, but I think there's a lot of demand
20 and a lot of need for this agency to be investing
21 in the production of biofuels, including
22 renewable natural gas, in the state. And that's
23 one of the numbers that we advocated for an
24 increase in and didn't get.

25 I want to now switch hats to my Advisory

1 Committee member hat and make a couple of
2 comments. There's been a multi-year discussion
3 among the Advisory Committee members about the
4 importance of using metrics in developing the
5 plans and, in fact, using them to defend the
6 plans. There's a tension between the near term
7 investments that can easily be shown to have a
8 return on investment that is significant, and
9 then the longer term plays that it's harder to
10 show that there's a meaningful return on
11 investment.

12 There's been many discussions about this.
13 I continue to believe that this is one of the
14 areas that we need to focus on to improve the
15 plans going forward, even if it means a
16 segregation in the plan where we say "we're going
17 to take 60 percent and we're going to use this
18 set of metrics, and we're going to meet these
19 metrics and it's going to be easy to show that
20 we're meeting those metrics." And 40 percent of
21 our pot of funding we know is a longer term
22 investment, it's not part of -- we're not going
23 to hold ourselves to a tight set of metrics. I
24 think that is more defensible in the capital and
25 hopefully we won't have to do too much defense,

1 but we've had to in the past, and that's how a
2 lot of the Advisory Committee members view the
3 development of these plans and the elements. We
4 want to be able to support the plans that come
5 forward, we also want to be able to defend them
6 against critics in the future.

7 Again, very much a pleasure to be a part
8 of this process. I think it's a great plan. And
9 thank you. We encourage your support of this
10 plan.

11 CHAIRMAN WEISENMILLER: Thank you.

12 Thanks for being here. Bonnie Holmes-Gen.

13 MS. HOLMES-GEN: Good afternoon, good
14 morning, Chairman, members, I'm getting ahead of
15 myself. Bonnie Holmes-Gen with the American Lung
16 Association in California. And I'm also pleased
17 to be here to support the plan and have been
18 really pleased to be a part of the Advisory
19 Committee. And I wanted to thank you for the
20 thoughtful public process that Commissioner Scott
21 led and all the staff that worked hard on this
22 plan. We're about to release -- this is the time
23 of the year when at the American Lung Association
24 we're about to release our State of the Air
25 Report, we do that every year, it's actually next

1 week on April 30th. And typically California
2 dominates the list of the worst polluted areas in
3 the country, I don't think that will change,
4 unfortunately yet. And some of the biggest
5 solution that I talk about in terms of the state
6 of our air is the need to transform our fuels and
7 our vehicles and transform our transportation
8 technologies. And so I'm really pleased as a
9 representative of the Lung Association that we
10 can be involved in this Advisory Committee
11 process. We support the plan that's before you
12 today, we think it's been a very successful
13 program, it has been each year, and we especially
14 appreciate the support always for a key emphasis
15 on Zero Emission Vehicles and technologies, are
16 pleased to see funding again included, a good
17 amount of funding included for electric vehicle
18 incentives, and hydrogen vehicle incentives, and
19 infrastructure. It's nice to know that this year
20 we are going to see the first hydrogen vehicle
21 out for public lease in the next couple months
22 here. And we continue to be concerned about the
23 CVRP Program and keeping that whole. I know
24 we're working with you and with the ARB on trying
25 to keep that whole, some recommendations going

1 forward to the Air Board.

2 We also appreciate the continued funding
3 for the medium- and heavy-duty Zero/near Zero
4 Emission Vehicles, I just want to highlight that
5 because that's of course critical in terms of
6 pollution hotspots in communities that are living
7 near goods movement corridors.

8 Finally, I would agree the metrics are
9 important, I know we're going to have a
10 discussion of that as we go through the AB 8
11 requirements in terms of evaluating the specific
12 proposals going forward.

13 Overall, we appreciate the effort and
14 we're pleased to be here to support and look
15 forward to continuing to work with you.

16 CHAIRMAN WEISENMILLER: Okay, thank you.
17 Any other questions or comments from the
18 audience? Okay, let's turn to the dais.
19 Commissioner Scott. Oh, anyone on the phone?
20 Okay, go ahead.

21 COMMISSIONER SCOTT: All right, well,
22 thank you Randy for that excellent presentation
23 and for your leadership in this program. I had a
24 few comments that I wanted to make, but I feel
25 like they will probably be largely repetitive of

1 the things that Randy said, but I'll go ahead and
2 do it anyway.

3 One of the things that I really like
4 about our Alternative and Renewable Fuel and
5 Vehicle Technology Program is that it really does
6 allow us to invest in a broad portfolio of
7 projects that have the potential to be
8 transformative in the transportation sector,
9 which is important for our climate goals, our
10 clean air goals, and our energy security goals.
11 And the program, as Randy kind of walked through,
12 is working hard to help deploy the electric
13 vehicle charging infrastructure.

14 We're supporting Governor Brown's Zero
15 Emission Vehicle goals, we're building a
16 foundation for Hydrogen fueling stations, we are
17 advancing the Low Carbon Biofuels, we're
18 accelerating fleet turnover with the natural gas
19 vehicle incentives and the infrastructure that
20 goes along with it. We are incubating innovation
21 in medium- and heavy-duty advanced technology
22 vehicles. We are supporting manufacturing here
23 in California, and we're enabling the job
24 training that goes along with all of that. So
25 it's a pretty broad program.

1 And so thanks to Tim and to Bonnie for
2 coming and speaking in support of our plan. I
3 think you're right, Tim, it's a tough balance,
4 it's a broad portfolio, I feel like we struck a
5 good balance here with the proposal that we have
6 before you today. I'd also like to highlight the
7 metrics portion and how to articulate the
8 benefits of this program, and it is something
9 that we are thinking very seriously about, and we
10 actually have an IEPR, Integrated Energy Policy
11 Report Workshop that we're going to host to
12 specifically work on this issue and think it
13 through. It gets kind of complex pretty quickly,
14 and so putting something together, that really
15 does sort of highlight the near term and the long
16 term, the broad portfolio and making sure that we
17 continue to have a good balance is something that
18 we really want to think through with a whole
19 bunch of folks during the IEPR Workshop, and the
20 comments that they submit, we've been listening
21 to the comments that we've gotten so far.

22 And then I just also wanted to highlight
23 the good public process that went along with
24 this. We had two workshops, as Randy mentioned,
25 one here and one down south, and I do appreciate

1 the staff's great work in putting that one
2 together down south, finding a place with WebEx
3 capabilities and all these things is sometimes a
4 challenge.

5 And I think the plan that we have here
6 does reflect the comment that we got from both
7 the public and the Advisory Committee, and so I'd
8 really like to thank the Advisory Committee,
9 other interested stakeholders for their engaged
10 and thoughtful participation here, it makes a big
11 difference.

12 And then I'd love for everybody to -- I
13 don't know if you have a copy of the report in
14 front of you, but to turn to the acknowledgements
15 page, and I'd just like to say thank you to
16 Charles for his terrific work in putting this
17 Investment Plan together, to Dave Nichols, who is
18 the Associate Program Manager -- it's on page (i)
19 -- the acknowledgements of all the terrific staff
20 who helped make this program run as well as it
21 does every day, and turn your attention to the
22 interesting summary, I mean, it's on page 8 and 9
23 of the report, of the program funding and all the
24 things we really have been able to fund. I think
25 it's pretty exciting and I encourage your support

1 of the plan today. Oh, comments, questions? I
2 will move this item.

3 COMMISSIONER HOCHSCHILD: Second.

4 CHAIRMAN WEISENMILLER: All those in
5 favor?

6 (Ayes.) This item passes 4-0. Thanks,
7 Randy.

8 CHAIRMAN WEISENMILLER: Let's go on to
9 Item 13, Drive Website. And Lauren Greenwood.

10 MS. GREENWOOD: Hi. I'm over here. I'll
11 pull it up right now. Good morning, my name is
12 Lauren Greenwood and I --

13 COMMISSIONER HOCHSCHILD: I cannot see
14 you at all, Lauren. There you go, thank you.

15 MS. GREENWOOD: Sorry. My name is Lauren
16 Greenwood. Good morning, Commissioners. I'm
17 part of Commissioner Scott's team and, in an
18 effort to highlight the successes of the
19 Alternative and Renewable Fuel and Vehicle
20 Technology Program, we worked with the Media
21 Office and the Web Team to put together a new
22 website called Driving to Cleaner Transportation,
23 and it showcases successful ARFVTP projects
24 across California.

25 As you can see, there is a wide range of

1 projects from converting food and agricultural
2 waste into biofuels to developing California's
3 Electric Vehicle and Natural Gas infrastructure.
4 And so I'm going to just briefly go through a
5 couple projects to show you.

6 Down here we have 12 projects that are
7 located throughout California. Each of the
8 projects has a project overview, benefits of the
9 project shows you the location of the project,
10 and then the type of the project. I highly
11 encourage everyone to take a look at the website
12 and see all of our new exciting projects that
13 we're highlighting, we have quite a range and
14 it's an interesting read.

15 We also have an update to our Drive
16 website, which is the Alternative and Renewable
17 Fuel and Vehicle Technology Program website. We
18 have an enhanced map which, with this update, it
19 adds additional functionality so users can layer
20 Legislative Air Quality Management Electric
21 Service Area and County Districts onto the
22 existing map. So right now I have -- you can
23 just go over to this tab, you can click on the
24 layers portion, you can layer the 2012 Assembly
25 Districts, 2010 Senate, California Air District,

1 Electric Service Area Districts, and County. And
2 you can layer all of them, or one of them,
3 whatever users find most functional for them.

4 We hope that this new map provides a
5 fuller picture of how the ARFVTP Program is
6 impacting California's move to a Zero Emission
7 Transportation Future. Thank you. And I don't
8 know if Commissioner Scott has any additional
9 words she'd like to add?

10 COMMISSIONER SCOTT: Sure. And thank you
11 very much, Lauren, for your leadership here and
12 pulling this project together. We wouldn't have
13 been able to put the terrific stories that
14 highlight some of the successful projects on
15 transportation together without her diligence and
16 work. And thanks to the media and communications
17 team and to our web team for making this
18 possible. And I'd also like to thank my advisor,
19 Leslie Kimura-Szeto and Lauren, as well, on
20 putting the map together and then adding this
21 additional functionality to the map. I think it
22 does help us tell the story of where the projects
23 are; depending on who you are and what you're
24 interested in, you can kind of layer on either
25 the types of projects, just as Lauren walked

1 through the Districts, or the Air Quality
2 Management Districts, and so it's just another
3 great way, I think, to help communicate about the
4 work that the Alternative and Renewable Fuel and
5 Vehicle Technology Program is doing. So thanks
6 for putting that together.

7 MS. GREENWOOD: Great. Thank you.

8 COMMISSIONER DOUGLAS: Great, well thank
9 you. It's really nice to be able to see this
10 work in that kind of format.

11 CHAIRMAN WEISENMILLER: Yeah, before we
12 go on to the next item, I was going to encourage
13 Janea and Lauren to stand together for a picture,
14 assuming we haven't lost our photographer.

15 (Pause) Thanks for doing the photos.

16 Let's go on to Item 14, Alternative Fuel
17 Readiness Planning Grants, PON-13-603. And this
18 is Juan Garcia.

19 MR. GARCIA: Good morning, Commissioners.
20 My name is Juan Garcia from the Fuels and
21 Transportation Division, Emerging Fuels and
22 Technologies. I'm seeking possible approval of
23 five resolutions totaling approximately \$1.4
24 million for agreements awarded on the Alternative
25 Fuel Readiness Planning on 13603.

1 These resolutions would fund programs to
2 prepare for the deployment of alternative
3 transportation fuels in San Diego, Davis,
4 Monterey, Santa Barbara, and San Mateo regions.

5 All agreements will include a strategic
6 assessment of the challenges and opportunities of
7 the adoption of alternative transportation fuels
8 and the implementation of targeted outreach
9 programs for the fuels. There will be efforts to
10 train and educate the fleet operators, planners,
11 first responders, and decision makers, as well as
12 workshops for consumers.

13 All agreements are expected to be
14 complete within two years of agreement execution.
15 Collectively, the Alternative Transportation
16 Fuels being considered in these plans include
17 compressed natural gas, propane, ethanol,
18 biofuels, hydrogen, and electricity.

19 We're asking today for two actions by the
20 Commission, first, to concur with the staff's
21 finding that the proposed projects are CEQA
22 exempt, and second, to approve the proposed
23 projects. Thank you, and I'm available to answer
24 any questions.

25 CHAIRMAN WEISENMILLER: Thank you. I

1 think we have one commenter on the line.

2 MS. LOWE: Hi, yes. This is Anna Lowe
3 calling from SANDAG and we just really appreciate
4 the opportunity and look forward to expanding the
5 efforts that we began down here in the San Diego
6 Region on the Plug-In Electric Vehicle Planning,
7 and so we just look forward to the opportunity.
8 Thank you.

9 CHAIRMAN WEISENMILLER: Thank you. I had
10 one question for staff. I know over time this
11 program has sort of shifted focus away from
12 propane and I was trying to understand the role
13 of propane in the planning grants.

14 MR. GARCIA: Although the PON didn't
15 specify what type of fuel types were or were not
16 eligible, the specific regions still consider
17 propane to be some type of alternative fuel to be
18 considered, you know, collectively.

19 COMMISSIONER SCOTT: My understanding on
20 that also was that there were a few rural school
21 districts in a couple of places and that's why --
22 I think is it SANDAG that is interested in having
23 that in their consideration?

24 MR. GARCIA: Yes, that's correct.

25 MS. LOWE: Yes.

1 CHAIRMAN WEISENMILLER: Yeah, there's a
2 bill in the Legislature, actually, to have the
3 PUC facilitate extending gas service in the
4 Central Valley to displace propane and part of
5 the driver there is safety, part of it is hope
6 for either air quality or greenhouse gas
7 benefits.

8 COMMISSIONER SCOTT: Yes.

9 CHAIRMAN WEISENMILLER: So certainly
10 something we have to keep looking at.

11 COMMISSIONER HOCHSCHILD: So the only
12 thing I would note, I forgot to mention as I was
13 talking in my summary of what the Alternative and
14 Renewable Fuel and Vehicle Technology Program
15 does is we do also provide these type of grants
16 that help areas and local counties and other
17 folks get prepared for the technologies that
18 we're trying to push forward. And so I am in
19 support of these. I will move the item.

20 COMMISSIONER HOCHSCHILD: Second.

21 MR. LEVY: Commissioners, just a moment.
22 Commissioner Douglas needs to disclose on Item
23 14b.

24 COMMISSIONER DOUGLAS: Thank you. So
25 I've got a disclosure to make for actually a

1 couple of items, and maybe Mike can help me make
2 sure I don't miss any. On Item 14 --

3 MR. LEVY: (b) and 17.

4 COMMISSIONER DOUGLAS: -- (b) -- are the
5 UCs involved in that?

6 MR. LEVY: Both of them are.

7 COMMISSIONER DOUGLAS: And Item 17, are
8 there any others?

9 MR. LEVY: No, that's all.

10 COMMISSIONER DOUGLAS: All right. So
11 what I need to disclose is that I am an Adjunct
12 Professor, I teach one class at U.C. Davis, King
13 Hall, we actually had the last class of the
14 semester yesterday, so I'm smiling because it's a
15 very fun class, but it's also a lot of work, and
16 so the teaching is with King Hall, so they're a
17 source of income. This particular contract
18 involves U.C. Davis, Item 17 also involves U.C.
19 Davis, so I'm making a disclosure I don't need to
20 recuse myself from the item.

21 MR. LEVY: Right. Neither item relates
22 to King Hall, specifically.

23 COMMISSIONER DOUGLAS: Thank you.

24 COMMISSIONER SCOTT: I'll move approval
25 of Item 14.

1 COMMISSIONER HOCHSCHILD: Second.

2 CHAIRMAN WEISENMILLER: All those in
3 favor?

4 (Ayes.) Item 14 passes unanimously.

5 Thank you.

6 CHAIRMAN WEISENMILLER: Let's go on to
7 Item 15. Los Angeles Department of Water and
8 Power. And this is a Proposed Resolution of ARV-
9 13-014, a \$300,000 grant. Miki Crowell, please.

10 MR. CROWELL: Good morning. My name is
11 Miki Crowell and I'm with Emerging Fuels and
12 Technologies Office. I'd like to request your
13 approval for a \$300,000 agreement with the Los
14 Angeles Department of Water and Power (LADWP) to
15 install a compressed natural gas fueling station
16 at its Western District Yard.

17 Existing public CNG fueling stations
18 located within a reasonable proximity to LADWP
19 District Yards do not have a sufficient amount of
20 CNG to refuel all of the LADWP CNG fleet
21 vehicles. In addition, the current driving
22 distance is to the nearest LADWP-owned CNG
23 fueling station are about seven miles or more.

24 So this grant will allow LADWP to install
25 a new CNG station which will be located centrally

1 to the downtown Los Angeles Area and will be
2 available to provide fueling for LADWP's
3 approximately 430 CNG fueled vehicles. This new
4 station will allow for fast service response to
5 jobs and, in the event of a natural disaster, the
6 LADWP would have its own emergency supply on
7 hand. This fueling station will also be
8 available to other City of L.A. Departments such
9 as General Services.

10 This new station will displace petroleum-
11 derived fuels with 51,541 gasoline gallon
12 equivalents of natural gas annually. I'm asking
13 today for two actions by the Commission, first to
14 concur with staff's finding that the proposed
15 project is CEQA exempt and, second, to approve
16 the proposed project. And I'm happy to answer
17 any questions you may have. Thank you.

18 COMMISSIONER DOUGLAS: Thank you very
19 much. Commissioners, are there any questions or
20 comments on this item?

21 COMMISSIONER HOCHSCHILD: I would move
22 the item.

23 COMMISSIONER SCOTT: Second.

24 COMMISSIONER DOUGLAS: All in favor?

25 (Ayes.) The items passes 3-0.

1 COMMISSIONER DOUGLAS: And let's go on to
2 Item 16. Darren.

3 MR. NGUYEN: Good morning, Commissioners.
4 My name is Darren Nguyen. I'm a staff member in
5 the Emerging Fuels and Technology Office. I am
6 seeking approval of an agreement with the Center
7 for Transportation and Environment to develop,
8 validate, and deploy fuel cell hybrid electric
9 walk-in delivery vans.

10 The fuel cell hybrid delivery vehicle
11 design will be able to achieve extended range
12 through a combination of fuel cell battery power,
13 along with hydrogen energy storage. This project
14 has two phases. In Phase 1, one pre-2006 model
15 diesel walk-in van provided by UPS will be
16 converted to electric drive. This base vehicle
17 would then be modified to integrate the fuel cell
18 and hydrogen storage system into a delivery van.
19 The finished vehicle will be shifted to UPS in
20 West Sac for a real world demonstration and
21 validation.

22 In Phase 2, 16 additional fuel cell
23 hybrid walk-in vans will be built for deployment
24 in real world operation at two or more California
25 UPS Distribution facilities for at least 5,000

1 hours. The fuel cell hybrid electric vehicles
2 are projected to eliminate 884,000 gallons of
3 diesel consumption and over 98 tons of CO₂ in
4 California over the next 20 years. Staff is
5 asking the Commission for a resolution on two
6 things: the first is to find that the proposed
7 project is CEQA exempt, and the second is to
8 approve this agreement. Thank you.

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

11 COMMISSIONER HOCHSCHILD: I would move
12 the item.

13 COMMISSIONER SCOTT: Second.

14 CHAIRMAN WEISENMILLER: All those in
15 favor?

16 (Ayes.) This item passes 4-0.

17 MR. NGUYEN: Thank you.

18 CHAIRMAN WEISENMILLER: Thank you.

19 CHAIRMAN WEISENMILLER: Let's go on to
20 Item 17. Regents of the University of California
21 Davis. Andre Freeman.

22 MR. FREEMAN: Good morning,
23 Commissioners. My name is Andre Freeman and I'm
24 a staff member in the Emerging Fuels and
25 Technologies Office. Today I'm seeking approval

1 of an agreement with the Regents of the
2 University of California to establish a National
3 Center for Sustainable Transportation at the
4 University of California Davis Campus.

5 This project was funded under the
6 Alternative and Renewable Fuel and Vehicle
7 Technology Program's Federal Cost Share
8 Solicitation.

9 This project serves as a good example of
10 where Energy Commission funds can be leveraged to
11 attract federal dollars to California. The
12 University of California Davis will head the
13 Center's activities and will also collaborate
14 with researchers from U.C. Riverside, the
15 University of Southern California, Georgia Tech,
16 and the University of Vermont.

17 I would note the Energy Commission
18 funding will only be utilized for the California-
19 based universities. Federal and other out-of-
20 state funding will be provided for Georgia and
21 the University of Vermont. Co-Funding for this
22 project will also come from Caltrans, the Air
23 Resources Board, the South Coast Air Quality
24 Management District, the Federal Department of
25 Transportation, and several other entities.

1 The overall goal of the Center is to
2 increase the environmental sustainability of the
3 U.S. Transportation System, the reductions in
4 fossil fuel consumption, and GHG emissions. The
5 Center will provide support for the California's
6 pioneering efforts as the introductory market for
7 many of our nation's advanced fuels and vehicle
8 types. The Center will also serve as the hub to
9 educate other states about these policies that
10 California is at the forefront on.

11 Each funding agency will have a specific
12 list of activities to help further both
13 California and federal environmental standards
14 and goals. Some of the specific areas the Energy
15 Commission will be funding will go towards
16 research on intelligent transportation systems
17 and their ability to reduce the environmental
18 impact of the California Transportation Sector,
19 which is one of the categories that was added
20 through the Assembly Bill 8 Reauthorization bill
21 last year. And other activities will also focus
22 on Zero Emission Vehicle deployment with emphasis
23 on the goods movement sector, to help address
24 some of the issues in disadvantaged communities.

25 All deliverables from this research

1 center will be provided to the Energy Commission
2 as public documents, and the center will also
3 hold numerous stakeholder workshops to provide
4 the information from this resulting center to a
5 variety of groups, including fleets that are
6 considering Alternative Fuels and Vehicle
7 Technologies. With that, I'd like to thank you
8 for your consideration of this item. I'm
9 available for any questions. And with me today,
10 I have U.C. Davis staff member Troy Young, who
11 will be the Project Manager for the Center.

12 CHAIRMAN WEISENMILLER: Great.

13 MR. YOUNG: My name is Troy Young. I'm
14 the Program Manager for the National Center for
15 Sustainable Transportation. And Susan Handy was
16 with me earlier, she's the Center Director, but
17 she had to excuse herself to get back to her
18 class. Thank you, Andre, and thank you
19 Commissioners for the opportunity to say a few
20 words about the Center, and about our partnership
21 with the California Energy Commission.

22 The National Center was a product of a
23 competitively bid process by the U.S. Department
24 of Transportation that provided funding for
25 National Centers in five different areas. It's

1 the first of its kind focused on sustainability
2 and it reflects the importance that our federal
3 government places on this topic.

4 To accomplish our goals, we've brought
5 together the nationally recognized institutions
6 to develop technologies and strategies to
7 significantly improve on the sustainability of
8 our transportation systems. The Center will
9 build upon the strong base of objective research
10 that U.C. Davis and our Center partners already
11 are involved with. The work of the Center
12 focuses on four different research themes, zero
13 emission vehicle and fuels technologies,
14 efficient operations and low carbon
15 infrastructure, low impact travel and sustainable
16 land use, and fourthly, institutional change to
17 support sustainability.

18 As Andre mentioned, with the proposed
19 grant, we'll be focusing on issues of high
20 importance to California and the Commission
21 including intelligent transportation systems,
22 alternative and renewable fuels, and zero
23 emission vehicles.

24 Our goal for this work is to accelerate
25 the transition towards zero emission and low

1 carbon fuel technologies for both passenger
2 transportation and goods movement through
3 research on the commercial barriers that are
4 inhibiting the adoption of promising innovative
5 alternative and renewable fuels and vehicle
6 technologies, and to develop solutions to those
7 barriers.

8 So we look forward to this partnership
9 and furthering California's leadership on these
10 topics through cutting edge research and real
11 world engagement with decision makers and
12 stakeholders. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you.
14 Commissioners, any questions or comments?

15 COMMISSIONER HOCHSCHILD: So we support a
16 lighting center at Davis, we support -- there's a
17 Demand Response Center --

18 CHAIRMAN WEISENMILLER: The Demand
19 Response Center is at Berkeley.

20 COMMISSIONER HOCHSCHILD: -- at Berkeley.

21 CHAIRMAN WEISENMILLER: There's the
22 Cooling Center at Davis.

23 COMMISSIONER HOCHSCHILD: A Cooling
24 Center. And then this Sustainable Transportation
25 Center.

1 CHAIRMAN WEISENMILLER: Some Renewable
2 stuff, too. So, you know, Davis has been pretty
3 active in our solicitations on the funding side.

4 COMMISSIONER HOCHSCHILD: Right. Okay.
5 I would move the item.

6 COMMISSIONER DOUGLAS: Second.

7 CHAIRMAN WEISENMILLER: All those in
8 favor?

9 (Ayes.) This item passes 4-0. Thank
10 you.

11 CHAIRMAN WEISENMILLER: Let's go on to
12 Item 18. Natural Gas Vehicle Incentives.
13 Proposed Resolution. Andre Freeman, please.

14 MR. FREEMAN: Thank you, Commissioners.
15 Today I'm also seeking approval of 30 separate
16 natural gas vehicle incentive reservations, each
17 with its own resolution totaling \$16,632,000 that
18 will be provided by the Alternative and Renewable
19 Fuel and Vehicle Technology Program. These
20 incentive reservations were awarded through the
21 Natural Gas Vehicle Incentive Solicitation on
22 PON-13-6-10, which was released on January 27th
23 of 2014.

24 The intent of this solicitation is to
25 provide funding to help reduce the incremental

1 cost for natural gas vehicles. As part of the
2 development of the solicitation, staff considered
3 input from stakeholders at public investment plan
4 workshops, prior business meetings in 2013,
5 Docket items relating to the Alternative and
6 Renewable Fuel and Vehicle Technology Program,
7 and the Natural Gas Vehicle Incentive
8 Solicitation Workshop that was held on February
9 6th of 2014.

10 Modifications to the eligibility criteria
11 and incentive rules were made to increase the
12 diversity of vehicle types funded under this
13 program to better ensure that we are making a
14 variety of light, medium and heavy-duty vehicle
15 sectors.

16 During the solicitation workshop, staff
17 reviewed the details of the solicitation and
18 identified areas where eligibility criteria,
19 incentive levels, incentive level caps, and the
20 administrative process have been revised compared
21 to previous Energy Commission solicitations.

22 During the solicitation workshop, staff
23 took questions and comments from interested
24 stakeholders including questions on eligibility
25 requirements, and responded to them in the formal

1 Question and Answer document that was posted on
2 February 25th of 2014.

3 This solicitation will continue to accept
4 applications through May 1st of 2014. Staff will
5 also continue to answer any administrative
6 questions that come up throughout the process.

7 The funding provided through the Energy
8 Commission's Natural Gas Vehicle Incentive
9 Solicitation will promote the purchase of over
10 2,500 light, medium, and heavy-duty vehicles.
11 These vehicles can range from light-duty
12 passenger vehicles to heavy-duty goods movement
13 and waste disposal vehicles.

14 Based on trends and natural gas pricing,
15 natural gas vehicles can provide a strong return
16 on investment; however, quite often the cost of
17 these vehicles are significantly greater than
18 their diesel alternatives. This funding helps
19 provide the upfront capital necessary for many
20 groups from sole proprietors to large fleets to
21 make these vehicle purchases that might otherwise
22 be cost prohibitive.

23 These vehicles also provide greenhouse
24 gas and criteria pollutant reductions for
25 vehicles in high pollution areas. With the wide

1 variety of duty cycles and operational locations
2 for these natural gas vehicles, the benefits of
3 the reduced tailpipe emissions can be realized in
4 areas severely impacted by vehicle air pollution.

5 The medium- and heavy-duty applications
6 for goods movements near ports, as well as the
7 urban waste disposal applications also allow
8 opportunities for this funding to provide air
9 quality benefits to disadvantaged communities and
10 areas nearby.

11 Additional benefits will be achieved from
12 the promotion of the natural gas vehicle sector
13 with the further development of low NO_x engines,
14 natural gas electric hybrids, and biomethane
15 production facilities that are also being funded
16 by the Energy Commission.

17 In accordance with the California
18 Environmental Quality Act Guidelines, staff has
19 determined that these incentive reservation
20 awards are not projects or activities under CEQA.
21 Staff is asking the Commission for two actions
22 today, the first is to find that each individual
23 reservation, Items 18a through d is not a project
24 under CEQA, and the second is to approve each
25 individual reservation, Items 18a through dd.

1 I'd like to thank you for your
2 consideration and I'm available for any questions
3 you may have.

4 CHAIRMAN WEISENMILLER: Is there a
5 correction in Item aa?

6 MR. FREEMAN: Sorry. We made a
7 correction to the OEM name for Item 18aa to
8 correctly show the Volvo Trucks was the OEM that
9 designated Tech of Oakland.

10 CHAIRMAN WEISENMILLER: With that
11 correction. Thank you. We have three public
12 comments, so let's start out with - I want to say
13 "Mr. Rocha"?

14 MR. ROCHE: Roche.

15 CHAIRMAN WEISENMILLER: Roche, okay. I
16 would note that I have reviewed the email
17 correspondence, so you don't need to go back
18 through that.

19 MR. ROCHE: Oh, there we go. That's
20 better.

21 CHAIRMAN WEISENMILLER: Do you need some
22 water?

23 MR. ROCHE: No, it's allergies or some
24 laryngitis, but -- good morning, Commissioners.
25 I'm David Roche, President of West Coast Bus

1 Sales, we represent Tiffany Coachworks. We're
2 here to address the OEM requirements that were
3 set forth in PON-13-6-10. In previous PONs we
4 were accepted as OEMs, we performed well, we
5 provided shuttle buses to San Francisco Airport,
6 Oakland Airport, Los Angeles, and for some reason
7 which we were unable to get clarified, we are no
8 longer an eligible OEM. That has basically gone
9 to the truck manufacturer, so this should
10 actually be PON-13-6-10 Truck Incentive. Okay?
11 Because school bus manufacturers and bus
12 manufacturers, shuttle bus, and you're aware what
13 shuttle buses are? They run the City/County dial
14 rides, the airport shuttles, the hotels, the
15 parking companies, they use huge amounts of CNG.
16 And being eliminated and restricted because we
17 are a final stage OEM, we have sent documentation
18 in to this fact, and we don't understand why this
19 was changed to eliminate the shuttle bus and
20 school bus manufacturers. It's as simple as
21 that. We've provided questions and we get the
22 same answer, it's like a Monday night football
23 game, "after further review, we determined that
24 our OEM is what we said it was." Well, there's a
25 lot of different definitions of OEM, in fact, the

1 current definition of OEM says is a manufacturer
2 who takes somebody's vehicle and modifies it to
3 their standards, renames it, retags it, rebadges
4 it, just like we do at Tiffany Coach. We're a
5 final stage OEM manufacturer. And we should not
6 be declared ineligible after we have performed
7 successfully on the previous 10 PON, 11 PON. I'm
8 requesting that the verbiage be changed to
9 include an Addendum or an Amendment that states
10 OEM Final Stage Manufacturers, we meet California
11 Title 13, we meet Federal Standards, and we meet
12 everything. There is no reason we should not be
13 included. And to eliminate the bus and school
14 bus, we're trying to get more CNG vehicles out
15 there. Is this any way to do that? Answer that!
16 I don't think so. I'm requesting an Addendum
17 postponing this award until further review
18 because we were actually one of the first to
19 submit our request, which we feel we've been
20 denied unjustly. And you know, I can answer any
21 questions you have, but, I mean, at this point,
22 you know, I've provided all the documentation.
23 We're a QVM certified manufacturer, which means
24 we build to strict requirements. Like I said, I
25 can't understand it. I guess my time is up.

1 CHAIRMAN WEISENMILLER: Thank you. Let's
2 go on to Tim Carmichael.

3 MR. ROCHE: Thank you.

4 MR. CARMICHAEL: Good morning again. Tim
5 Carmichael with the California Natural Gas
6 Vehicle Coalition in support of the package of
7 reservations that are before you. Obviously this
8 is a big win for the natural gas industry. Lots
9 of vehicles, lots of good projects proposed. On
10 the issue that was just raised, the challenge
11 with -- and the staff actually at an earlier
12 workshop went to great lengths to explain the
13 definition of OEM and changes that were being
14 made, but I just want to know for the record, in
15 the Alternative Fuel industry it's very common,
16 especially in the medium-duty sector, shuttle
17 buses being one of the best examples, utility
18 trucks and vans being another good example. It
19 is very common for a Ford or a GM to make the
20 Chassis and supply that to another company that
21 then adds the natural gas system and does
22 whatever else is necessary to put that into
23 service. Going forward, if you don't change the
24 definition in this round, going forward that's an
25 important piece of the spectrum of the fleet that

1 we're missing with the narrower definition of
2 OEM. And you know, there's a lot of good light-
3 duty, a lot of good heavy-duty projects, or
4 vehicle proposals in this list, but you'll see
5 there's a very limited number in that medium-duty
6 sector and it's because of the way these vehicles
7 are manufactured in the Alt fuel sector. So I
8 like this list a lot, but I also want to
9 recognize that we're missing an important piece
10 of the fleet segment if we keep a narrow
11 definition of OEM like this PON has. Again,
12 thank you very much and we encourage you to
13 support the overall list. And, one last thing,
14 greatly appreciate the augmentation of these
15 funds because this PON started out with just
16 under \$11 million, obviously there was a
17 tremendous list of proposals put forward, and
18 you've decided to augment that, and we think
19 that's great. Thank you.

20 CHAIRMAN WEISENMILLER: Thank you. I
21 believe we have a gentleman from Ford Motor on
22 the line. Please.

23 MR. MICHON: Yes. This is Jim Michon.
24 Actually, can you hear me?

25 CHAIRMAN WEISENMILLER: Yes, we can.

1 MR. MICHON: Okay, great. Well, first I
2 wanted to thank the CEC and especially Debbie.
3 Debbie has been really fantastic with, 1)
4 answering my questions, and I've had many, and I
5 know my dealers have reached out to Debbie, as
6 well on several occasions, and I've heard she's
7 been nothing but very helpful to them in trying
8 to understand and navigate through all the forms
9 and very patient, as well. So I really
10 appreciate that and everything the CEC does to
11 offer up these types of programs.

12 Now, at Ford we've been really working
13 hard to make sure that we make available gaseous
14 fuel prep capability on all of our commercial
15 truck and van offerings, from the under 8,500
16 pound GVWR Connect, all the way up to a Class 6
17 medium-duty truck F650. And I'm really happy to
18 announce that, because of the demand of natural
19 gas, we've extended the six 8-liter engine on
20 medium-duty to the F750 class 7 next year when we
21 introduce the '16 model year medium-duty truck.
22 So it's very important to us and, you know, now
23 we offer, again, gaseous fuel capability on all
24 of our vehicles from the under 8,500 Connect and
25 F150 through Transit Connect, and full size

1 transits that's being introduced this year,
2 super-duty pick-ups and Chassis Cabs, and the
3 medium-duty trucks, so these types of programs
4 with the PON-13-6-10 are just so helpful to
5 promote natural gas vehicles, and just wanted to
6 say that I sincerely appreciate all the effort
7 and I notice that I have 11 dealers on the list
8 that are requesting funding, and it would be
9 fantastic for them to be able to extend those
10 incentives to their customers and our customers.
11 So thank you again, and I definitely really
12 appreciate all your efforts.

13 CHAIRMAN WEISNMILLER: Thank you. We
14 also have Ed Crawford.

15 MR. CRAWFORD: Thank you. Ed Crawford
16 from Isuzu Commercial Truck of America. I just
17 wanted to take a moment to thank the Commission
18 and the staff, as well. The gentleman from Ford
19 made some very nice comments in support of the
20 administration of these programs once they're put
21 into an approved, and I would concur that Debbie
22 and the rest of the staff do an outstanding job
23 in helping OEMs and our dealers, sometimes
24 novices in getting the administration portion of
25 the process, the paperwork done. So we

1 appreciate the consideration and hope that this
2 gets approved and we can deploy more alternative
3 fuel vehicles. Thank you.

4 CHAIRMAN WEISENMILLER: Thank you.
5 Thanks for being here. I was going to say, let's
6 go back to the first gentleman's question. So
7 just a few questions on stuff, if you want to
8 help, Andre, or not. First question was just,
9 why does the staff recommend changing the
10 definition of OEM in the new solicitation?

11 MR. FREEMAN: As Mr. Roche has stated,
12 there are a lot of different definitions out
13 there of what an OEM is, what a manufacturer is,
14 a first manufacturer, a final manufacturer, and
15 it caused a lot of questions with past incentive
16 solicitations that we've run. So to help address
17 this during the solicitation workshop, we
18 proposed this revised OEM definition which
19 targets a very easily identifiable group of
20 manufacturers who are the original manufacturers
21 of the chassis and engine that these vehicles
22 use. And I actually gave a specific example of
23 this during the solicitation workshop in the case
24 of, say, a shuttle bus manufacturer who uses a GM
25 or Ford chassis and engine, and then modifies it

1 for the vehicle body that they would then put on
2 the case. So these vehicles are indeed eligible
3 under our solicitation, but our requirement is
4 that the original OEM per our solicitation
5 definition, who would be Ford or GM in those
6 cases, provides a letter designating a vehicle
7 dealership as one of their designated entities to
8 receive incentives, so these shuttle bus
9 manufacturers could in fact participate in our
10 program, it's just a difference in opinion of
11 what an Original Equipment Manufacturer is.

12 CHAIRMAN WEISEMILLER: And what process
13 did you use to make sure the stakeholders were
14 aware of the changed definition?

15 MR. FREEMAN: So during the public
16 workshop that we held for this solicitation, we
17 especially knew that we were making some changes
18 compared to the previous two solicitations, and
19 we wanted to specifically highlight those. So
20 rather than have a generic Powerpoint summary of
21 the solicitation, I actually showed the
22 application manual itself for the solicitation,
23 highlighting every area where we've changed
24 eligibility definitions, incentive levels, and
25 some of the administrative process changes,

1 giving examples where possible to help clarify.
2 And then additionally at the end of that
3 solicitation workshop, we've accepted questions
4 and answers which we then posted to the public
5 website to answer any questions individuals had.

6 CHAIRMAN WEISENMILLER: And what is the
7 difference between a vehicle modifier and an OEM
8 under the new definition?

9 MR. FREEMAN: So under the new
10 definition, the Original Equipment Manufacturer
11 is the one that originally manufactures the
12 chassis and engine of a vehicle. In several
13 cases, as Mr. Carmichael and Mr. Roche had
14 mentioned, somebody will take a Ford Chassis and
15 engine, and then modify it with a vehicle body to
16 meet their specific applications which would be
17 the entity that provides the body, or modifies
18 the chassis would be the vehicle modifier.

19 CHAIRMAN WEISENMILLER: Okay, and why did
20 the solicitation rely on OEMs?

21 MR. FREEMAN: We initially integrated
22 OEMs into the process to act both as an
23 intermediary between us and the dealerships, I
24 know it's been very helpful in coordination
25 purposes and helping them through the

1 administrative process. We originally also
2 established Original Equipment Manufacturer caps
3 as we didn't want to have a lopsided distribution
4 of the incentives to certain vehicle type or a
5 certain manufacturer. So for this solicitation,
6 we set the Original Equipment Manufacturer caps
7 at \$1.6 million worth of incentives, which allow
8 us to have an equal distribution of funds
9 throughout the different OEMs.

10 CHAIRMAN WEISENMILLER: Okay.

11 Commissioners, any other questions or comments?

12 COMMISSIONER SCOTT: I would just add and
13 I'd like to thank Andre for his great
14 presentation, and just to mention, I think this
15 change that we're talking through here has not
16 been a surprise, and you've heard sort of the
17 public process the notice that went along with
18 it, the workshop, the questions and answers and
19 things like that. And so I would encourage us to
20 go forward here and I'm in support of Item 18.
21 Yes, I will move Item 18.

22 COMMISSIONER HOCHSCHILD: Second.

23 CHAIRMAN WEISENMILLER: All those in
24 favor?

25 (Ayes.) Item 18 passes 4-0. Thank you.

1 MR. FREEMAN: Thank you.

2 CHAIRMAN WEISENMILLER: Let's go on to
3 Item 19. North County Fire Protection District.
4 And this is an ECA agreement. Shahid Chaudry,
5 please.

6 MR. CHAUDRY: Thank you, Commissioners.
7 Good morning, I am Shahid Chaudry with the Energy
8 Efficiency Division. And Commissioners, I'm here
9 to request your approval for a \$475,241 ECA loan
10 at one percent to the North County Fire
11 Protection District in San Diego County for four
12 solar PV projects, for a total of 135.7 kilowatts
13 at District facilities.

14 The project's total costs are \$5,558,180
15 (*sic*), however, based on the annual savings of
16 \$36,557, and a simple payback requirement of 13
17 years, the recommended loan amount is \$475,241.

18 On completion, the projects will reduce
19 203,000 kilowatt hours of Grid electricity demand
20 every year, corresponding with seven tons of
21 greenhouse gas emission reductions annually.

22 I'm here to answer any questions or if
23 you need any clarifications.

24 COMMISSIONER HOCHSCHILD: So I'm in
25 support of this project. One issue I just want

1 to flag is that I think we should consider
2 incenting west-facing PV or possibly look at
3 requiring that, or at least southwest facing,
4 because this is clearly to the benefit of the
5 Grid. The vast majority of PV that's gone in has
6 been south facing, which obviously is generating
7 the most power. But the power that is most
8 powerful to the Grid is west-facing. And so it's
9 just an issue that I want to flag for
10 consideration as we look at solar projects funded
11 through ECA in the future. I will be looking at
12 that, by the way, for NSHP this coming year. I
13 would make a motion to support the item.

14 COMMISSIONER SCOTT: Second.

15 CHAIRMAN WEISENMILLER: All those in
16 favor?

17 (Ayes.) This item also passes 4-0.

18 CHAIRMAN WEISENMILLER: Let's go on to
19 Item 20. City of Gilroy.

20 MR. CHAUDRY: Thank you, Commissioners.

21 CHAIRMAN WEISENMILLER: Thank you. And
22 Chris Olvera, please.

23 MR. OLVERA: Good morning. Thank you,
24 Chairman. Good morning, Commissioners. My name
25 is Christopher Olvera. I'm in the Local

1 Assistance and Financing Office in the Efficiency
2 Division. For this item, the City of Gilroy is
3 requesting a loan currently at one percent
4 interest for \$1,812,722 from the Energy
5 Commission to replace all of their non-decorative
6 Cobra model-type high pressure sodium
7 streetlights with LED technology.

8 The total project cost is estimated to be
9 \$1,812,722, which is equal to the loan amount
10 requested. The number of street lights that will
11 be replaced is approximately 3,914 street lights.
12 Once completed, this project will reduce annual
13 energy consumption by an estimated 1,163,896
14 kilowatt hours of electricity. This represents a
15 59 percent reduction in energy use over the
16 incumbent high pressure sodium technology.

17 This project will save approximately
18 \$143,622 in utility costs and reduce 402 tons of
19 carbon dioxide equivalents of greenhouse gas
20 emissions annually.

21 Staff has determined that the loan
22 request is technically justified and meets the
23 requirements of an Energy Commission loan, and
24 with that I thank you for your time. Staff
25 requests that the Commission approve the loan

1 award to the City of Gilroy, and I'm happy to
2 answer any questions that you may have.

3 CHAIRMAN WEISENMILLER: Thank you. I
4 would note that Commissioner McAllister's office
5 noted that the price -- anyway, the cost seems to
6 be more or less identical to Morgan Hill's LED
7 that we talked about the last time and it seems
8 Gilroy and Morgan Hill both appear to be
9 participating in the PG&E Turnkey Contract
10 Program, and thus the same cost. We'll also note
11 that I think all of us got a very helpful email
12 from Valerie (Winn) following up the last time on
13 the street lighting statistics. So with that
14 information, any other questions or comments?

15 COMMISSIONER HOCHSCHILD: I would move
16 the item.

17 COMMISSIONER DOUGLAS: Second.

18 CHAIRMAN WEISENMILLER: All those in
19 favor?

20 (Ayes.) This item passes 4-0.

21 CHAIRMAN WEISENMILLER: Let's go on to
22 Item 21, Project Management Institute Award. Dr.
23 James Reade, please.

24 DR. READE: Good morning, Chairman
25 Weisenmiller, Commissioners, staff, and members

1 of the public. My name is Dr. James Reade and I
2 was the Project Manager for the e-Filing and e-
3 Commenting system effort here at the Commission.

4 The project was nominated by our contract
5 with SymSoft for the Sacramento Valley Chapter of
6 the Project Management Institute's Project of the
7 Year. This was due in part to the project being
8 successfully completed six weeks ahead of
9 schedule, under budget, and showing exceptional
10 application of project management principles and
11 practices.

12 The system has processed over 2,200
13 documents since August of 2013. The Energy
14 Commission was selected as one of three finalists
15 out of 84 nominees and I would like to present to
16 the Chair the award that was given on March 13,
17 2014 for first runner up for Project of the Year.

18 CHAIRMAN WEISENMILLER: Great. Thank
19 you.

20 DR. READE: I must say that there were
21 actually 14 team members that earned that plaque.

22 CHAIRMAN WEISENMILLER: Congratulations.
23 Thanks again. Minutes, Item 22.

24 COMMISSIONER DOUGLAS: Move the Minutes.

25 COMMISSIONER SCOTT: Second.

1 CHAIRMAN WEISENMILLER: All those in
2 favor?

3 (Ayes.) The Minutes go 4-0.

4 CHAIRMAN WEISEMILLER: Item 23. Lead
5 Commissioner and Presiding Member Reports.
6 Commissioner Hochschild, do you want to go first?

7 COMMISSIONER HOCHSCHILD: Yeah, maybe
8 I'll just go really quickly. So I had a great
9 trip with a number of staff last week to see the
10 only Joint Biomass Geothermal Power Plant in the
11 country, or actually in the world, which is in
12 California, the Honey Lake project. They are now
13 actually installing solar there to this area.
14 That was a highlight.

15 An excellent workshop with New Solar
16 Homes Partnership yesterday morning, which
17 flagged a couple of issues I'm going to be
18 digging into; among them is that appraisers are
19 not accurately capturing the value of solar and
20 there's some work I think we can do to help with
21 that. And also that the New Homes market in
22 general is coming back very strong, 100,000 homes
23 expected to be built in California this year.
24 And finally, we had a great trip to Germany, the
25 Chair and I, and Commissioner Picker and

1 Commissioner Peterman, and Angelina Galiteva and
2 Dave Olsen from the ISO Board, a very informative
3 visit looking at how they're dealing with high
4 penetration renewables and some of the activity
5 around clean energy manufacturing. And I visited
6 the BMW Electric Vehicle Factory, which is
7 actually exactly the same size as Tesla, 700 cars
8 a week. Actually that car, the i3, is coming on
9 the market this month in the U.S. finally. So I
10 think those are my main updates. I have to go
11 for a call. Thanks.

12 CHAIRMAN WEISENMILLER: Commissioner
13 Douglas.

14 COMMISSIONER DOUGLAS: All right, well,
15 I'm just going to talk a bit about May is Bike
16 Month, which is coming up, and also my adventures
17 with the Fix 50 project this morning. As some of
18 you probably noticed, I was about 15 minutes late
19 this morning, my drive-in, which I had hoped to
20 do by bicycle, but I had some technical
21 difficulties and had to leave the bicycle at home
22 this morning, it took about 35-40 minutes longer
23 than usual, but getting in through West
24 Sacramento and into Downtown Sacramento, I'm
25 hoping that gets a little bit better as people

1 find alternate routes or alternate means of
2 getting downtown, I'm certainly planning on
3 finding an alternate means of getting downtown.

4 So whether planned or not, this Fix 50
5 project coincides with the upcoming May is Bike
6 Month event in the Sacramento Region, there's an
7 area-wide goal of two million miles logged by
8 participants. The Energy Commission has a team
9 in May is Bike Month, as an employer we tend to
10 score among the very highest medium-sized
11 employers. We have a lot of staff who log a very
12 impressive amount of miles. So I will be getting
13 online and registering and making my pledge in
14 order to, of course, gain the benefits of the
15 exercise and the reduced time sitting in traffic
16 in May, and also help support the Energy
17 Commission team. We've got that online, so just
18 go on in and register, and select Energy
19 Commission for Employer. You can also challenge
20 your friends to a mileage contest on Facebook or
21 by email. All trips by bicycle count, whether a
22 ride to work, school, shopping, or for
23 recreation. And this region is home to many
24 bicycle friendly communities and regional trails.

25 For Energy Commission staff who wish to

1 participate, the Energy Commission has a toolkit
2 to help with minor repairs, these are useful, but
3 you might also want to carry one with you, a pump
4 for tires, a tire patch kit, a toolkit which
5 includes a chain tool compatible with all single
6 and multi-speed bicycle chains, Allen and Spoke
7 Wrench, a chain hook, Phillips Head screwdrivers,
8 a torque spit, and two modular tire levers that
9 snap onto the sides of the bike. These items
10 will be located in the Security Team Office.
11 Visit www.mayisbikemonth.com for information
12 about events, a bicycle planner, and safety
13 information for kids and adults. So, thank you.

14 CHAIRMAN WEISENMILLER: Do you want to
15 add your votes on Items 1 and 3?

16 COMMISSIONER DOUGLAS: Yes, and thank
17 you. I will also add on as an Aye vote on Items
18 1 and 3.

19 CHAIRMAN WEISENMILLER: And I will add on
20 as an Aye vote on Item 15. So with that, I'll
21 cover three things. I mean, first I would note
22 today is Earth Day and I have a few comments on
23 that. I guess part of the basic message is I
24 think every day is Earth Day at the Energy
25 Commission, but with that in mind, first I think

1 looking at Earth Day, certainly that was part of
2 the backdrop when Assemblyman Charlie Warren and
3 Senator Alquist, the two authors of the bill,
4 established the Energy Commission, who were
5 elected to the California Legislature, and
6 certainly part of the backdrop for the
7 legislation to set up the Energy Commission.

8 And I think at this point there is
9 certainly no less interest in environmental
10 issues today than there was on the first Earth
11 Day. And in May of 1973 when Charlie Warren
12 introduced AB 1575, he stated: "The present
13 rapid rate of growth and demand for electrical
14 energy is in part due to wasteful, uneconomic,
15 inefficient, and unnecessary use of power, and a
16 continuation of this trend will result in serious
17 depletion or irreversible commitment of fuels,
18 land and water resources, and potential threats
19 to California's environmental quality."

20 The Warren-Alquist Act was the first of
21 its kind to call for energy efficiency standards
22 and promoting energy policies that won the
23 public's interest. It did this by establishing
24 the Energy Commission to be responsible for
25 Energy demand forecasting of future needs,

1 calling for energy conservation and efficiency
2 standards, developing alternative and renewable
3 energy generating systems and simplifying the
4 process for siting power plants.

5 By the late 1970's, Governor Brown's
6 Comprehensive Energy Initiatives called for the
7 State to develop leadership across state
8 facilities, among other things. We also called
9 at that time for really the Public Utilities
10 Commission using its power to really push energy
11 efficiency and renewables. And we also set up
12 financing at that point, things like the
13 Alternative Energy Financing Authority.

14 But based upon that state leadership role
15 that was part of this program, the architects of
16 the Governor's Office of Appropriate Technology
17 Design began to design energy conserving, self-
18 ventilating State buildings. And our building
19 was constructed or became operating in 1982 as an
20 international model of green building innovation.

21 As we approach our 40th anniversary and
22 celebrate Earth Day, we look back on the
23 evolution of energy conservation and renewable
24 resources that make this building early
25 innovations obsolete. The Energy Commission has

1 been leading by example for years by providing
2 bike racks and discounted mass transit passes.
3 Going above and beyond that, on October 2012, we
4 created a Green Team of employees who volunteer
5 time to improve our work environment and the
6 performance of our building, making our
7 operations more sustainable. That team has been
8 focused on the Governor's Green Building
9 Executive Order that requires, among other
10 things, that existing State Buildings achieve
11 LEED Silver Certification or higher. Again, our
12 Green Team's accomplishments include repairing
13 the building's water meter, fixing lighting
14 motion sensors, heating and cooling fans and
15 other equipment, upgrading sinks with new water
16 efficient faucets, faucet aerators, installing
17 filtered water fountains to reduce the need for
18 trucking in bottled water, adopting the Can-to-
19 Can Initiative to reduce the number of trashcan
20 liners being discarded every night.

21 In the coming weeks we will also be
22 participating in a Demand Response pilot program
23 and developing a LEED Existing Building
24 Operations and Maintenance Feasibility Study and
25 Implementation Plan. In the coming year we will

1 install solar panels on our roofs, and hopefully
2 LEDs in our building.

3 California is one of the most beautiful
4 and resource rich areas in the world; by taking
5 steps to lessen our impacts on the planet and
6 conserve resources, we can provide a brighter
7 future for generations to come. And this is the
8 legacy that we can leave our children.

9 So again, it's certainly a day for
10 celebration. I think, as part of that, I would
11 note, and obviously the Governor has always been
12 very strong on it, is his support of co-
13 generation, or combined heat and power. And I
14 have filed comments at FERC before as we've
15 worked to revise the system for co-generation CHP
16 in California, which historically was primarily
17 base load, although certainly all must take
18 agreements on the part of the utilities, although
19 certainly it was part of Crockett and Gilroy, and
20 Basic American Foods had very dispatchable
21 contracts. And one of the things we've worked
22 with the CAISO on was to start bringing co-
23 generation projects more into the marketplace by
24 having more operational flexibility. And I've

1 sent letters back to FERC when the original
2 proposal, certainly testified at the CAISO, would
3 indicate that some of our utilities have been
4 more obstinate on this issue than others, and we
5 also then had gone to the ISO, we've gone back at
6 FERC, and now there's a new amendment CAISO is
7 following to basically adjust its tariff in the
8 place of Elk Hill, so as we try to get this to
9 something that works.

10 And so again, I'm sending a letter back
11 to FERC today supporting this adjustment. When I
12 testified at the CAISO, I noted that one of the
13 things Siting staff had done, it had looked at
14 every single permit for large co-generation
15 projects to see their operational flexibility,
16 and determined that the CAISO tariffs were,
17 again, not as flexible as some would like, were
18 about as far as one could reasonably do given
19 those air quality permitting requirements, so
20 again, it's a very good step forward, I think,
21 and I'm certainly really enthusiastic about a
22 large co-gen project becoming more operational so
23 it can fit into filling our flexibility needs
24 with renewables. So anyway, it's a real win-win

1 for California.

2 And just following up on Commissioner
3 Hochschild's comment, actually there were two
4 delegations that went to Germany, there was one
5 that was co-led by myself, Michael Picker, and
6 Steve Berberich, and we had a whirlwind schedule
7 of a little over a week in Germany. We traveled
8 over 12,500 miles, spent more than 60 hours in
9 transit by various means including airplane, high
10 speed rail, diesel rail, electric trolley,
11 biogas, automobiles, fuel cell automobiles,
12 diesel hybrid automobiles, and also the new
13 Porsche hybrid.

14 And the delegation visited five cities,
15 including Dusseldorf, Bahn, Berlin, Gross Gerau,
16 Nuhagen, and Stuttgart, and five different German
17 states. We held many productive meetings with
18 German Federal officials, German State officials,
19 U.S. Embassy, developers, environmental groups,
20 utilities, transmission system operators, think
21 tanks, universities, etc.; all in all, there were
22 about 20 different meetings.

23 We participated in three formal banquet
24 dinners, a conference, went on four tours of
25 varying technologies and locations including

1 Parity Gas Storage, a Sustainable Conference, and
2 a Transmission Control Center. The delegation
3 was able to accomplish this even while
4 maneuvering through three different
5 transportation strikes within a one-week span. So
6 I think it was more like Italy than Germany, it
7 seemed, on the strike front. But anyway, it was
8 a very productive time, although as I said, we
9 did cover a lot of ground. So with that...

10 COMMISSIONER SCOTT: Sounds like a great
11 trip. So I would just highlight -- what have I
12 been up to since we last met? Actually, we've
13 kicked off the 2014 Integrated Energy Policy
14 Report Update and the first workshop we held on
15 May -- I'm sorry, not May -- March 27th, and it
16 was really good fun. We wanted to talk a little
17 bit about kind of the vision for the program and
18 how transforming the transportation fleet here in
19 California is really important, and it was great.
20 We had Assembly Member Perea, Assembly Member
21 Skinner, Senator Pavley, and unfortunately
22 Senator De Saulnier was ill and unable to attend,
23 but he sent us some great comments. And we just
24 had a chance to talk with them about what their
25 vision was for AB 8, for transportation, what it

1 is about transportation that captures their
2 interest, and have a good discussion with them.
3 We had Cliff Rechtschaffen from the Governor's
4 Office come and talk to us about the Governor's
5 vision on climate and, again, how transportation
6 fits within the solutions to helping solve
7 climate change.

8 Then we had a terrific panel of experts
9 that included Sandy Berg from the Air Resources
10 Board, Joan Ogden from U.C. Davis, Barry
11 Wallerstein from the South Coast Air Quality
12 Management District, and Allen Lloyd from ICCT,
13 and that was great, too. I mean, we talked about
14 the importance of transportation within clean
15 air, within climate, the importance of having a
16 balanced portfolio, having well-timed incentives,
17 working together with each other, and so it was
18 just a really nice kind of foundational setting
19 the stage for the conversation.

20 And then we had a chance to really dig
21 into some of the technologies a couple weeks
22 later, and we talked about hydrogen fueling
23 systems, about the electric vehicle charging
24 network, about zero and near zero medium- and
25 heavy-duty vehicles, and a biofuels technology

1 assessment. And we brought in about four or five
2 experts on each of those topics to really kind of
3 talk through where they see -- what the status of
4 the industry is, how they see it changing over
5 the next 10 years, which we looked at because
6 that's when the current authorization would end,
7 but also since we have all these experts, what do
8 you think about 2030, 2040? And so they talked
9 to us a little bit about that.

10 The next workshop is going to be tomorrow
11 and we're going to talk a little bit about some
12 financing; maybe "financing" isn't quite the
13 right word, but within AB 8, it gives the Energy
14 Commission the ability to use mechanisms other
15 than grants, and so we'll have people come in and
16 talk to us about low interest loans, green funds,
17 market assurance grants, things like that, and
18 I'm excited about that. We're going to have also
19 Cisco DeVries who put the PACE Program together
20 come and talk with us a little bit, as well.

21 And then we'll sort of flip the
22 conversation to talk about how do we leverage the
23 funds that we do have. And you say in Randy's
24 presentation, I think it's about for every dollar
25 that we've invested, we've also gotten -- I think

1 it's about \$1.80 in private or federal or other
2 funding, so we were able to leverage the money
3 and have it go farther. And so we'll have folks
4 from DOE, from the Environmental Protection
5 Agency, from the Bay Area Air Quality Management
6 District, and then some of our fellow State
7 agencies, CalRecycle and Air Resources Board come
8 and talk to us there. So I'm really looking
9 forward to that, we've got a great set of
10 workshops coming up throughout the summer, and
11 it's been really fun to work on with my fellow
12 Commissioner Douglas.

13 And let's see, so what else have I been
14 up to? I had a chance to go visit Bloom Energy
15 and explore their fuel cell and their fuel cell
16 technology, which is stationary. I went and
17 represented the State of California along with
18 Alberto Ayala from the Air Resources Board at a
19 DOE Hydrogen Technology Advisory Committee
20 meeting which was great. They were really
21 interested to hear what we're doing here in
22 California to implement the hydrogen fueling
23 stations and also about the Zero Emission Vehicle
24 Executive Order and the Zero Emission Vehicle
25 Mandate, so he and I went and talked with them in

1 great detail, actually, spoke with them for about
2 an hour, and then he spoke with them about an
3 hour as well, just to let folks know what's going
4 on here in California.

5 I've been talking a lot about our
6 Alternative and Renewable Fuel and Vehicle
7 Technology Program and the terrific projects that
8 we're funding, so I got to go down and give a
9 speech at BioCycle. I got to give a talk at the
10 Northern California Alternative Car Expo. We
11 launched some intelligent charging at the
12 University of California in San Diego. I went
13 down to the Governor's Office of Business and
14 Economic Development, they did a hydrogen fuel
15 cell technology in your neighborhood, a State and
16 local workshop, participated in the California
17 Fuel Cell Partnership Meeting. And so it's been
18 good, it's been busy. So that's all I'll talk
19 about today, and I'll just wish everyone a Happy
20 Earth Day. I appreciated your remarks.

21 CHAIRMAN WEISENMILLER: Thank you. Chief
22 Counsel's Report.

23 MR. LEVY: Good afternoon, Commissioners.
24 I don't really have a report today. I would like
25 to introduce you to two new members of our team,

1 however, they're seated right over there, Hannah
2 Goldsmith is a new attorney with us, she
3 graduated at Vermont Law School with her Juris
4 Doctor and Masters in Environmental Law and
5 Policy. She has a Bachelor's Degree in Biology
6 from the University of Arizona. She interned at
7 California State Parks and also the Attorney
8 General's Office, so we have her working on the
9 DRECP and Building Standards for the time being.
10 And Taylor Rhodes, also a Vermont Law School
11 Graduate with her Juris Doctor. She graduated
12 her Bachelor's at Swarthmore College in Political
13 Science. She volunteered at the San Bernardino
14 District Attorney's Office in the Environmental
15 and Consumer Protection Unit, and she also
16 interned with the a Vermont Superior Court Judge
17 and the United States Department of Justice in
18 the Natural Resources Section in Sacramento. And
19 we have her working on Conflicts of Interest
20 Appliance Standards and litigation. So please
21 welcome them to the Commission.

22 CHAIRMAN WEISENMILLER: Great. Thank
23 you. Executive Director's Report.

24 MR. OGLESBY: I would just report that
25 we're continuing to monitor the drought's impacts

1 on generation facilities in the state. This
2 includes both hydro facilities and our natural
3 gas fleet, which relies on water for production.
4 The status at this point is that we're on
5 monitoring mode still with our sister agencies
6 with nothing on critical. You took action on one
7 item today that provides some flexibility for the
8 Colusa Generating Station by giving them access
9 to backup water essentially should their water
10 become curtailed. We will continue to work with
11 the Governor's Task Force and keep you apprised
12 of situations as they arise.

13 CHAIRMAN WEISENMILLER: Thank you. I
14 would note that I've got a nice note from FERC
15 staff thanking me for your staff's work with
16 them, or bringing them up to speed on the
17 situation. I think certainly, you know, we need
18 to be prepared going forward and thinking about
19 ways that, if necessary, we can delegate in
20 certain factual situations, sort of amending some
21 of our licenses in this area, for either water or
22 landscaping. I think certainly the basic
23 message, you know, we're giving all Californians
24 at this point is to be very wise on landscaping,
25 and so that may or may not require adjustments to

1 some of what we require in our siting cases for
2 landscaping. But anyway, in a timely fashion.

3 MR. OGLESBY: I should also recognize the
4 hard work that our staff has been doing to
5 support this effort. Sylvia Bender and her
6 capable staff has been working very hard, as
7 well, the Siting Division staff.

8 CHAIRMAN WEISENMILLER: Yes. Yeah,
9 they've done a great job on this. Okay, Public
10 Advisor's Report.

11 MR. ROBERTS: I have nothing to report.

12 CHAIRMAN WEISENMILLER: Public Comment?
13 Okay, this meeting is adjourned.

14 (Whereupon, at 12:16 p.m., the Business Meeting
15 was adjourned.)

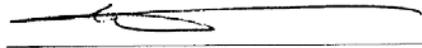
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REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of May, 2014.



PETER PETTY
CER**D-493
Notary Public

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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of May, 2014.



Karen Cutler
Certified Transcriber
AAERT No. CET**D-723