



APPEARANCES

Commissioners Present

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

Staff Present

Rob Oglesby, Executive Director  
Blake Robert, Public Advisor  
Michael Levy, Chief Counsel  
Suzanne Korosec, Deputy Director, Renewables

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| Melissa Jones      | 3  |
| Phil Cazal         | 4  |
| Jennifer Masterson | 5  |
| Andre Freeman      | 6  |
| Lindsee Tanimoto   | 7  |
| Andre Freeman      | 8  |
| Larry Rillera      | 9  |
| Daniel Johnson     | 10 |
| Tav Commins        | 11 |
| Nelson Peña        | 12 |
| Michael Lozano     | 13 |
| Le-Quyen Nguyen    | 14 |
| Lillian Mirviss    | 15 |

Also Present (\* Via WebEx/Phone)

Public Comment

Mike Gabel, Gabel Associates  
Pat Splitt, Aptech, Santa Cruz, California  
Craig Wheatley, CTO at IES, Ltd.  
Taylor Jones,  
Analisa Bevans, California Air Resources Board  
Will Barrett, American Lung Association of California  
Gil Castillo, Hyundai  
Matt McClory, Toyota Technical Center, Gardena, California  
Robert Bienenfeld, American Honda Motor Company  
Bill Elrick, California Fuel Cell Partnership  
Monique Gordon, City of Riverside  
Jonathan Palacios-Avila, Stratus Fuels  
Paul Staples, HyGen

APPEARANCES (Contin.)

Public Comment

Steve Jones, ITM Power  
Matthew Forrest, Mercedes Benz Research and Development,  
North America  
Bob Oesterreich, Air Liquide  
Robert Boyd, HTEC Hydrogen Technology and Energy Company  
Joel Ewanick, representing First Element Fuel  
Andy Panson, Air Resources Board  
Joshua Pietak  
Paul Stith, Adopt a Charger, on behalf of Kitty Adams  
Lloyd Tran, U.S. Green Vehicle Council  
Cindy Bonior, Fremont Chamber of Commerce  
Claire Van Zuiden, Electric Vehicles International, (EVI)  
Kevin Matthews, National Strategies  
Bob Raymer, California Building Industry Association and  
on behalf of California Business Properties Association  
and Building Standards Commission  
Marika Erdely, Green Economy  
Valerie Winn, Pacific Gas and Electric Company (PG&E)  
Rich Williams, CommEnergy  
Randy Walsh, San Diego Energy Desk  
Chip Fox, San Diego Gas & Electric Company  
Blair Swezey, SunPower and on behalf of Solar Energy  
Industries Association  
George Nesbitt, HERS Rater  
Christopher Gallenstein, Air Resources Board  
Pat Splitt, Aptech  
Mark Berman, Davis Energy Group  
Matt Christie, TRC, on behalf of California Association  
of Building Energy Consultants (CABEC)

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P R O C E E D I N G S

JULY 22, 2014 10:10 a.m.

CHAIRMAN WEISENMILLER: Well Good morning.

So let's start the Business Meeting with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: So let's go through the layout for today. First, in terms of items that we're not taking up today, 1a, 2, and 11. Also, 1b is off the Consent Calendar, we'll take that up right after the Consent Calendar, and I'm going to swap Items 3 and 15.

So with that, let's start with the Consent Calendar which, again, is now just c and d.

COMMISSIONER MCALLISTER: I'll move the Consent Calendar.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.) The Consent Calendar passes 4-0.

CHAIRMAN WEISENMILLER: So let's go on to Item 1b. Staff?

MS. BROOK: Good morning, Commissioners.

1 My name is Martha Brook with the Standards  
2 Development Office. We're here this morning to  
3 seek conditional approval of Energy Soft's  
4 EnergyPro Version 2 Software as an alternative  
5 calculation method for verifying compliance with  
6 the 2013 Nonresidential Building Energy Efficiency  
7 Standards.

8 We also seek your approval of the Proposed  
9 Resolution you have before you on this item.

10 We are recommending that this conditional  
11 approval have a firm end date of December 31,  
12 2014. We believe this conditional approval is  
13 needed to allow EnergyPro, the Nonresidential  
14 Compliance Software tool used by the vast majority  
15 of the energy consultants for many years, to be  
16 used for the rest of the 2014 calendar year so  
17 that energy consultants can serve their clients  
18 immediately with their familiar tool, and have the  
19 time necessary to transition to other approved  
20 compliance software.

21 Because of these extenuating  
22 circumstances, we recommend the Commission use an  
23 alternative protocol for the software approval as  
24 allowed in the Administrative portion of the  
25 Building Energy Efficiency Standards and described

1 in the Resolution.

2           However, since this conditional approval  
3 does not follow our normal Nonresidential ACM  
4 approval process, which requires software vendors  
5 to integrate the CBECC-Com Compliance Manager  
6 software, we recommend that this EnergyPro  
7 approval have a limited term.

8           We have had multiple discussions with  
9 Energy Soft, the vendor of EnergyPro, and it is  
10 their intent to integrate the CBECC-Com Compliance  
11 Manager software in the coming months, then  
12 resubmit EnergyPro to the Energy Commission for  
13 full approval.

14           We believe that this request for  
15 conditional approval will not be repeated, and it  
16 is only needed now to support the industry in this  
17 first six months of the 2013 Standards.

18           We are available to answer any questions  
19 that you have.

20           CHAIRMAN WEISENMILLER: Thank you. We have  
21 two public comments. Let's start with Mike Gabel  
22 of Gabel Associates.

23           MR. GABEL: Good morning, Commissioners.  
24 Thank you. First, I'd like to express my full  
25 support for the conditional approval today. This

1 approval helps meet critical need to have useable,  
2 productive, time tested and reliable software  
3 tools available to the building industry to meet  
4 the document compliance with the Standards.

5 I'd like to thank Commission staff, Chief  
6 Deputy Director Bowen, and Energy Soft for their  
7 sustained efforts to reach this milestone.

8 I'm here today to question the wisdom of  
9 the December 31st decertification date for the  
10 software. Without delving into details, I'm here  
11 to report that it is premature to force the  
12 building industry to switch to CBECC-Com on  
13 January 1st without full and comprehensive testing  
14 to prove that its modeling capabilities,  
15 functionality, and compliance report generator are  
16 all first working properly.

17 I propose, 1) the Commission omit any  
18 decertification date for this or subsequent  
19 conditionally approved 02-based versions of  
20 EnergyPro at this time; 2) the Commission work  
21 with Energy Soft, IES, AEC, and other vendors to  
22 test their software interfaces by running them  
23 with the CBECC-Com as Compliance Manager; 3) that  
24 the Commission direct AEC to more fully develop  
25 the numeric version of CBECC-Com to model fixed

1 overhangs and side pins in model mandatory  
2 daylight controls in both standard and proposed  
3 designs; and 4) the Commission hold a public  
4 workshop on the overall performance of CBEECC-Com  
5 as the compliance software manager no less than  
6 180 days before any decertification date of  
7 today's software approval version.

8           Finally, we are now going through the most  
9 difficult chaotic and confusing Code change I have  
10 seen in 30 years. The Commission must take some  
11 responsibility to not rush ahead with another  
12 Nonresidential Standards implementation plot twist  
13 on January 1st without being sure that  
14 Nonresidential Compliance software forms and  
15 procedures are actually ready this time.

16           The recent July 1st roll-out is an  
17 indication the Commission does not fully  
18 understand or appreciate the key nuts and bolts of  
19 a successful Standards implementation. The  
20 credibility of the Standards already is suffering  
21 for it. I cannot believe the Commission wants to  
22 go through this again in January, we sure don't.  
23 Thank you.

24           CHAIRMAN WEISENMILLER: Thank you. Pat.  
25 Pat Splitt.

1           MR. SPLITT: Good morning, Commissioners.  
2 I'm Pat Splitt, Energy Consultant at Aptech in  
3 Santa Cruz, California.

4           I just discovered last night that there  
5 are actually two parts to this item, and the Part  
6 1 having to do with the Alternate Procedure or  
7 Protocol, and I noticed that this item that you're  
8 going to take action on is not on the agenda, so  
9 it would seem to me that you really cannot take  
10 any action on this item unless it was actually  
11 publicly noticed.

12           CHAIRMAN WEISENMILLER: Okay, do you have  
13 any other comments? We'll turn to Chief Counsel's  
14 Office for their legal opinion after you're done.

15           MR. SPLITT: Well, I'm just getting  
16 started.

17           CHAIRMAN WEISENMILLER: Well, I realize  
18 that. You have three minutes, but go ahead. So  
19 you've raised a legal question and I'm just  
20 flagging it to the Chief Counsel's Office.

21           MR. SPLITT: Okay, so it's not on the  
22 agenda. This has to be approved by the  
23 Commission, not by Executive Director, so how if  
24 this procedure hasn't yet been approved, was this  
25 company able to go through all these tests that

1 supposedly are required by a nonexistent  
2 procedure? And also, how is it that other  
3 companies that might have liked to use this  
4 procedure were not told about it, such as  
5 Integrated Environmental Solutions, Ltd.? Are you  
6 showing preference to just letting one company  
7 have the secret compliance path?

8           That's all I have to say on Item 1 if you  
9 want to take care of that. I also have comments  
10 on the second part of this.

11           CHAIRMAN WEISENMILLER: Well, go ahead.  
12 You've got three minutes. Go on to your second  
13 part.

14           MR. SPLITT: Okay. The Executive Director  
15 has just today determined that Energy Soft's  
16 application is complete according to your  
17 Regulations in 10.1.10 after that is done, and  
18 before he submits this to the Commission he must  
19 allow the public 60 days to review this for public  
20 comment. Well, there hasn't been one day of  
21 public comment allowed. These are your own rules  
22 and regulations that you reference, but you only  
23 seem to pick the pieces that you like to enforce  
24 and ignore the others. There's a requirement for  
25 60 days review after this determination was made.

1 So I don't see how you can take action on that  
2 until the 60 days is up. If we look at  
3 the Application that was submitted by Energy Soft,  
4 it does not mention anything about this procedure.  
5 This Application is for the Standard  
6 Nonresidential Compliance Method and approval.  
7 That's in the ACM. That's what he applied for and  
8 that's what he has to be judged by. He didn't ask  
9 for anything else. That's enough for now, I  
10 guess.

11 CHAIRMAN WEISENMILLER: Okay, well,  
12 thanks. Let's go on to the opinion of the  
13 attorneys. Michael.

14 MR. LEVY: Yes. Good morning,  
15 Commissioners and Chair Weisenmiller. So Bagley-  
16 Keene is not about technicalities, it's about  
17 reasonable notice to the public, that the software  
18 implements the protocol which is the Executive  
19 Director's recommendation is the protocol, and  
20 whether the agenda refers to the protocol itself  
21 or to the software, the stakeholders understand  
22 what the agenda was noticing and what the intent  
23 of this item is. So there's no confusion here and  
24 Mr. Splitt's comments are not really cogent under  
25 the Act.

1                   CHAIRMAN WEISENMILLER:   Okay, thank you.  
2   Let's go on to -- I think we have Craig Wheatley  
3   in the room?   Please.

4                   MR. WHEATLEY:   Good morning,  
5   Commissioners.   My name is Craig Wheatly.   I'm a  
6   CTO at IES, Ltd.   We are currently the only  
7   commercial vendor to be approved for Title 24 for  
8   the Commercial Scheme.   We got our approval in  
9   time for the 1st of July, and we've been working  
10   with the CEC since the beginning of this year to  
11   assure that's the case.

12                   It's been clear to IES, as a company for a  
13   long time, what the approval process was, and what  
14   we needed to do in order to be a compliant tool,  
15   and we have ensured that we've met those  
16   requirements at all stages.

17                   All that IES is particularly interested in  
18   is on a level playing field where everyone is  
19   judged in the same way, all software follows the  
20   same approvals process.   And then the quality of  
21   the software beyond that and its success is judged  
22   by the industry.   We feel that, in this case, it  
23   is imperative to be a level playing field,  
24   addressed to all vendors.

25                   We also wonder whether changes like this

1 at such late notice may affect the third party  
2 vendors coming into California, and wonder whether  
3 it truly paints a competitive landscape, and we  
4 believe that the change the CEC have put forward  
5 to get all the vendors to come into the space is a  
6 very positive one, moving the compliance and  
7 energy performance forward. We embrace that. We  
8 request only for a level playing field and nothing  
9 more than that. And I thank you for the  
10 opportunity to speak today.

11 CHAIRMAN WEISENMILLER: Thank you for  
12 being here.

13 COMMISSIONER MCALLISTER: Thank you very  
14 much.

15 CHAIRMAN WEISENMILLER: Okay, we have I  
16 don't think anyone else in the room, but we have  
17 Dimitri Contoyannis on the phone.

18 MR. CONTOYANNIS: Yeah, I'm Dimitri from  
19 NORESKO, formerly known as AEC. I don't have a  
20 specific comment to make, I am here to respond to  
21 any questions that the CEC would like to put to  
22 me. I'm the Project Manager for the CBECC-Com  
23 Project, so I'm going to let Martha respond to any  
24 comments, but if she wants me to respond to any in  
25 particular, I'm happy to do so. So I'll just hang

1 on the line.

2 CHAIRMAN WEISENMILLER: Okay. Thank you.  
3 So let's go back to Martha.

4 Martha, I was going to ask you  
5 particularly to focus on the -- it looks like  
6 there are six points in the CABEC letter in terms  
7 of recommendations. And also, obviously, you can  
8 cover whatever you want, but at least cover those  
9 specific recommendations.

10 MS. BROOK: Are you going to help me with  
11 that, Erlynn? So the CABEC letter was kind of  
12 confusing for me because most of the complaints in  
13 terms of the use of the software were about CBEC-  
14 Res, but this item before us is related to the  
15 Nonres compliance software, and then the asks at  
16 the end of the letter were really focused on  
17 EnergyPro which, again, on the Nonres side of  
18 things.

19 I think that Craig's point is very  
20 important to consider, that we do have this  
21 balance between establishing a level playing field  
22 for all vendors, and also trying to help people  
23 ease into this very challenging Code update cycle,  
24 where there's not just new software, but also very  
25 new important and stringent standard requirements

1 that everybody needs to learn and learn how to  
2 implement.

3           So we think that this six-month interim  
4 conditional approval sort of finds that very  
5 tenuous balance between those two points, but we  
6 don't -- the problem that I have with Mike Gabel's  
7 request that we have a public workshop on  
8 reviewing CBECC comment in its entirety, having  
9 the industry decide whether it's a worthy tool, is  
10 that we haven't seen any evidence that the  
11 industry will use the tool until they absolutely  
12 have to.

13           So an example of this is on our CBECC-Res  
14 software, 99 percent of those issues that were  
15 identified in the CABEC letter could have been  
16 identified in April when we released the software,  
17 and gotten fixed by the development team in a very  
18 timely manner before July 1st; nobody is using the  
19 software until they absolutely need to, so we have  
20 no confidence that the industry will actually give  
21 us feedback on CBECC-Com if they're not using the  
22 tool, and they're not going to use the tool if  
23 they're using EnergyPro. So we're not sure how to  
24 ever get out of this box except for this  
25 conditional approval that has a firm end date.

1 And I'm sure I haven't addressed all the points in  
2 the letter.

3 MS. GEISZLER: If you want me to go  
4 through the items 1 through 6, I can do that and  
5 give you a response on those.

6 CHAIRMAN WEISENMILLER: That would be  
7 great.

8 MS. GEISZLER: This is Erlyne Geiszler,  
9 I'm the Manager of the Building Standards  
10 Development Office. The first item on their  
11 letter is with the Residential Existing Plus  
12 Additions Plus Alterations Projects. There is  
13 work underway with a HERS Provider and with the  
14 Implementation Office to put that into full active  
15 ability.

16 Currently, someone wishing to go down that  
17 path that wants to have a HERS Rater verify the  
18 existing conditions today are not able to do that,  
19 but an existing addition plus alteration can go  
20 through the process as long as they're not relying  
21 on a HERS Rater to verify those existing  
22 conditions. We've worked with the HERS Provider,  
23 we've worked with the Implementation Office, and  
24 by the end of July that is expected to be up and  
25 running fully with the HERS Raters being able to

1 do that verification of those existing conditions.

2           Number two asked for an increase in  
3 resources for fixing bugs in the Compliance Manual  
4 Manager and Report Generator Tools, and we have  
5 added two staff to our office that are dedicated  
6 in that area of effort.

7           On the Nonresidential, the first request  
8 is projects submitted for permit with EnergyPro  
9 Version 6.2, to be able to use that version for up  
10 to a year after submittal. Any time with any of  
11 the software, if the software is being updated or,  
12 in this case being decertified at the end of  
13 December, any projects that have been run using  
14 that software and submitted to a Building  
15 Department for a Building Application can continue  
16 to use that version of the software. So if that  
17 project takes longer than a year to get through  
18 the Building Project process in the Building  
19 Department, they're still going to be able to use  
20 that Version 6.2. So we agree with number three  
21 on their list.

22           Martha spoke to number four about the  
23 requirement for a workshop before decertifying the  
24 Version 6.2, and number 5, Martha, I don't know if  
25 you hit on this one, they were asking for the non-

1 3D simplified geometry version to be able to model  
2 overhangs and side fins.

3 MS. BROOK: Yeah, so I can speak to that.  
4 I don't want to get into the technical weeds, but  
5 that can be accomplished with additional  
6 resources. One of the issues is that that  
7 simplified 2D geometry approach, you don't have a  
8 bounded volume made from walls with specific  
9 orientations, in a way that our new Energy Plus  
10 simulation engine can deal with easily because it  
11 actually requires very detailed geometry to  
12 understand how to assess shading. So the only  
13 thing that we could do for a simplified 2D  
14 geometry version is have some kind of, I'll say,  
15 adjustment factor with window solar heat gain  
16 coefficients, for example, that we calculate in  
17 terms of a rule, but we wouldn't change the way  
18 that we're modeling using the simulation engine.  
19 But we could accommodate overhangs and fins in a  
20 general way with resources, and we have not yet  
21 planned to use in that area. Does that make sense  
22 to you?

23 COMMISSIONER MCALLISTER: Yeah, so maybe  
24 just -- my understanding of this is this is a 3D  
25 problem to get shading to do solar analysis

1 through the day to understand how that impacts a  
2 building. You really do need 3D and any other  
3 solution is going to be sort of an approximation,  
4 or a second best.

5 MS. BROOK: Yeah, but in reality we've  
6 used those approximations for a very long time and  
7 we can continue to do something like that if it's  
8 absolutely required.

9 COMMISSIONER MCALLISTER: So is that a  
10 conversation with, say, Energy Soft going forward?  
11 Or is that sort of a generalized conversation?

12 MS. BROOK: Well, first it's a  
13 conversation with our development team so they can  
14 identify the approach that could be done, that has  
15 legitimacy and also understand the resource  
16 commitment that it would take to do that. And  
17 then obviously, with our normal release and review  
18 schedule, people could review that approach and  
19 see if that is what they expected to be able to  
20 do. We could certainly do that. But again, we've  
21 been training people successfully on CBECC-Com  
22 using the 3D geometry version and getting very  
23 very positive feedback.

24 COMMISSIONER MCALLISTER: Yeah.

25 MS. BROOK: So I think people are learning

1 how to use it, and especially with other tools  
2 like the IES Virtual Environment where they make  
3 that process wonderful, I'd say. I mean, it's a  
4 very doable process for describing 3D geometry and  
5 really doing energy analysis in best practice  
6 ways. I think that's all something that we've  
7 been trying to accomplish, and I think we slowly  
8 are. So again, this is all sort of talking about  
9 this transition stage.

10 COMMISSIONER MCALLISTER: Yeah. Thanks.

11 MS. GEISZLER: And their number 6, CABEC  
12 is asking for a publicly available central  
13 transparent accountable system for logging in  
14 resolving ongoing complaints. We would recommend  
15 that folks contact our hotline, the Building  
16 Standards Hotline, which complaints and issues are  
17 logged and interpretations, and the Building  
18 Standards Hotline Information is available on the  
19 website, I could give the 800 number now: 800-772-  
20 3300. And as issues, in fact, we're keeping an  
21 ongoing log of the issues that are coming up and  
22 addressing them as they do come in to us, we  
23 request that folks give us specifics so that we  
24 can actually follow-up on what their issues are  
25 and give concrete answers to them, as well as

1 learn from their use of the software.

2           We would also welcome the CABEC community  
3 to participate in the trainings that are being  
4 offered, both through the utilities, as well as  
5 internally. We're offering WebEx sessions on both  
6 CEBECC-Com and CEBECC-Res, twice a month, and  
7 information on that can be gotten through either  
8 the hotline or through our website. The utilities  
9 are continuing to schedule sessions on CBECC-Com,  
10 and have to date held at least 10 sessions with 25  
11 to 30 attendees in those classes, they've been  
12 sold out. I know that SMUD has an upcoming class  
13 in October. So we would welcome the CABEC  
14 community and others to participate in those  
15 training programs to further their knowledge and  
16 to help us by reporting difficulties that they're  
17 having, and giving us specifics so that we can  
18 follow-up on them.

19           MS. BROOK: I wanted to add just a little  
20 bit to that. We do have established from the very  
21 first time we released software for both CBECC-Res  
22 and CBECC-Com, we have a protocol for reporting  
23 bugs, and it's published with every version of the  
24 software. You can get the information through our  
25 help menu option that's available in the software,

1 and we really encourage people to use that  
2 protocol because it's the best way to actually  
3 again log software issues and get them resolved.

4           The other thing that we've committed to  
5 that we haven't put in place yet, but we will in  
6 the next couple weeks, is some specific support  
7 for vendors so that they can report their issues  
8 to us in sort of a streamlined process, and they  
9 also can get more and better information about our  
10 upcoming releases and what's going to be in those  
11 so that they can plan for it and be ready to  
12 implement as soon as possible. So that, I think,  
13 will help us, as well as the other items that  
14 Erlyne mentioned.

15           CHAIRMAN WEISENMILLER: Great. Thank you.  
16 So let's transition now from public comment to  
17 Commissioner comment and discussion.

18           COMMISSIONER MCALLISTER: Yeah, so thanks  
19 for the presentation, I appreciate folks being  
20 here to comment and give their perspective. I  
21 think we all recognize that we're in a transition  
22 period here, and let me first say I think the  
23 vision that we have and that we've been working  
24 really hard to implement is the right one, which  
25 is we have open source software that different

1 APIs can come and apply in the ways that are  
2 appropriate to them and their marketplace and  
3 their customers. And that's where we continue to  
4 move forward.

5           And this transition, certainly it's  
6 difficult. It requires change and change can be  
7 hard. I think we all can agree on that. I want  
8 to highlight Mr. Wheatley's comments, I really  
9 appreciate those, that we want a level playing  
10 field, we want people to be able to choose the  
11 tools that comply, that do what they need them to  
12 do.

13           So you know, the 2013 Standards are  
14 getting a lot of energy savings and it's a big  
15 step forward, so let's keep that in mind, as well,  
16 is that even with the existing type of tools, and  
17 without this sort of visionary change, it was  
18 always going to be a large educational process to  
19 get the marketplace to move and comply and  
20 understand the Code and comply with it going  
21 forward. So we have that, as Martha said, sort of  
22 layered over the transition from tools  
23 environment, from the old one to the new one. And  
24 I think both of those are monumental steps forward  
25 and really important. And we're trying to do them

1 in tandem. So we can't underestimate the effort  
2 required.

3 All parties need to go through this  
4 transition. We're talking builders, contractors,  
5 and energy consultants. And, you know, the CEC  
6 and our utility training partners have been going  
7 through and continue to go through a major  
8 transition to educate all parties on this effort.  
9 And we can't let the transition be open-ended. I  
10 certainly do not want these kinds of issues in  
11 terms of sort of learning new software, basically,  
12 to hold up the 2016 Standards. We've got to put  
13 an end, we've got to have a hard deadline to get  
14 moved on. And change is not going to be easy, but  
15 we need to just engage with it and do it. So, you  
16 know, I support a date certain transition time. I  
17 think that, you know, staff has been working hard  
18 and in good faith, I know that the EnergyPro  
19 Developer, Energy Soft, has been working really  
20 hard and has made commitments, and I think now  
21 we're at the point where we have some faith that  
22 those are going to actually happen in the  
23 timeframe that we're talking about.

24 So you know, I think the transition really  
25 means a short duration because I certainly don't

1 want to have the 2016 discussion, which is already  
2 going on, and needs to also be concluded in some  
3 earnest in the next year or so, you know, these  
4 issues need to be resolved by then.

5           So you know, everyone needs to complete  
6 the transition and move to the new realities, and  
7 if someone has a specific implementation tool that  
8 they are aligned with and committed to, then that  
9 tool and all of its user base need to transition,  
10 and I think that's really what we're talking about  
11 with EnergyPro in this case. And I think, as  
12 Martha said, the balance between certainly in an  
13 ideal world, everybody would be ready to go and we  
14 wouldn't be having this discussion, but the fact  
15 is we have a significant user base that's using a  
16 tool that has not been able to fully make the  
17 transition, so we have to work with that reality.  
18 So we're in California, that's our landscape, and  
19 we've got to work with it.

20           So again, training is available. A lot of  
21 the issues that were brought up in the letter  
22 actually first weren't Com-related, but more Res-  
23 related, and I think belie a little bit of lack of  
24 engagement up to now. And so I think we need to  
25 fix that. We've got to figure out how to have

1 that engagement and kind of get the -- everybody  
2 has got lives, everybody has got careers and  
3 professions that they're trying to exercise out  
4 there in the world, and I think since I came on  
5 the Commission my trope here which I think Staff  
6 maybe be getting a little tired of, but it  
7 continues to be the case, is that there's a real  
8 world out there with people that we have to  
9 interface with, and figure out how to do that more  
10 and more effectively because the marketplace is  
11 what's going to get this done, not regulations on  
12 their own.

13 But we do have a fairly rule heavy  
14 environment in California and we've got to work  
15 together to make it work. So, you know, that  
16 requires everybody to contribute and I think that  
17 engagement between our staff, the Commission, and  
18 sort of folks who are -- maybe by proxy -- folks  
19 who are here today and who are engaged more  
20 regularly with the Commission, practitioners out  
21 there have to figure out how to bring themselves  
22 up to date because it's not something everybody  
23 does naturally, but I think we've got to be clear  
24 with our messaging through our vendors, through  
25 the LEED contractors, through the industry

1 organizations, that this is happening, that  
2 there's a date certain, and we've got to get to  
3 it, and not sort of prolong the pain, let's just  
4 deal with it and move on. So I think that's my  
5 kind of eat your vegetables message here, which I  
6 think is the reality that we live in. And we're  
7 going to end up in -- I'm quite confident we're  
8 going to end up in a very good place here when we  
9 have open source software that people understand  
10 and that can confront the challenges in the next  
11 round and the round after that, to get us to Zero  
12 Net Energy that's going to model appropriately,  
13 that's going to really enable a lot of innovation.  
14 I think that's really the point. So let's not  
15 lose sight of that. And with that, I don't know  
16 if Martha or Erlyne, you want to respond to  
17 anything else, or if you disagree with anything. I  
18 think in any case, you know, obviously I would  
19 support this item with the caveat that we get it  
20 done, we have less than six months to get to  
21 December 1st and have software that people can  
22 use, and that they're relatively comfortable with.  
23 And I want to just encourage people strongly, in  
24 the strongest terms, to get engaged and not be  
25 caught out in January 1st with a tool that they

1 don't know how to use. And I think they have all  
2 of the means to be able to get there.

3 MS. BROOK: I guess the only thing that we  
4 didn't mention is, in light of what we learned  
5 about the CBECC-Res rollout where the vendors did  
6 incorporate our API, and the Energy Consultants  
7 who have been working with us from the beginning  
8 seem to be in a really good place. They  
9 understand what the software does and what it  
10 doesn't do, and they know how to use it, and they  
11 know how to ask really good questions, and we get  
12 those answered very quickly. But I don't think  
13 it's possible for the Energy Commission to fully  
14 test every feature of the software and really work  
15 out the bugs without the industry running real  
16 projects through it. And so that's why we really  
17 think that we need to set up those vendor support  
18 sites so that people using EnergyPro and Right-  
19 Energy instead of CBECC-Res, have a quicker path  
20 to the Energy Commission to get these issues  
21 resolved because the reality is that numerous --  
22 I'd say maybe 12 issues were identified between  
23 July 2st and now, and we've resolved them and put  
24 out a bug fix release. We could have done that  
25 earlier if we'd gotten people to use the software

1 earlier. So how do we do that with CBECC-Com now,  
2 and hopefully the utility training that are  
3 training on IES's tool, and CBECC-Com and  
4 EnergyPro will help us do that?

5 COMMISSIONER MCALLISTER: Well, I guess my  
6 question would be, how do we create a real sense  
7 of urgency in the future, six months or a year  
8 before the application date, the go live date, of  
9 the new software, the requirement date of the new  
10 software? Because right now the urgency is being  
11 created by the actual kicking in of the  
12 requirement.

13 MS. BROOK: Right.

14 COMMISSIONER MCALLISTER: And so everybody  
15 has lots going on in their lives and, you know, we  
16 have procrastination tendencies, I understand  
17 that, but that's really functionally that's too  
18 late. Given that we're pushing the envelope and  
19 we're innovating, we've got to figure out a way to  
20 raise that urgency before.

21 MS. BROOK: One thing we have offered the  
22 CBECC-Com community, people that have gone through  
23 our training sessions, we've offered to pay them  
24 to Beta test our software, so we haven't gotten a  
25 lot of takers, but that's certainly an option that

1 is still available because, again, we're trying to  
2 be proactive and identify issues before they  
3 absolutely need to get their building permit. So  
4 we're trying to do that and I think we just need  
5 to keep thinking of those types of options and  
6 make them available to the greatest extent  
7 possible.

8           COMMISSIONER MCALLISTER: So far, I  
9 haven't heard a good sort of proposal about how  
10 we're going to actually functionally raise that  
11 urgency in a way that works, you know, other than  
12 just kick-in the Regs, and that's not optimal, but  
13 I think we all acknowledge that that's not  
14 optimal, but open to alternatives for that. I  
15 don't know that a workshop or some sort of making  
16 a more formal process is going to really create  
17 that urgency and get people to the table in a real  
18 way.

19           MS. BROOK: Well, I think one thing that  
20 is encouraging is that those classes, every single  
21 one of them, whether it's CBECC-Com or EnergyPro  
22 or IES's training classes, are filling up and  
23 people are on the waiting list. So I think it is  
24 happening, but there's a diversity in the  
25 marketplace and we're only hearing from one side

1 of it. I think a lot of people are readying  
2 themselves, and are availing themselves with the  
3 new software and digging down and doing the work  
4 needed to learn it. So I don't think that --

5 COMMISSIONER MCALLISTER: You don't think  
6 of it as a systemic problem, yeah. You're saying  
7 there's a lot of good news out there that we're  
8 not hearing about.

9 MS. BROOK: That's right.

10 COMMISSIONER MCALLISTER: Okay. Well,  
11 great, so I'll pass to other Commissioners who  
12 might have questions.

13 So I'll move Item 1b.

14 COMMISSIONER DOUGLAS: Second.

15 CHAIRMAN WEISENMILLER: All those in  
16 favor?

17 (Ayes.) 4-0. Thanks, staff. Thanks for  
18 your participation in terms of the public  
19 comments.

20 Basically at this point we're going to  
21 switch, as I said, 3 and 15, and so let's go on to  
22 the California Adaptation Forum. Possible  
23 approval of the use of the Energy Commission name  
24 and logo enlisting as a sponsor and promotional  
25 party for the California Adaptation Forum on

1 August 19th through 20th. Guido.

2 MS. MIRVISS: Good morning, Commissioners.  
3 My name is Lillian Mirvass. I'm here on behalf of  
4 Guido Franco with the Energy Research and  
5 Development Division.

6 The State of California and the Local  
7 Government Commission are jointly organizing the  
8 first California Adaptation Forum which will take  
9 place in Sacramento on August 19th and 20th. This  
10 event will bring together decision makers, NGOs,  
11 environmental groups, and representatives from the  
12 private and public sectors to share information on  
13 how to most effectively eliminate or reduce  
14 negative climate impacts.

15 The Energy Commission has long supported  
16 research on climate change impacts to the energy  
17 sector, as well as adaptation and mitigation  
18 options. The Energy Commission was a key  
19 contributor to the Safeguarding California Report,  
20 which recommends adaptation strategies for the  
21 state's response to climate change.

22 Keynote Speakers for the California  
23 Adaptation Forum include Secretary Laird, Chair  
24 Mary Nichols, Christopher Benjamin, Director of  
25 Corporate Sustainability at PG&E, and other

1 leaders.

2           The Governors' Office of Planning and  
3 Research, OPR, and the California Natural  
4 Resources Agency has requested help from the  
5 Commission with the promotion of this event, which  
6 entails letting others know about this event via  
7 its List servers and a note in the Climate Change  
8 portal. This will make the Commission a  
9 promotional partner and we will be listed on the  
10 event website, along with other promotional  
11 partners, including multiple State agencies such  
12 as the Air Resources Board, the Coastal  
13 Commission, the California Department of Water  
14 Resources, the California Department of Public  
15 Health, and Caltrans. Becoming a promotional  
16 partner does not create any financial obligation  
17 for the Energy Commission.

18           As requested by the Resources Agency and  
19 OPR, I respectfully request supporting this event  
20 and becoming a promotional partner. I'm happy to  
21 answer any questions you may have.

22           CHAIRMAN WEISENMILLER: Thank you. Yes, I  
23 wanted to move this early so that we got the word  
24 out more broadly. I think this is a very good  
25 event, and certainly very happy that we are

1 sponsoring it. Adaptation is obviously one of the  
2 key issues that we need to confront now in dealing  
3 with the realities that our climate is being  
4 disrupted. Any comments?

5 COMMISSIONER MCALLISTER: I think this is,  
6 again, I think it's great to be in a state where  
7 public policy engages the actual facts of what's  
8 going on and we know that this century is going to  
9 be a big deal for us in terms of our coast and  
10 what we have to do to respond to climate change.  
11 And wherever you go in the state, it's not just  
12 the coast, it's the variability, the challenges to  
13 our infrastructure, and our natural systems are  
14 all happening. And I think I'm hearing, you know,  
15 stories every day about how, wow, something  
16 happened in the weather, or something happened in  
17 my daily life that I was completely not expecting,  
18 and there's this sense that things are getting  
19 just more unpredictable. And I think, you know,  
20 the science bears that out.

21 So I think talking about in an open forum  
22 and having the right players to build public  
23 policy around what's actually happening now and  
24 going to happen in the future makes a lot of  
25 sense. And I give kudos to our agency and the

1 other agencies for moving the ball forward.

2 COMMISSIONER DOUGLAS: I just want to --

3 COMMISSIONER MCALLISTER: I appreciate the  
4 presentation.

5 COMMISSIONER DOUGLAS: Yeah, thank you,  
6 Lillian. And I just want to add on that I think  
7 this is a great event. I'm glad you moved it up  
8 in the agenda.

9 I'll move approval of Item 15.

10 COMMISSIONER SCOTT: Second.

11 CHAIRMAN WEISENMILLER: All those in  
12 favor?

13 (Ayes.) This item passes 4-0. Thanks,  
14 Ms. Mirviss.

15 MS. MIRVISS: Thank you.

16 CHAIRMAN WEISENMILLER: Let's go on to  
17 Item 4. Hydrogen and Refueling Infrastructure  
18 Grants, PON-13-607. Phil Cazel, please.

19 MR. CAZEL: Good morning. I'm Phil Cazel  
20 from the Emerging Fuels and Technologies Office.  
21 I'll be presenting for approval the series of  
22 agreements in Item 4 for construction of hydrogen  
23 refueling stations throughout California.

24 And I'd like to begin by providing some  
25 background information to the Energy Commission's

1 role in promoting this technology, and so I have a  
2 brief Powerpoint that we can go to. Go ahead to  
3 the second slide.

4 In 2012, Governor Brown issued an  
5 Executive Order aimed at placing one million Zero  
6 Emission Vehicles on California's roadways by 2020  
7 and 1.5 million by the year 2025. From this, the  
8 ZEV Action Plan was formed, which identifies  
9 specific actions that the Energy Commission could  
10 take to ensure a minimum network of hydrogen  
11 stations as established for the commercial launch  
12 of fuel cell vehicles between 2015 and 2017.

13 Then, in 2013, AB 8 was signed into law by  
14 Governor Brown, calling for the Energy Commission  
15 to commit up to \$20 million per year from program  
16 funding to support the construction of at least  
17 100 hydrogen refueling stations. The stations  
18 listed in Item 4 today are the first group to be  
19 presented for approval under AB 8.

20 The California Air Resources Board Scoping  
21 Plan Update reiterates that to meet California's  
22 long term air quality and climate objectives, the  
23 state needs to continue building on efforts  
24 underway to put more Zero Emission Vehicles on the  
25 road. Next slide, please.

1           In late 2013, the Energy Commission  
2 developed and released the latest Hydrogen  
3 Infrastructure Solicitation to continue the goal  
4 of expanding the existing hydrogen refueling  
5 network to meet the planned release of Fuel Cell  
6 Electric Vehicles beginning in 2015.

7           Stations that applied under the  
8 solicitation were required to meet minimum daily  
9 output capacities, include plans for maintaining  
10 hydrogen purity, and dispense a minimum of 33  
11 percent renewable hydrogen. Next, please.

12           Planning for the solicitation included  
13 interviews with 36 different participants, three  
14 public workshops held in August of last year, the  
15 review of hundreds of public comments during this  
16 time period, and a pre-application workshop. The  
17 concept in the Solicitation Guide were developed  
18 by Energy Commission staff with close  
19 collaboration and input from the California Air  
20 Resources Board and the Governor's Office of  
21 Business and Economic Development, or GO-Biz.  
22 Next, please.

23           This is a list of some of the key elements  
24 designed into the solicitation. To ensure that  
25 proposed stations contribute to the existing

1 network, a high priority was given to the location  
2 of each proposed station based on input from  
3 California Fuel Cell Partnership Roadmap, Energy  
4 Commission's internal analysis, and research done  
5 by the Advanced Power and Energy Program at the  
6 University of California Irvine. This included  
7 data like median household income, population  
8 density, gasoline station locations, vehicles per  
9 household, proximity to freeways. Next, please.

10           The deadline for applications was February  
11 14th of this year and the Energy Commission  
12 received applications for 57 different hydrogen  
13 refueling stations and four mobile refuelers.  
14 Overall, the solicitation was over-subscribed by  
15 about \$50 million. Next.

16           Each application was screened for  
17 technical requirements and scored based on  
18 criteria published in the Application Guide. A  
19 score of 70 percent was required for a station to  
20 be eligible for funding and all applications  
21 received passed this 70 percent mark. Next.

22           The Notice of Proposed Awards was released  
23 on May 1st, 2014, and recommended approximately  
24 \$46.6 million for the awarding of 28 new hydrogen  
25 refueling stations plus one mobile refueler.

1 These proposed awards, if approved, will increase  
2 the number of stations available when Fuel Cell  
3 Electric Vehicles begin reaching the market  
4 between 2015 and 2017. These 28  
5 proposed stations will be added to the 17 already  
6 under development. And the next slide will show a  
7 distribution of these.

8 This is a map showing 25 of the 28  
9 stations. On the left, Northern California  
10 proposed stations clustered around the San  
11 Francisco Bay Area, and then on the right proposed  
12 stations throughout Southern California. There  
13 are three that aren't on the map that would be  
14 Santa Barbara, Coalinga, and Truckee were also  
15 proposed to be awarded.

16 For each of these proposed stations,  
17 they're in locations targeted by the Energy  
18 Commission as high priority and will add  
19 significantly to the hydrogen fueling station  
20 network. Next please.

21 The recommended awards include a total of  
22 28 stations, as I said, 33 percent renewable  
23 hydrogen is the minimum that they will be  
24 dispensing, six stations will be dispensing 100  
25 percent renewable hydrogen, and all stations are

1 planned to be opened by October 31, 2015.

2           The 5,030 kilogram per day capacity that  
3 these stations add to the network can support  
4 approximately five to seven additional Fuel Cell  
5 Electric Vehicles, and this is based on U.C.  
6 Irvine's Advanced Power and Energy Program's  
7 estimate that an average Fuel Cell Electric  
8 Vehicle will use about seven-tenths of a kilogram  
9 of hydrogen per day based on efficiency, average  
10 daily mileage, owner driving habits. Next slide,  
11 please.

12           A total of six 100 percent renewable  
13 hydrogen stations are recommended for funding. A  
14 special set aside competition to fund the 100  
15 percent renewable hydrogen stations resulted in  
16 two stations being awarded in the Los Angeles Area  
17 and then another four stations listed here, three  
18 from HyGen Industries, and one from Ontario CNG,  
19 applied and successfully competed under the other  
20 solicitation's main competition. Altogether,  
21 these six stations will provide 850 kilograms per  
22 day of 100 percent renewable hydrogen. Next.

23           Another special set aside was for the  
24 mobile refueler. This is designed to provide  
25 temporary hydrogen refueling during times when a

1 station would be down for repairs or unplanned  
2 maintenance, and it will be deployed statewide on  
3 demand, and can also be used for fueling vehicle  
4 demonstrations or other events besides at  
5 stations. Next please.

6 This is a listing of the names of the  
7 proposed Awardees, and it includes eight different  
8 recipients, all have experience in the hydrogen  
9 industry and have been involved in constructing  
10 hydrogen refueling stations. Okay, if we could go  
11 back to the agenda, then.

12 So these proposed hydrogen refueling  
13 stations infrastructure grants lettered a through  
14 i in Item 4 represent approximately \$46.6 million  
15 in Energy Commission funding. The match funds for  
16 these projects total \$22 million. And the  
17 completed stations will add a capacity of 5,030  
18 kilograms per day of hydrogen to the existing  
19 network, as I said.

20 This amount of hydrogen is expected to be  
21 able to displace over four million gallons of  
22 gasoline per year. And taken together, these  
23 projects are also expected to reduce greenhouse  
24 gas emissions by 33.8 metric tons of CO<sub>2</sub>  
25 equivalents per day.

1           If approved, each of these stations is  
2 expected to be completed and fully operational by  
3 October 31, 2015, and staff is asking the  
4 Commission for two actions today: the first is to  
5 agree with staff's determination that the projects  
6 listed in Item 4 are exempt from CEQA, and the  
7 second is to approve the proposed grant awards for  
8 the projects listed in Item 4.

9           I'm happy to answer any questions and I  
10 know we have a number of people here today who  
11 would like to make a few remarks regarding these  
12 stations. And we have representatives from  
13 California Fuel Cell Partnership, a number of  
14 automakers, the California Air Resources Board,  
15 and the Governor's Office of Business and Economic  
16 Development. And also, there are quite a few  
17 hydrogen station developers and others who are  
18 involved with these stations that would like to  
19 make comments.

20           CHAIRMAN WEISENMILLER: Okay, so let's  
21 start with parties in the room, and let's start  
22 with our sister agencies. So GO-Biz?

23           MR. JONES: Hi. Good morning. My name is  
24 Taylor Jones and I'm an Executive Fellow in the  
25 Governor's Office, but today I am representing the

1 Governor's Office of Business and Economic  
2 Development, GO-Biz more specifically. Tyson  
3 Eckerle, the ZEV Project Infrastructure Manager,  
4 he apologizes for not being able to make it today.

5           First, GO-Biz would like to thank the  
6 Commission for your leadership in this critical  
7 space. The commitment to hydrogen fueling  
8 infrastructure is critical to the success of Fuel  
9 Cell Electric Vehicles, and our state's policy  
10 goals.

11           At GO-Biz, we work a lot with local  
12 communities and the Commission's Notice of  
13 Proposed Awards has changed things by clearly  
14 communicating that as a state we are, first,  
15 serious about deploying hydrogen and fuel cell  
16 electric vehicles and, second, that the technology  
17 is ready, that it's no longer an experiment, and  
18 now it's just a market question.

19           This fundamentally changes the  
20 conversation by elevating the importance of  
21 prioritizing the review for these projects at the  
22 local level, and we have seen this response from  
23 our local permitting offices. These fueling  
24 stations will make Fuel Cell Electric Vehicles  
25 fully functioning vehicles for a large portion of

1 the marketplace, and part of the movement that  
2 many localities are eager to support.

3 As the number of fueling stations will  
4 continue to increase, the confidence of local  
5 permitting officials in communities will continue  
6 to grow, and following through on the Notice of  
7 Proposed Awards, sets the state up for success in  
8 this area. Thank you.

9 CHAIRMAN WEISENMILLER: Thank you. ARB?

10 MS. BEVANS: Good morning. ARB would like  
11 to congratulate CEC on developing a solicitation  
12 process with PON 13607 that significantly improved  
13 upon the State's past hydrogen infrastructure  
14 funding programs. With this solicitation, CEC  
15 heard the concerns of various stakeholders and  
16 developed awards that will help ensure the early  
17 success of California's hydrogen and Fuel Cell  
18 Electric Vehicle market.

19 At the same time, these awards will  
20 provide Fuel Cell Vehicle Drivers with the  
21 opportunity to refuel at technically advanced  
22 stations, enjoying familiar retail experiences.

23 California's transportation sector is  
24 responsible for about 40 percent of the state's  
25 greenhouse gas emissions and significant portions

1 of the state's emissions of other harmful  
2 pollutants and particulates. Zero Emission  
3 Vehicles, including Fuel Cells, have been  
4 recognized by ARB, CEC and others as necessary  
5 technologies to meet the state's goals in  
6 mitigating climate change and improving air  
7 quality, the environment, and public health.

8           Fuel Cell Electric Vehicles are becoming a  
9 commercial reality and will be arriving in  
10 California's market in rapidly increasing volumes.  
11 ARB estimates the state's current fleet of 125  
12 vehicles will grow to more than 6,600 in 2017, and  
13 approximately 18,500 by 2020. Consumer adoption  
14 of these vehicles will be closely tied to the  
15 effective deployment of hydrogen stations ahead of  
16 vehicle arrivals.

17           ARB recently delivered to the CEC the  
18 first annual evaluation of Fuel Cell Electric  
19 Vehicle deployment and hydrogen fuel station  
20 network development. In this evaluation, we  
21 reached a number of findings related to the new  
22 stations CEC staff proposes for funding. These  
23 stations, along with continued deployment of  
24 stations in future funding programs are necessary  
25 to meet the projected near and long term capacity

1 demands for the state and localized initial target  
2 markets.

3           These stations establish the coverage  
4 needed in the Northern California target market,  
5 along the west and south sides of the Bay Area,  
6 while continuing to expand the needed coverage in  
7 Southern California's West LA, Torrance, and  
8 Orange County target markets. These stations also  
9 establish the capability for travel between  
10 Northern and Southern California and will allow  
11 Fuel Cell Vehicle drivers to not only use their  
12 vehicles for daily routes, but also for vacations  
13 in San Diego, Santa Barbara, and Lake Tahoe, for  
14 example.

15           This capability allows drivers to take  
16 advantage of one of the technology's key inherent  
17 advantages, Zero Emission travel over distances  
18 comparable to conventional vehicles. These  
19 stations will allow the hydrogen fueling network  
20 to outperform the environmental standards set by  
21 AB 32 for greenhouse gas emissions, and by SB 1505  
22 for renewable fuels implementation.

23           The newest stations funded by CEC provide  
24 an estimated 77 percent reduction in greenhouse  
25 gases from equivalent gasoline sales and the

1 entire 51 station network expected by the end of  
2 2015 will utilize renewable resources for  
3 approximately 46 percent of its process and  
4 feedstock needs, 13 percentage points more than  
5 the SB 1505 requirement.

6 ARB recommends CEC fully utilize the  
7 maximum \$20 million annual funding under AB 8,  
8 along with any other potential funding sources  
9 identified by ARB or CEC to fund the establishment  
10 and operation of hydrogen fuel stations in the  
11 next funding program, with placement and other  
12 considerations as recommended in the AB 8 report.  
13 Thank you.

14 CHAIRMAN WEISENMILLER: Thank you. Let's  
15 turn our attention to the American Lung  
16 Association, Mr. Barrett, please.

17 MR. BARRETT: Good morning. Will Barrett  
18 with the American Lung Association of California.  
19 While the market for Zero Emission Vehicles is  
20 growing and delivering clean air and health  
21 benefits now, our continued over-dependence on  
22 unhealthy fuels really is continuing to hurt our  
23 air, public health, and our climate.

24 As Co-Sponsors of AB 8 and members of the  
25 AB 118 Advisory Committee, we support moving

1 forward this grant package to remove more barriers  
2 to the broader deployment of Zero Emission Vehicle  
3 technologies that do reduce pollution and health  
4 and climate impacts of our continue dependence on  
5 dirty fuels.

6           The Lung Association believes that  
7 California needs a complete transformation of our  
8 vehicles and fuels to zero emission technologies  
9 as rapidly as possible. This action today, along  
10 with Items 5 and 7 later on in the agenda, all  
11 move us closer to that goal. We need diverse  
12 solutions to the public health impacts of our  
13 transportation system and our dirty fuels.

14           We look forward to continue to work with  
15 you into the future to make sure that we continue  
16 the progress towards the goal of clean air in  
17 California. Thank you.

18           CHAIRMAN WEISENMILLER: Thank you. Thank  
19 you for being here. I believe we have three auto  
20 manufacturers in the room. Hyundai, please?

21           MR. CASTILLO: Good morning, everyone. My  
22 name is Gil Castillo. I represent Hyundai Motor  
23 America, which is located in Fountain Valley,  
24 California. Thank you, everyone, for having me.  
25 I'd just like to start by thanking the Commission

1 for all its efforts with the latest grant award,  
2 it's been a long journey, but we're getting there.

3 I'd like to just state that these stations  
4 represent a big turning point for us. It's going  
5 to greatly increase the consumer awareness and  
6 acceptance of this technology in Fuel Cell  
7 Vehicles, and it also reinforces our efforts to  
8 continue to develop and introduce new vehicles.

9 Recently, many of you may be aware that we  
10 launched our Tucson Fuel Cell in June of this year  
11 and it's been extremely successful. I'm happy to  
12 report that we have a number of customers who have  
13 already taken possession of their car and they're  
14 already writing positive things about their  
15 vehicle online and webs and such.

16 In addition to that, our first owner  
17 recently drove his vehicle from his home in Orange  
18 County all the way to Santa Barbara, spent the  
19 week there and drove back, and although he had to  
20 control how much driving he took in Santa Barbara,  
21 he made it back with no issue, which kind of  
22 brings me back to the greater point. You know,  
23 owners right now may have some station anxiety,  
24 but with the addition of these new stations and  
25 other stations that are currently being developed,

1 that station anxiety is going to go away.

2           In addition, we have a lot of people who  
3 are interested in leasing our vehicle, tons of  
4 applications, more than we can actually meet, but  
5 a number of these people who live throughout  
6 California right now don't live near refueling  
7 stations, and so they can't be considered for a  
8 Fuel Cell Vehicle; however, the addition of these  
9 stations will greatly increase the number of  
10 vehicles that can be placed in California as more  
11 and more consumers will be able to own and  
12 experience these technologies. Thank you.

13           CHAIRMAN WEISENMILLER: Thank you. Let's  
14 go to Toyota next.

15           MR. MCCLORY: Good morning, Commissioners.  
16 I appreciate the opportunity to make comment. My  
17 name is Matt McClory. I'm with Toyota Technical  
18 Center of our Gardena, California Office in  
19 Southern California.

20           On behalf of Toyota, we thank the  
21 Commissioners and staff for their proposed awards.  
22 The number of stations identified is a significant  
23 step forward in the realization of a network of  
24 hydrogen stations. We appreciate California's  
25 leadership and investment in a Zero Emission

1 Vehicle future and a pathway towards a low carbon  
2 society. These stations are critically important  
3 to the successful launch of Fuel Cell technology,  
4 which we believe is the technology of the future.

5 Toyota is bringing a Fuel Cell Vehicle to  
6 market in the summer of 2015; as you've already  
7 heard, other manufacturers are also launching Fuel  
8 Cell Vehicles or may have Fuel Cell Vehicles at  
9 this time. So that's a very exciting space for us  
10 to be in.

11 The customer experience is crucial for the  
12 success of the technology. A reliable and easily  
13 accessible fueling network is fundamental to  
14 ensuring a positive customer experience for these  
15 early adopters and to allow the growth of the  
16 market to expand. As a result, Toyota is actively  
17 supporting the build-out of this hydrogen network,  
18 and together we feel that we are helping create a  
19 turning point in the future of mobility. Thank  
20 you again for your leadership and your dedication  
21 to this effort.

22 CHAIRMAN WEISENMILLER: Thank you. Thanks  
23 for being here. Honda?

24 MR. BIENENFELD: Good morning,  
25 Commissioners. Thank you for the opportunity to

1 speak to you today. I'm Robert Bienenfeld,  
2 Assistant Vice President in the Product Regulatory  
3 Office of American Honda Motor Company. I'm also  
4 this year's Chairman of the California Fuel Cell  
5 Partnership. Honda has had an active Fuel Cell  
6 Vehicle Program for more than two decades now, and  
7 we currently have the *FCX Clarity* on the market  
8 here in California.

9           At the Los Angeles Auto Show last year,  
10 Honda announced plans to launch a new Fuel Cell  
11 Vehicle, the successor to the *Clarity*, which is  
12 already about seven years old. We are making  
13 steady progress towards that goal.

14           For years, the State of California has had  
15 a multi-layered, carefully considered approach to  
16 ultra-low carbon transportation. The integrated  
17 policies of the Advanced Clean Car Regulations,  
18 the Low Carbon Fuel Standards, AQUIP, and of  
19 course the ARFVTP all recognize the promise of an  
20 essential role of Fuel Cell Vehicles in meeting  
21 the state's ambitious goals.

22           Honda shares the conviction that Fuel Cell  
23 Vehicles can be a critical factor in meeting the  
24 state's 2050 targets. Honda has done our best to  
25 study the potential market areas for Fuel Cell

1 Vehicles. In addition, we have extensive  
2 experience with actual consumers on key elements  
3 of successful hydrogen refueling, not only the  
4 look and feel of stations, but the key attributes  
5 of location, station operation, ease of use, etc.

6 We worked collaboratively with our  
7 competitors under the auspices of the California  
8 Fuel Cell Partnership to provide input to Energy  
9 Commission staff in order to inform this program.  
10 The quality of the program together with the  
11 bidder's responses and the proposed awards you are  
12 considering today are all a testament to the  
13 research efforts, attentiveness, thoughtfulness,  
14 and hard work of the Energy Commission staff,  
15 especially the efforts of Jim McKinney and Jean  
16 Baronas.

17 We believe that these proposed Awards are  
18 high quality and, when implemented, will result in  
19 the kind and quality of infrastructure that we as  
20 Hydrogen Fuel Vehicle makers believe is necessary  
21 for our customers.

22 Honda supports the approval of these  
23 proposed awards and, just as importantly, we  
24 support the process established by the Energy  
25 Commission to gather input from automakers for

1 this program. We support the commitment to spend  
2 \$20 million per year to complete an initial  
3 network of 100 stations in California. And we  
4 support the long term goal of California to  
5 transition to ultralow carbon transportation.  
6 Thank you.

7 CHAIRMAN WEISENMILLER: Thank you. Thank  
8 you for being here. Anyone else in the room?  
9 Great, please identify yourself.

10 MR. ELRICK: Bill Elrick with the  
11 California Fuel Cell Partnership. Thank you for  
12 the opportunity to comment. I want to express the  
13 California Fuel Cell Partnership's strong support  
14 for these proposals and really the appreciation we  
15 have for all the hard work of the staff to get  
16 here.

17 The solicitation process have continually  
18 improved and made many creative opportunities and  
19 innovations, and with their hard work and  
20 dedication we've seen more proposals coming out  
21 each year, we've seen new station developers come  
22 to the table with others expressing interest in  
23 the next round to anticipate, we've seen creative  
24 incentives and mechanisms such as the Operations  
25 and Maintenance funding, which we know will be

1 very important in the early lean years of Fuel  
2 Cell Vehicle deployment, and the mobile fueler,  
3 etc., all of these are really a comprehensive and  
4 critical steps toward creating that initial  
5 coverage that the roadmap originally identified,  
6 and we're seeing this materialize now, so this is  
7 no small step, what you're taking now.

8           And we're looking forward to the next  
9 steps to expand upon this and to watch the  
10 leadership, not just of CEC and California, for  
11 the rest of the country, but around the world as  
12 others around the globe are doing the same things  
13 and they're looking towards this leadership for  
14 the examples for this kind of success that you're  
15 displaying in this proposal.

16           So again, I want to express our strong  
17 support for the proposal, congratulate you on the  
18 continued success, and look forward to the next  
19 round.

20           CHAIRMAN WEISENMILLER: Thank you. So  
21 let's turn to the parties on the phone. Let's  
22 start with Monique Gordon from City of Riverside.

23           MS. GORDON: Good morning. I just wanted  
24 to say that the City of Riverside has a history of  
25 clean fuel policies and it's committed to

1 providing public access to clean fuels and to the  
2 public and businesses in support of this project  
3 with Council approval.

4 CHAIRMAN WEISENMILLER: Great. Thank you.  
5 Let's turn our attention to Stratus Fuels.

6 MR. PALACIOS-AVILA: Yes. So can you hear  
7 me?

8 CHAIRMAN WEISENMILLER: Yes.

9 MR. PALACIOS-AVILA: Okay, excellent. Hi  
10 guys, my name is Jonathan Palacios-Avila, I'm with  
11 Stratus Fuels. I just want to first off thank the  
12 CEC for facilitating this meeting and I just want  
13 to congratulate all the PON-607 recipients, and  
14 just a brief update of what we've been doing here  
15 at the Ontario site. We've been getting surveys  
16 of I guess local fleets within the area and just  
17 alerting them that we are proposing to build a  
18 hydrogen fueling station here, and that we could  
19 service their trucks, or even if they have a car  
20 fleet, as well.

21 We just finished our natural gas unit  
22 here, we have two dispensers dispensing natural  
23 gas, and we are starting construction on our  
24 Electric Vehicle Charging Ports for Level 3. And  
25 that's where we are right now and we're very eager

1 to expand the hydrogen infrastructure and are  
2 looking for future sites to get within this next  
3 couple years. So thank you.

4 CHAIRMAN WEISENMILLER: Thank you. Paul  
5 Staples from HyGen Industries.

6 MR. STAPLES: Yes, can you hear me?

7 CHAIRMAN WEISENMILLER: Yes.

8 MR. STAPLES: Okay, great. Paul Staples  
9 here with HyGen Industries. First of all, of  
10 course, thank you for the support, I think it's  
11 very important that we move forward with this. Is  
12 everything perfect, the way I would like it to be?  
13 Of course not. Of course, I would prefer it all  
14 be 100 percent renewable. But it is clear that we  
15 definitely need to get stations out, okay, and  
16 there's a lot of people that agree with me that we  
17 should be, as well, that we should be moving that  
18 direction, and eventually I believe it will, all  
19 right? In the meantime, we need to get these  
20 stations out there, it's important,  
21 (indiscernible), fossil fuel, hydrogen, dirtier  
22 than it's been than other forms of fuel, well, you  
23 know, nothing is perfect, so at least one-third of  
24 it has to be renewable, which in my books says  
25 that that's even better than (indiscernible). And

1 I look forward to working with the institutions to  
2 advance that goal in the near future. So we are  
3 in sync as far as what needs to be done and I  
4 think that we're going to get there. And fossil  
5 fuels? They'll play a role for a while, no one,  
6 even with the Battery Electric Vehicles  
7 (indiscernible), there's a role for it, for every  
8 alternative that we put out there, okay. And  
9 everyone can participate. But Fuel Cell Electric  
10 Vehicles have the potential to replace the  
11 internal combustion engine vehicle, the fueling  
12 time, the range and efficiency, you know, and  
13 performance, there is a real chance here that we  
14 could get rid of the internal combustion engine  
15 vehicle eventually. I don't think it will ever go  
16 away completely, but I think we can get most of  
17 the vehicles to fuel cell vehicles. From that  
18 standpoint, I thank this Board and the Commission  
19 for the work that they've done. I look forward to  
20 working with you to advance more and, you know,  
21 let the naysayers be what they will, okay, you  
22 know, no doubt about it, we have arguments within  
23 our family here, we fight sometimes, knock down  
24 drag out fights, but when it comes down to the  
25 actual goal, I think we're all on the same boat.

1 So I thank you for the opportunity to speak here  
2 today.

3 CHAIRMAN WEISENMILLER: Okay, thank you.  
4 Let's go to ITM Power. Mr. Jones.

5 MR. JONES: Hello, can you hear me?

6 CHAIRMAN WEISENMILLER: Yes.

7 MR. JONES: Good. Hi, my name is Steve  
8 Jones. I'm the Managing Director of ITM Power,  
9 Inc. I just wanted to express my thanks and  
10 gratitude to the Commission, the Fuel Cell  
11 Partnership for the much improved, in our opinion,  
12 solicitation process this year. I represent a  
13 parent company, ITM Power, PLC, it's based in the  
14 UK, we have experience in Germany, in France, in  
15 Scandinavia, and the UK, and now in the U.S. And  
16 I think it's safe to say that U.S., what  
17 California is doing is truly world leading in  
18 terms of Hydrogen infrastructure support. And  
19 Bill mentioned new players coming to the table,  
20 ITM has on the back of all of the good work that's  
21 being done in California, was a huge driver in  
22 setting up a U.S.-based subsidiary company in  
23 Irvine, California. And I myself will be a  
24 resident of California very soon. And we look  
25 forward to working with you guys on our stations,

1 also working very hard to enhance the network and  
2 put more stations out in the future. So thank  
3 you.

4 CHAIRMAN WEISENMILLER: Thank you. Now  
5 let's go to Mercedes Benz. Mr. Forrest?

6 MR. FORREST: Yes, hello. Can you hear  
7 me?

8 CHAIRMAN WEISENMILLER: Yes.

9 MR. FORREST: Okay, fine. Yes, my name is  
10 Matthew Forrest, I'm with Mercedes Benz Research  
11 and Development, North America. And I'd like to  
12 thank you for the opportunity to make this  
13 comment.

14 Mercedes Benz applauds the Energy  
15 Commission in their efforts to establish an  
16 effective and meaningful hydrogen infrastructure  
17 network in California. The proposed awards will  
18 make a significant improvement to the existing  
19 network for existing, as well as future customers,  
20 and we encourage the Energy Commission to maintain  
21 this positive momentum. Thank you.

22 CHAIRMAN WEISENMILLER: Thank you. Let's  
23 go to Air Liquide.

24 Yes. Can you hear me?

25 CHAIRMAN WEISENMILLER: Yes.

1                   MR. OESTERREICH: Yeah, Bob Oesterreich,  
2 Air Liquide, I'm the Director of Hydrogen Energy.  
3 And I'd like to thank the Commissioners and Jean  
4 Baronas, Jim McKinney and their team for the  
5 tremendous effort they put forth to weigh and  
6 score all of the proposals. And Air Liquide, we  
7 feel that the industry and the state is beginning  
8 to achieve their objectives and we have reached a  
9 turning point with regard to mass rollout of Fuel  
10 Cell Electric Vehicles.

11                   And being a worldwide company, we see  
12 California again being a world leader in this  
13 effort and we feel very honored to be part of  
14 this, and we look forward to starting to build out  
15 our infrastructure in Northern California and  
16 start putting a footprint there, and look forward  
17 to the opportunity to continue to work with the  
18 State of California. Thank you.

19                   CHAIRMAN WEISENMILLER: Thank you. Is  
20 there anyone else on the line? So we're going to  
21 transition now from the public comments to the  
22 Commissioners, so Commissioners, any questions or  
23 comments?

24                   MR. OGLESBY: Mr. Chairman, I believe  
25 there's a couple more folks in the room that I

1 would like to add.

2 CHAIRMAN WEISENMILLER: I called for it  
3 earlier, but please come up. I haven't gotten any  
4 blue cards.

5 MR. BOYD: Good morning, Commissioners.  
6 Hello, my name is Robert Boyd and I've been  
7 designing and building hydrogen fueling stations  
8 since 2001. HTEC Hydrogen Technology and Energy  
9 Corporation and its partners, Boyd Hydrogen,  
10 PowerTech Labs, McPhy Energy and Sacre-Davey  
11 Engineering, are excited to be part of this world  
12 leading initiative led by the California Energy  
13 Commission.

14 On behalf of our team, I would like to  
15 thank the Energy Commission for this opportunity  
16 and applaud the leadership of the CEC in promoting  
17 the development of hydrogen fueling infrastructure  
18 that will enable the deployment of Zero Emission  
19 Hydrogen Fuel Cell Electric Vehicles.

20 HTEC, Boyd Hydrogen, and its partners look  
21 forward to a long term partnership that will see  
22 many hydrogen vehicles and fueling stations being  
23 used throughout California and eventually a  
24 hydrogen highway all the way from San Diego to  
25 Vancouver, British Columbia.

1           Our first station in California will be  
2 the Four Corners Hydrogen Energy Center in  
3 Woodside, hydrogen fuel will be made onsite with  
4 the McPhy Electrolyzer using renewable  
5 electricity, and supplemental hydrogen will be  
6 provided using HTEC's world leading high pressure  
7 450 bar power cubes, a modular drop and swap  
8 distribution system for centralized hydrogen  
9 byproduct recovery and processing facilities.

10           Thank you for this opportunity to expand  
11 our ZEV mobility options.

12           CHAIRMAN WEISENMILLER: Thank you for  
13 being here. Okay, anyone else in the room? I'll  
14 remind folks that the Public Advisor is in the  
15 back of the room and is happy to give you blue  
16 cards, so I know you want to speak. But anyway,  
17 go ahead. Please identify yourself.

18           MR. EWANICK: Yes, thank you,  
19 Commissioners. And I'm Joel Ewanick and I'm  
20 representing First Element Fuel this morning. And  
21 rather than be redundant to a lot of things that  
22 have already been said, maybe since I'm going to  
23 be one of the last ones, I just want to thank you  
24 for your vision, the Governor, the State, the CEC,  
25 for your vision in creating something.

1           And maybe I'll offer a little bit of  
2 perspective of what's happening today because we  
3 can't minimize the fact that today is a very  
4 historic moment. See, standing behind me really  
5 are thousands of engineers who have been working  
6 around the world to bring Fuel Cells to reality,  
7 who have dedicated their careers, 10, 15 years  
8 working on this, for this very moment. See, I've  
9 had the perspective of seeing in a C suite and  
10 debating whether Fuel Cells should happen or not  
11 happen. And having the one argument that  
12 everybody used, the infrastructure, with the  
13 stroke of a pen today, you're taking that argument  
14 off the table, you're ending it. And you're  
15 allowing the Fuel Cells and the car companies in  
16 the room to actually go car against car and change  
17 the world. So thank you for that and thank you  
18 for the time, I appreciate it.

19           CHAIRMAN WEISENMILLER: Thank you. Okay,  
20 so if there are no other comments, now I'll  
21 transition to the Commissioners.

22           COMMISSIONER SCOTT: All right, well, this  
23 is great. I would also like to acknowledge the  
24 terrific hard work that has been done by our staff  
25 and echo the comments and the thanks that you

1 heard from our commenters today about the great  
2 work that they've done.

3 I wanted to spend a minute and just  
4 highlight and underscore for you some of the  
5 things that Phil mentioned in his presentation and  
6 also that you heard from the commenters. The  
7 Energy Commission, as you know, worked very very  
8 hard to design a good solicitation here. We had  
9 multiple workshops over the summer, last summer.

10 As Phil mentioned in this presentation, we  
11 put out a draft of the solicitation and let people  
12 comment on that to really make sure that we had  
13 heard and captured everything that folks were  
14 looking to see, and I would just note as the  
15 Public Member on the Commission, I really  
16 appreciate good transparent public processes like  
17 the one we put together for this. And it worked.  
18 I mean, we had a solicitation that was over-  
19 subscribed and we put together just a terrific  
20 team.

21 My understanding is that the review team  
22 was very diligent and detailed in their review as  
23 they were scoring the proposals. They did a great  
24 review. It took a little bit longer than we  
25 thought it might, but that was just because we had

1 so many excellent proposals to review.

2           And when they finished that, we did a  
3 timely Notice of Proposed Awards and that also  
4 took some excellent work, and just the hard  
5 diligent work that it took to get all of these  
6 contracts together in pretty short order, and get  
7 them to us for our consideration today.

8           I want to thank all of the fuel providers  
9 and the OEMs, and the other stakeholders that are  
10 here for their partnership, and I continue, as  
11 well as you do, to look forward to working  
12 together with all of you on this because I also  
13 see the momentousness of the day-to-day.

14           California is committed to the Zero  
15 Emission Vehicle goals that we have and it's going  
16 to be really important for us to get the  
17 infrastructure in place to help support the one  
18 million Zero Emission Vehicles by 2020, and 1.5  
19 million by 2025. And we're going this because of  
20 our clean air and our climate goals, as you heard  
21 some of the Air Resources Board folks say. And so  
22 I just kind of wanted to reiterate that, bring  
23 some of that forward for you.

24           I wanted to let our friends and  
25 stakeholders in the audience know that I'm looking

1 forward to hopefully getting to go to some  
2 groundbreakings on these stations, better yet,  
3 some ribbon cuttings for these stations. I had a  
4 chance when Hyundai gave their first lease just a  
5 few months ago to attend that, so I look forward  
6 to doing more of that with our other OEM friends.

7           And just to let you guys know that there  
8 are some vehicles out front, so I hope that you'll  
9 go out and take a look at them, please go and  
10 drive them, and thanks to the OEMs for bringing  
11 them and to Lezlee and Lauren on my team for  
12 setting that up so that there were vehicles here  
13 for folks to see.

14           So with that, I would encourage our  
15 approval of this item, but I don't know if you  
16 have questions or for the team.

17           COMMISSIONER DOUGLAS: Well, I'll just  
18 comment, this has been a very nice presentation  
19 and an impressive line-up of people here at the  
20 Business Meeting and on the phone to comment on  
21 this item, so nice work to you, Commissioner  
22 Scott, and to staff for pulling this together.

23           COMMISSIONER MCALLISTER: Yeah, I'll pile  
24 on, just so much great work going on in the  
25 transportation realm and this has been one of the,

1 I think, biggest lifts, broadly speaking, in that  
2 realm and also probably the one with the largest  
3 promise, and that's really fantastic to see  
4 concrete results and real technologies coming into  
5 the marketplace, and starting to be adopted. And  
6 the network issues are right front and center, so  
7 we're proactively trying to solve those and I  
8 think the broad team with staff here just, you  
9 know, it inspires a lot of confidence, and I know  
10 they're getting the buy-in from stakeholders and  
11 it's really great with Commissioner Scott's  
12 leadership on this issue. So I'm supportive.

13 CHAIRMAN WEISENMILLER: Yeah. This is a  
14 great first step. Obviously this is just a first  
15 step, I certainly would encourage all the winners  
16 to race forward and start construction and bring  
17 these things on line. We're looking forward to  
18 seeing them operating and moving them from the  
19 paper version to the reality. So with that...

20 COMMISSIONER SCOTT: I will move approval  
21 of Item 4.

22 COMMISSIONER MCALLISTER: I'll second.

23 CHAIRMAN WEISENMILLER: All those in  
24 favor?

25 (Ayes.) Item 4 passes 4-0. Thanks.

1           Let's go to Item 5, which is California  
2 Air Resources Board. And Jennifer Masterson,  
3 please.

4           COMMISSIONER MCALLISTER: I'm going to  
5 step in here. Actually, I'm going to recuse  
6 myself from this vote given that a former  
7 employer, the Center for Sustainable Energy, is  
8 listed as a sub on this contract, so I will step  
9 out.

10           MS. MASTERSON: Good morning,  
11 Commissioners, Chairman. My name is Jennifer  
12 Masterson and I work in the Fuels and  
13 Transportation Division. Also with me today is  
14 Andy Panson from the Air Resources Board.

15           The proposed Interagency Agreement I'm  
16 bringing before you this morning is for \$5 million  
17 with the California Air Resources Board to be used  
18 for the Clean Vehicle Rebate Project, also known  
19 as CVRP. The CVRP will provide rebates for the  
20 purchase of qualified electric drive vehicles in  
21 California.

22           As of July 14, 2014, the CVR Program has  
23 issued 69,138 rebates for \$144.7 million.  
24 Investments from the Alternative and Renewable  
25 Fuel and Vehicle Technology Funds have allowed

1 California to start on a path to meet the  
2 ambitious goals of the Governor's Zero Emission  
3 Vehicle Action Plan. This plan sets a target of  
4 one million Zero Emission Vehicles, or ZEVs, on  
5 the road by 2020, and 1.5 million ZEVs by 2025.  
6 By establishing regional planning activities,  
7 participating in the development of the ZEV Action  
8 Plan, and developing a strategic network of  
9 Electric Vehicle Charging Stations, the Energy  
10 Commission will help consumers and Electric  
11 Vehicle companies work towards a cleaner,  
12 healthier California.

13           These ARFVTP funds will be used to augment  
14 ARB's program which will provide additional  
15 rebates for Zero Emission Vehicles and Plug-in  
16 Hybrid Electric Vehicles. Both must be capable of  
17 freeway operation and certified for four  
18 passengers or more, and for subcontractor  
19 administrative and outreach costs.

20           Overall, this project provides a benefit  
21 by encouraging and accelerating Zero Emission  
22 Vehicle deployment in California and supports  
23 Governor Brown's ZEV Action Plan. I'd like to  
24 thank you for your consideration of this item and  
25 answer any questions you may have.

1                   CHAIRMAN WEISENMILLER: Thank you. First  
2 Mr. Panson with the ARB?

3                   MR. PANSON: Yes, thank you very much. My  
4 name is Andy Panson and I'm representing the Air  
5 Resources Board today. And I'm here to voice  
6 ARB's full support for the proposed Interagency  
7 Agreement to fund the purchase of Electric  
8 Vehicles through the CVRP. The proposed funding  
9 would provide rebates for over 2,000 additional  
10 vehicles.

11                   Today's proposal comes on top of the \$44  
12 million the Energy Commission has already provided  
13 to support the CVRP Overpass Funding Cycles. We  
14 extend our sincere appreciation and gratitude to  
15 the Commission for continuing its support for the  
16 CVRP, and we strongly encourage your approval of  
17 today's proposed agreement.

18                   The CVRP continues to grow in popularity  
19 since its launch in 2010. As Jennifer noted, it  
20 has provided rebates for about 70,000 cleaner  
21 vehicles to date. And this would not have been  
22 possible without the Energy Commission's support  
23 and, equally important to your direct support for  
24 CVRP are the complementary investments you're  
25 making in the Vehicle Charging and Hydrogen

1 Fueling Infrastructure. These all have been  
2 really key to the success of the Vehicle  
3 Deployment efforts.

4           These investments are seeding the market  
5 for the larger number of vehicles needed over the  
6 next decade and beyond to meet our air quality and  
7 climate change goals, increased fuel diversity,  
8 and achieve the goals of the Governor's Executive  
9 Order.

10           As a result of California's leadership,  
11 California accounts for about 40 percent of U.S.  
12 ZEV sales despite representing just over 10  
13 percent of the U.S. vehicle market, which is  
14 pretty impressive.

15           This is an exciting time in the EV  
16 rollout, as you've heard in the previous agenda  
17 item. Sometime soon, the 100,000th EV is going to  
18 hit the streets in California, which is really a  
19 remarkable milestone. And as you heard just a few  
20 moments ago, the Fuel Cell Powered Vehicles are  
21 now coming to market, as well.

22           So I just want to conclude by thanking you  
23 for your generosity and continued support for this  
24 important program, and really thank your staff for  
25 the hard work, not just in this program and this

1 agreement, but your work over the years in AB 118  
2 and AB 8, and we really feel like it's a good and  
3 strong and close partnership between the Energy  
4 Commission and the Air Resources Board, and I  
5 think that's really benefitted both programs. So  
6 with that, I'll conclude.

7 CHAIRMAN WEISENMILLER: Thank you. Anyone  
8 else in the room or on the phone? So  
9 Commissioners, any comments or questions?

10 COMMISSIONER DOUGLAS: No questions --

11 COMMISSIONER SCOTT: I --

12 COMMISSIONER DOUGLAS: No, I was just  
13 going to say no questions, but a brief comment  
14 that, you know, it's definitely great to see the  
15 close working relationship on these programs with  
16 the Air Resources Board, so definitely appreciate  
17 you being here and hearing from you today.

18 COMMISSIONER SCOTT: I'll echo that,  
19 thanks. And I will move approval of Item 5.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in  
22 favor?

23 (Ayes.) This item passes 3-0. Thank you.

24 Let's go on to Item 6, which is Carbonblu,  
25 LLC. And Andre Freeman, please. Let me get

1 Commissioner McAllister back.

2 MR. FREEMAN: Good morning, Commissioners.  
3 My name is Andre Freeman and I'm from the Emerging  
4 Fuels and Technologies Office. Today I'm seeking  
5 approval of an agreement with Carbonblu to develop  
6 and operate a center that will promote Alternative  
7 Fuels and Advanced Vehicle Technologies.

8 Carbonblu's team is comprised of personnel  
9 with extensive education and experience relating  
10 to the technical understanding of vehicle  
11 technologies, related environmental regulations,  
12 and knowledge of financial constraints many fleets  
13 face when determining what type of new vehicles to  
14 purchase.

15 The Center will be located at the  
16 McClellan Business Park in Northern California and  
17 will serve as an information hub for vehicle  
18 fleets and interested members of the public. The  
19 main focus of the Center will be to educate fleets  
20 on the environmental and economic benefits of  
21 alternative transportation technologies and  
22 provide detailed plans on how fleets can  
23 transition to these new technologies.

24 Additional activities will include the  
25 promotion of workforce training, identifying

1 opportunities for Advanced Vehicle Technology  
2 Demonstrations, advising fleets on funding  
3 opportunities, and participating in regional  
4 planning activities with entities such as the  
5 Clean Cities Coalitions.

6           One of the biggest barriers to  
7 transitioning California's fleet to cleaner and  
8 more economically beneficial technologies is the  
9 lack of knowledge about the opportunities that  
10 these vehicles can provide. This Center will  
11 serve as an essential function to help fleets of  
12 all sizes better understand the real world viable  
13 options that they will have going forward.

14           With that, I would like to thank you for  
15 your consideration of this item and there are  
16 representatives from Carbonblu who would like to  
17 say a few words.

18           CHAIRMAN WEISENMILLER: Yes, I believe  
19 they're on the line or in the room? Please, come  
20 on up.

21           MR. PIETAK: Greetings, Commissioner, Mr.  
22 Chairman, Commissioners. My name is Josh Pietak,  
23 I'm the founder and CEO of Carbonblu. I'm here  
24 this morning just to express my gratitude to the  
25 Commission for considering funding of the Northern

1 California Alternative Fuel Vehicle and Advanced  
2 Technology Center. On behalf of Carbonblu and our  
3 numerous partners, which include four Clean Cities  
4 Coalitions, CalSTART, alternative fuels advocates,  
5 and the Grant Farm, as well as numerous local  
6 municipalities, fuel providers, and technology  
7 providers, we'd like to encourage you to approve  
8 this. And thank you for your consideration.

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

11 COMMISSIONER SCOTT: I will move Item 6.

12 COMMISSIONER DOUGLAS: Second.

13 CHAIRMAN WEISENMILLER: All those in  
14 favor?

15 (Ayes.) Item 6 is 4-0. Let's go on to  
16 Item 7, which is Electric Vehicle Charging  
17 Infrastructure Grants, PON-13-606. Lindsee.

18 MS. TANIMOTO: Yes. Good morning, Chair  
19 and Commissioners. My name is Lindsee Tanimoto  
20 and I'm with the Emerging Fuels and Technology  
21 Office of the Fuels and Transportation Division.  
22 Staff is seeking approval of seven proposed awards  
23 totaling \$2,791,338 for Electric Vehicle Charging  
24 Infrastructure Projects under the Alternative and  
25 Renewable Fuel and Vehicle Technology Program.

1           These seven agreements are the remainder  
2 of the 35 awarded in the Notice of Proposed Awards  
3 published on April 4th, 2014, under PON-13-606.

4           This Electric Vehicle Charging  
5 Infrastructure Solicitation provided funding for  
6 the installation of Electric Vehicle Chargers at  
7 destinations, workplaces, multi-unit dwellings,  
8 and highway corridors. All the EV charging  
9 locations are consistent with the needs identified  
10 in the applicable Plug-In Electric Vehicles that  
11 were in these plans.

12           One Awardee will be installing Fast  
13 Charging along I-5 on Highway 99 between San Diego  
14 and Stockton, which will start to fill in the gaps  
15 of highways where there is no charging available.

16           Six agreements will be for corridor  
17 destination and workplace charging, all with  
18 public access for \$2.6 million. The funding will  
19 cover equipment and installation of Electric  
20 Vehicle Chargers consisting of 30 Level 1, 129  
21 Level 2s, and 16 Fast Chargers that will be  
22 located in the Cities of Fremont, Santa Clara,  
23 Corona, the County of San Diego, and in the hotels  
24 off I-5 in State Route 99, along 12 state parks  
25 between San Francisco and San Diego, along State

1 Route 1.

2 A \$200,000 workplace agreement with U.S.  
3 Hybrid Corporation in Torrance will consist of two  
4 Level 2s, and one Fast Charger that will have both  
5 the CHAdeMO and the SE Combo Connectors. The  
6 Chargers will be powered by a 10 kilowatt solar PV  
7 system that will be connected to a 30 kilowatt per  
8 hour lithium ion storage battery, with  
9 bidirectional AC/DC charger that will be capable  
10 of v2g interface.

11 Staff is seeking your approval of all  
12 seven proposed awards listed as Item 7. Thank you  
13 for your consideration of these projects, and I'm  
14 available to answer any questions you may have. I  
15 do have a representative, Paul Stith from Adopt-a-  
16 Charger, and Lloyd Tran from International  
17 Association of Nano Technology, they'd like to  
18 have some supporting comments.

19 CHAIRMAN WEISENMILLER: Please come up to  
20 the podium and introduce yourself.

21 MR. STITH: Good morning. And you know me  
22 from a number of different venues, but today I'm  
23 speaking on behalf of Kitty Adams and Adopt-A-  
24 Charger, she wasn't able to make it. We have some  
25 slides there. I just want to certainly thank the

1 Commission for their support, there's a lot of  
2 hands that are going into this, including the  
3 Monterey Bay Unified Pollution Control District,  
4 the Kashia Band of Indians, Google employees, Los  
5 Angeles Department of Water, and Southern  
6 California Edison, so a lot of hands to make this  
7 work.

8           What we wanted to do is just share with  
9 you that this would equip 12 of the State Parks  
10 with destination charging, the ones that are  
11 highlighted here are in the anticipated  
12 installations. The momentum is growing in  
13 California for Electric Vehicle charging and we  
14 wanted to share with you that the parks are  
15 catching up, as well. In addition to the parks  
16 that Adopt a Charter is working with in this  
17 grant, Mendocino and also Marin have also started  
18 interest in projects. If you'll scroll forward.

19           This is the grand scheme that we'd like to  
20 share with you, these are your parks that are  
21 going to be equipped with electric vehicle  
22 charging into this PON. Thank you.

23           CHAIRMAN WEISENMILLER: Thank you.  
24 Please.

25           MR. TRAN: Good morning, Commissioners,

1 ladies and gentlemen. My name is Lloyd Tran. I  
2 am the Executive Director of the U.S. Green  
3 Vehicle Council. I appreciate this opportunity to  
4 be here and I would like to express our  
5 appreciation to your leadership and support.

6 As you know, California is one of the  
7 major leading in the Electric Vehicles, however,  
8 there's a real challenge of collecting north and  
9 south in California. At U.S. Green Vehicle  
10 Council, we have the vision and we appreciate your  
11 support. We are going to install DC Fast Chargers  
12 along the Freeway 5 from Stockton, all the way to  
13 Oceanside, so that we can connect north and south  
14 in California. I'm planning to install 10 DC Fast  
15 Chargers at hotels along the freeway I-5,  
16 California State Highway 99. With that, we are  
17 able to spread out about 50 to 55 miles per  
18 chargers, and enable Electric Vehicles that, and I  
19 know Tesla can go more than 30 miles between  
20 charges, but many of us, including myself, drive a  
21 Nissan *Leaf* because I couldn't afford to go from  
22 here to south California, but now with the Fast  
23 Charger, with the structure, and with your  
24 support, many hundreds, even thousands of EV  
25 drivers now, if they wish, they no longer are

1 going to be limited by the infrastructure and with  
2 your support we can do that. Thank you very much  
3 for your help and support, appreciate it.

4 CHAIRMAN WEISENMILLER: Thank you. I think  
5 we also have the Fremont Chamber?

6 MS. BONIOR: Good morning, Commissioners.  
7 My name is Cindy Bonior and I'm the CEO of the  
8 Fremont Chamber of Commerce. And as a Chamber of  
9 Commerce, we are of course interested and active  
10 in economic development within our City, and we  
11 are committed to achieve this in a responsible and  
12 sustainable way. We believe the addition of  
13 charging stations is critical to our progress and  
14 success in this goal.

15 Fremont has long been early adopters of  
16 environmentally friendly technology.  
17 Approximately 30 percent of EVs registered in  
18 Alameda County are in Fremont. And in 2013, CVRP  
19 rebates jumped 300 percent in Fremont.  
20 Unfortunately, our City is underserved in terms of  
21 publicly available charging stations relative to  
22 other Cities of similar size in the Bay Area. We  
23 believe that by installing additional charging  
24 stations in our City, we will be able to offer the  
25 amenities necessary for responsible and

1 sustainable growth. We appreciate your time and  
2 consideration of our request.

3 CHAIRMAN WEISENMILLER: Thank you for  
4 being here. I don't believe there is anyone else  
5 in the room who wants to comment on this item.  
6 Let's go to Kitty Adams, Adopt a Charger, on the  
7 phone.

8 MS. ADAMS: Hi. This is Kitty Adams, the  
9 Executive Director of Adopt a Charger. Paul did a  
10 great job of explaining what we plan to do with  
11 this grant money. I just want to thank the  
12 California Energy Commission and all our partners,  
13 the Pomo Tribe, Monterey Bay Unified Air Pollution  
14 Control District, the Employees of Google, LADWP,  
15 and Southern California Edison. As Paul  
16 mentioned, in addition to the parks that we're  
17 handling, we've got interest from the  
18 Transportation Authority of Marin to sponsor four  
19 parks in Marin County, also the Mendocino Land  
20 Trust has received a Notice of Proposed Award to  
21 cover 10 parks in Mendocino County, and one that  
22 just came up last week, I'm working with the City  
23 of Los Angeles to add another California State  
24 Park, Rio de Los Angeles. So altogether that  
25 will, if you count the three parks that already

1 have chargers, we're hoping to have 30 parks with  
2 EV charging by this time next year. So thank you  
3 so much for making that possible.

4 CHAIRMAN WEISENMILLER: Thank you. I  
5 believe that's all the public comment. So  
6 Commissioners, any questions or comments?

7 COMMISSIONER SCOTT: Sure. I'd just like  
8 to thank all of the folks who came here to talk to  
9 us today from the Fremont Chamber of Commerce and  
10 from Adopt a Charger here and on the phone, and  
11 also from the U.S. Green Vehicle Council. I  
12 always think it's nice to have a little bit more  
13 flavor and color for some of the different things  
14 that we're approving, so I appreciate you for  
15 providing those details to us.

16 I just want to also kind of highlight some  
17 of the things that we talked about before with the  
18 Fuel Cell Electric Vehicles that also applies here  
19 with the Plug-In Electric Vehicles, and that's  
20 just how committed California is to the Zero  
21 Emission Vehicle goals because of their role in  
22 helping with clean air and climate, so I won't  
23 reiterate everything else on that, but just  
24 highlight that for you.

25 I will move approval of Item 7.

1 COMMISSIONER MCALLISTER: I'll second.

2 CHAIRMAN WEISENMILLER: All those in favor?

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

4 Let's go on to Item 8, which is Natural  
5 Gas Vehicle Incentive Reservations. Andre  
6 Freeman.

7 MR. FREEMAN: Thank you. Today I'm  
8 seeking approval of separate Natural Gas Vehicle  
9 Incentive Reservations that will be funded through  
10 the Alternative and Renewable Fuel and Vehicle  
11 Technology Program. The total funding provided  
12 through the Energy Commission's Natural Gas  
13 Vehicle Incentive Solicitation will promote the  
14 purchase of over 2,500 light-, medium- and heavy-  
15 duty vehicles in California. These vehicles can  
16 range anywhere from light-duty passenger vehicles  
17 to heavy-duty goods movement and waste disposal  
18 applications.

19 Based on trends in natural gas pricing,  
20 natural gas vehicles can provide a strong return  
21 on investment, however, the significant upfront  
22 costs of these vehicles are usually greater than  
23 their diesel alternatives. This funding helps  
24 provide the capital necessary for many groups from  
25 sole proprietors to larger fleets, to make vehicle

1 purchases that might otherwise be cost  
2 prohibitive. These vehicles can provide  
3 greenhouse gas and criteria pollutant reductions  
4 for vehicles operating in high pollution areas.  
5 With the wide variety of duty cycles for these  
6 natural gas vehicles, the benefits of reduced  
7 tailpipe emissions can be felt in areas that have  
8 limited options for cleaner vehicles. For  
9 example, the medium-duty and heavy-duty  
10 applications for goods movement near port areas  
11 allow this funding to provide the much needed  
12 support for disadvantaged communities in  
13 California's most heavily impacted regions.

14 Additional benefits will be achieved from  
15 the promotion of the natural gas vehicle sector  
16 with the further development of low NO<sub>x</sub> engines,  
17 natural gas electric hybrids, and biomethane  
18 production facilities that are also being funded  
19 currently by the Energy Commission.

20 With that, I would like to thank you for  
21 your consideration of this item. I'm available to  
22 answer any questions you have.

23 CHAIRMAN WEISENMILLER: So any questions  
24 or comments? No cards on this. Actually, is  
25 there anyone in the room or on the line who would

1 like to talk about this? Okay, so Janea.

2 COMMISSIONER SCOTT: Sure, I move approval  
3 of Item 8.

4 COMMISSIONER MCALLISTER: I'll second.

5 CHAIRMAN WEISENMILLER: All those in  
6 favor?

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

8 Let's go on to Item 9, which is Used  
9 Medium-Duty Electric Vehicles Repower  
10 Demonstration Grants. Larry. Hi.

11 MR. RILLERA: Good morning, Commissioners.  
12 My name is Larry Rillera, I'm with the Fuels and  
13 Transportation Division. Staff is seeking the  
14 approval of two proposed awards totaling \$3.1  
15 million for Electric Vehicle Repower Demonstration  
16 Projects under the Alternative and Renewable Fuel  
17 and Vehicle Technology Program, or ARFVTP.

18 The projects presented for your  
19 consideration provide funding to two organizations  
20 to demonstrate up to 23 used medium-duty vehicles  
21 that have been retrofitted with electric drive  
22 trains throughout various regions in California.  
23 These vehicle demonstration projects are  
24 consistent with the priorities and investments of  
25 ARFVTP and the Governor's Executive Order

1 regarding Zero Emission Vehicles.

2           Vehicle Demonstrations are critical and  
3 necessary developments that lead to the  
4 commercialization of clean transportation  
5 technologies. The two projects proposed for award  
6 under this solicitation are National Strategies,  
7 or NSI, that will demonstrate and improve the  
8 economic viability of six all-electric drive  
9 vehicles, vehicle-to-grid school buses, in order  
10 to speed the adoption of zero emission school  
11 buses into California fleets.

12           The demonstrations will occur in Napa  
13 Valley, Torrance, and Kings Canyon School  
14 Districts.

15           The second project by Electric Vehicles  
16 International, or EVI, will partner with United  
17 Parcel Service, or UPS, to repower to all-electric  
18 drives 17 diesel medium-duty delivery trucks. The  
19 vehicles will be demonstrated in the San Joaquin  
20 and South Coast Air Districts.

21           Staff is seeking your approval of these  
22 two proposed awards listed as Item 9 on the  
23 Agenda. Thank you for your consideration of these  
24 projects, and I have representatives from NSI and  
25 EVI to answer any questions. Thank you.

1           CHAIRMAN WEISENMILLER: Thank you. So,  
2 EVI, why don't you come up and introduce yourself?

3           MS. VAN ZUIDEN: Hi. I'm Claire Van  
4 Zuiden and I'm here representing Electric Vehicles  
5 International, or EVI. So we would just like to  
6 take this opportunity to thank the Energy  
7 Commission for the opportunity to demonstrate the  
8 repower of 17 Zero Emission Medium-Duty Trucks in  
9 conjunction with UPS. Repowering Electric  
10 Vehicles is the most cost-effective way to help  
11 eliminate toxic diesel emissions and provide  
12 lasting greenhouse gas emission reductions  
13 throughout California. The data and lessons  
14 learned from the demonstration projects will help  
15 inform the state and partnering Air Districts of  
16 the substantial environmental benefits and also  
17 help accelerate further deployment and investment  
18 and adoption of the technology. Again, we would  
19 just like to say thank you.

20           CHAIRMAN WEISENMILLER: Thank you.  
21 National Strategies?

22           MR. MATTHEWS: Good morning. My name is  
23 Kevin Matthews with National Strategies. We  
24 appreciate your consideration of our grant today  
25 and, if approved, we look forward to working with

1 you all and others as we implement this project.

2 I just want to make clear that this is  
3 also a project with the Clinton Global Initiative  
4 and involves several partners that are working  
5 with us to bring success to this program. Our  
6 goal is to be successful so that we can introduce  
7 and rapidly accelerate the use of Zero Emission  
8 School Buses, not only in California, but across  
9 the United States. Happy to answer any questions  
10 you have and hopefully look forward to working  
11 with you all in the coming months.

12 CHAIRMAN WEISENMILLER: Thank you. Okay,  
13 I believe that's all the public comment, so  
14 Commissioners any comments or questions?

15 COMMISSIONER SCOTT: I would just note on  
16 this, both the natural gas item that Andre just  
17 presented, and this item, I'm pretty excited to  
18 see how these repowers go, it's neat to see  
19 different options for replacing the higher  
20 polluting engines and kind of speeding our  
21 transition to cleaner engines, and so I just  
22 wanted to highlight that. Do you guys have  
23 questions?

24 COMMISSIONER MCALLISTER: No, these  
25 medium-duty, non-light-duty vehicles, are really a

1 key part of the emissions profile, and so having  
2 multiple options to fix it, you know, evolved  
3 cleaner strategies going forward I think is really  
4 valuable, so this will be an important arrow on  
5 the quiver. So thanks for your leadership on it.

6 COMMISSIONER SCOTT: I'll move Item 9.

7 COMMISSIONER MCALLISTER: I'll second.

8 CHAIRMAN WEISENMILLER: All those in  
9 favor?

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

11 Let's go to Item 10, Nonresidential  
12 Building Energy Use Disclosure Program. Daniel  
13 Johnson, please.

14 MR. JOHNSON: Good morning, Chair and  
15 Commissioners. My name is Daniel Johnson and I'm  
16 the Project Manager for the Nonresidential  
17 Building Energy Use Disclosure Program, also known  
18 as AB 1103.

19 Staff is proposing emergency regulations  
20 that would delay from July 1, 2014 to July 1, 2016  
21 the expansion of the AB 1103 program to include  
22 buildings of at least 5,000 square feet, and up to  
23 10,000 square feet.

24 This delay will provide suitable time for  
25 the Commission to work with stakeholders to

1 identify and resolve significant barriers to  
2 compliance. Addressing these issues before  
3 dramatically expanding the program avoids market  
4 confusion and protects the welfare of the public.

5 Staff also proposes for the Commission to  
6 adopt the Proposed Finding of Emergency which  
7 explains why Emergency Regulations are necessary  
8 to prevent harm to the public and is required by  
9 Government Code Section 11346.1. Galen Lemei and  
10 I are available to answer any questions.

11 MR. LEMEI: I'll just clarify that the  
12 Finding of Emergency is a prerequisite to the  
13 Emergency Regulation process pursuant to the  
14 Administrative Procedures Act.

15 CHAIRMAN WEISENMILLER: Thank you. So  
16 let's go to public comment. Bob Raymer.

17 MR. RAYMER: Thank you, Mr. Chairman and  
18 Commissioners. I'm Bob Raymer, Senior Engineer  
19 with the California Building Industry Association,  
20 and we support adoption of this item and the  
21 Finding of Emergency if that is necessary. We  
22 have been strong supporters of AB 1103 and today  
23 I'm also speaking on behalf of the California  
24 Business Properties Association, which is sort of  
25 our commercial sister association.

1           Our bigger intent here is to see full and  
2 expedited implementation of AB 1103 in general.  
3 The fact is, we've already identified some issues  
4 with the program as is, primarily we are having  
5 great difficulty getting aggregated billing  
6 information from the utilities and with the Order  
7 for Investigation that you instituted a couple  
8 weeks ago, we'll be working with the utilities and  
9 Commission staff to figure out a way we can  
10 accomplish this and keep the utilities comfortable  
11 in releasing this information. But until we get  
12 all that happening, perhaps it's not a good idea  
13 to go forward with the smaller commercial  
14 buildings, so we sort of reluctantly support the  
15 adoption of this delay for the 5,000 to 10,000  
16 square foot units. Thank you.

17           CHAIRMAN WEISENMILLER: Thank you. Marika  
18 Erdely of the Greener Economic. Thank you.

19           MS. ERDELY: Good morning. My name is  
20 Marika Erdely and I'm the Founder and CEO of Green  
21 Economy and we are a service provider of the AB  
22 1103 Reports, and I was here several weeks ago  
23 speaking on behalf of the stakeholders and I  
24 wanted to mention that I have redesigned the  
25 report as requested and sent that yesterday to

1 have a much cleaner report that was much more  
2 functional for AB 1103, instead of the current  
3 report which I think has lots of issues. So I'd  
4 like to have acknowledgement that you have  
5 received this. I sent it yesterday.

6 COMMISSIONER MCALLISTER: Who did you send  
7 it to?

8 MS. ERDELY: The Docket. I just want to  
9 make sure it was received.

10 CHAIRMAN WEISENMILLER: We don't run the  
11 docket. You know, someone certainly in the  
12 Executive Office can get back to you if it's not  
13 docketed.

14 MS. ERDELY: Okay, I just want to make  
15 sure it was received because it was requested --

16 CHAIRMAN WEISENMILLER: Yeah, that's fine,  
17 that's great.

18 MS. ERDELY: -- Commissioner McAllister  
19 asked me to design it and I have done that.

20 CHAIRMAN WEISENMILLER: That's great,  
21 thank you.

22 MS. ERDELY: I'd like to speak on behalf  
23 of the fact that last when I was here three weeks  
24 ago, I do not see any barriers to entry. You had  
25 Panel 1 which was the Jurisdictions, yes, it was

1 moving slowly, but it was because of the fact that  
2 the communication from the CEC and maybe compared  
3 to the other jurisdictions, Boston, Chicago, where  
4 communication was much clearer, and that's why  
5 their benchmarking laws moved forward. But I  
6 don't think that's a problem because there are  
7 people out there presenting and informing the  
8 public on the law, specifically I do that in  
9 Southern California. Panel 2 was the building  
10 owners and real estate industry, there really  
11 weren't barriers to entry. I think, in fact, they  
12 said, yes, they're going to complain about it, but  
13 I think they can all do it and there are things,  
14 the utilities on Panel 3, it was very clear they  
15 are all able to download the information. Some of  
16 them were doing it very very well, some were a  
17 little bit more hesitant, but the whole issue was  
18 more on whether there was the issue of privacy and  
19 whole building data, which I believe that can be  
20 resolved, the law does not need to go back up to  
21 10,000 square feet.

22           Some of the reasons, bad reasons for  
23 changing this, is that even less people will  
24 comply because they don't think the CEC is  
25 serious, and I know that because I hear from

1 people. Two, you're punishing the small business  
2 owners, building owners. Those are the people  
3 that right now, the whole purpose of AB 1103 was  
4 to provide building knowledge for the building  
5 owners to receive knowledge about their building's  
6 energy use. So those building owners, the 5,000  
7 to 10,000, are not going to be aware of that,  
8 they're not going to be able to take advantage of  
9 the rebates and benefit from that because the  
10 rebates are not going to be here for a long time,  
11 they're not going to be here forever, they're here  
12 now. Those people are not going to know their  
13 energy consumption, they're not going to do the  
14 retrofits. I don't understand why we wouldn't  
15 want them to know that.

16 Another part of that is the lack of  
17 enforcement is the problem here, it's not the  
18 implementation of it or the fact that you don't  
19 have any data, it's the fact that you're not  
20 enforcing anyone, and therefore people don't want  
21 to follow it. If you get some enforcement  
22 happening, then you will have people following.  
23 Delaying this again, moving it up to 5,000 is also  
24 going to affect the construction industry. This  
25 is putting people back to work, California back to

1 work with the retrofits and energy efficiency  
2 requirements. Why wouldn't you want to do that?

3 CHAIRMAN WEISENMILLER: You need to wrap  
4 up now.

5 MS. ERDELY: I'm wrapping, okay. I have a  
6 recommendation and a solution for you, I'm not  
7 just saying these are the issues and why you  
8 shouldn't do it. CoStar has a very nice report, I  
9 met with the guy last week specifically for this  
10 reason, there is a historical database that shows  
11 every single building that has closed in  
12 California. You can compare that list, yes,  
13 you're only tackling the closed ones, that list  
14 against the people that have complied and provided  
15 the report, you match those together, the people  
16 that haven't complied get a letter, they don't  
17 comply in 60 days you start finding them. I don't  
18 understand what is so complicated about that. You  
19 could subcontract this work out, the CEC could do  
20 it, it exists, there is a solution, it's not that  
21 hard to reconciliation.

22 CHAIRMAN WEISENMILLER: Thank you.  
23 Valerie, do you want to say anything?

24 MS. WINN: Good morning, Chair  
25 Weisenmiller and Commissioners. For PG&E, we

1 think that this is a reasonable modification to  
2 the regulation to provide a little bit more time  
3 as we work through some of these challenging  
4 issues that we're starting to address in the AB  
5 1103 proceeding that was just recently opened.

6 I would note that, you know, in hearing my  
7 colleague here and some of the challenges, and  
8 wanting people to benchmark buildings, there are  
9 many cities that have voluntary benchmarking  
10 programs and, you know, PG&E has been working very  
11 diligently with cities to report data under those  
12 programs, and to also implement 1103, AB 1103.  
13 And I think what you heard at the workshop earlier  
14 this month, you know, PG&E certainly out there in  
15 the forefront in California in the number of  
16 buildings that it's been able to benchmark. And I  
17 think not just in California, but even in the  
18 nation. So we're certainly looking forward to  
19 partnering with the Commission to try to figure  
20 out how to do this for other buildings and, of  
21 course, as we've talked about a lot, data privacy  
22 is really our primary concern there. And we  
23 really need to figure out a way to move forward  
24 and still protect customer privacy. I don't know  
25 if that means that there needs to be a change in

1 legislation, or if there needs to be some other  
2 way to get customer consent to upload the  
3 information and to disclose it, but we're looking  
4 forward to continuing that discussion as part of  
5 the benchmarking proceeding. So thank you.

6 CHAIRMAN WEISENMILLER: Thank you. I  
7 believe that's all from folks in the room. I  
8 believe Randy Walsh is on the line? He hung up,  
9 okay. Okay, so Jerome Lee is, I believe, on the  
10 line. No. Community Energy?

11 MR. WILLIAMS: Hello?

12 CHAIRMAN WEISENMILLER: Please. Please go  
13 ahead if you're on the line.

14 MR. WILLIAMS: Good day. My name is Rick  
15 Williams with CommEnergy.

16 CHAIRMAN WEISENMILLER: Okay, thank you.  
17 Go ahead, please.

18 MR. WILLIAMS: Okay. As a professional  
19 benchmarking consultancy, CommEnergy has completed  
20 over 100 Energy Star benchmarks since January 1st.  
21 And many men went off to a different realtor and  
22 so on and so forth, but the majority have been  
23 with property managers who have tried to do this  
24 and realized, wow, we can't do this thing with  
25 Portfolio Manager. And then they've gone out and

1 sought an outside source. In the same way, when  
2 we take a look at how an appraisal is made with  
3 the environmental studies and how a commercial  
4 building is made, I believe that the Energy  
5 Commission needs to recognize that this is more of  
6 a specialized function. And to try to teach people  
7 the fact that, yes, you can do Portfolio Manager,  
8 a lot of people when they're going to do one or  
9 two buildings, it's not real. So you put up maybe  
10 a database of different benchmarking  
11 professionals, you simply just buy ones who have  
12 set up data up into the AB 1103 Report. That's  
13 one idea. Two is enforcement. The CEC needs to  
14 start enforcing this law by going after the  
15 blatant brokers and property managers who say,  
16 "No, I'm not doing this, they'll never catch me."  
17 And that kind of an attitude. There needs to be  
18 examples set of fines and hearings if we're ever  
19 going to reach our goals.

20           The current program, albeit challenging in  
21 securing utility bills, is workable for those who  
22 actually wish to accomplish it. Those who deny  
23 the existence stating more work should get  
24 prosecuted. And that's the only way this is  
25 really going to take hold. And we'll do the

1 NCCAR, the Northern California Commercial Realtors  
2 Association, we have elaborated an old card form  
3 into a listing form, very few commercial brokers  
4 will take a listing and say that, yes, you're  
5 going to need an appraisal done and, yes, we're  
6 going to have to do an environmental on this,  
7 okay, that's standard fare. But if they bring up  
8 right at the time and they say, yes, this is a new  
9 law, this is a fact, it is in existence, and yes,  
10 Mr. Building Owner, you will have to pay for this.  
11 And bring this up early in the listing process.  
12 And whether it would be done right away, because  
13 we do have that 30-day window to close of escrow,  
14 at least that is planted in the owner's mind and  
15 is agreed on ahead of time, instead of a surprise  
16 as we're getting towards the close of escrow.

17           Finally, if we take a look at this whole  
18 5,000 foot requirement postponement, the property  
19 managers and the realtors that I work with in the  
20 Bay Area, they're already accepting of the fact  
21 that 5,000 feet is the limit. By postponing this  
22 for another two years, it only takes more wind out  
23 of the sail. It's like, "Oh, yeah, the CEC,  
24 they're taking their time, they're just going to  
25 put it down and not get it done," and it kind of

1 diminishes the whole effort.

2 CHAIRMAN WEISENMILLER: Okay, thank you.  
3 Let's go to Randy Walsh.

4 MR. WALSH: Hi. Can I just do a quick  
5 check. Can you hear me okay?

6 CHAIRMAN WEISENMILLER: Yes, we can.

7 MR. WALSH: Thanks for the opportunity.  
8 Good morning. Thanks for the opportunity for  
9 SDED's opinions and recommendations to the  
10 Commission as you consider improvements to  
11 California AB 1103. San Diego Energy Desk is a  
12 small business focused on improving energy  
13 efficiency in commercial buildings. Most of our  
14 work centers on energy efficiency performance  
15 benchmarking using Energy Star Portfolio Manager  
16 and AB 1103 compliance, it is certainly another to  
17 generate business. Revenue from AB 1103  
18 compliance projects is lost once that transaction  
19 is completed. Based on current and completed  
20 projects and conservative estimates of lost  
21 revenue due to delayed implementation of AB 1103  
22 requirements, starting from January 1, 2013,  
23 easily amounts to hundreds of thousands of dollars  
24 for my firm alone. In fact, any additional  
25 implementation delay can potentially bring

1 significant financial hardship to small firms like  
2 San Diego Energy Desk, but they're competing to  
3 gain traction in this new marketplace. In my  
4 opinion, the findings for emergency performance  
5 regulations reads more as a project implementation  
6 status report and doesn't really eliminate any  
7 unexpected issues for the program rollout of this  
8 scope. I think to the general reader, this  
9 document also mischaracterizes the California  
10 Energy Commission as either unaware or uninvolved  
11 in program rollout, including the most significant  
12 aspects of regulations implementation which  
13 pertains to the coordinated engagement of the  
14 Energy Service Providers. Market adoption of  
15 California AB 1103 is very low and the multiple  
16 delays have already undercut the credible  
17 implementation of this regulation. My opinion is  
18 multiple delays have injected the greatest amount  
19 of confusion in the market, separate from any  
20 technical challenges. Until there is greater  
21 market adoption, we are all dealing with a smaller  
22 subset of potentially eligible compliance  
23 projects. Buildings between the 5,000 and 10,000  
24 square feet size are a different animal altogether  
25 than those over 50,000. By virtue of the skilled

1 market adoption, the number of buildings falling  
2 into this category under compliance projects at  
3 this time will be small, but it is important to  
4 bring them into the mix now so there are  
5 technological and programmatic refinements to be  
6 made based on access to the complete range of  
7 building sizes ultimately impacted by this  
8 legislation. I strongly support the California  
9 Energy Commission's intention to further refine  
10 the AB 1103, but based on the information  
11 presented and the reasons indicated in the  
12 proposed finding emergency propose regulations. I  
13 don't believe sufficient grounds have been  
14 established to support either emergency response  
15 or delay in approved communication schedule.  
16 Thank you.

17 CHAIRMAN WEISENMILLER: Thank you. Anyone  
18 else on the line? Okay, Commissioners, let's turn  
19 attention to the Commission questions or comments.

20 COMMISSIONER MCALLISTER: So thanks  
21 everybody for your comments. You know, I think I  
22 could say a lot of things at this juncture. You  
23 know, I understand that there are folks trying to  
24 make a living benchmarking buildings. I guess  
25 ideally, you know, I would say that if at the

1 transaction, which is what we're talking about,  
2 well, first, let me just back up by saying  
3 benchmarking is many things to many people, and  
4 it's a broad term. Benchmarking and disclosure  
5 can be a lot of different things. And the  
6 programs in other places, there are eight or nine  
7 other programs around the country, they do  
8 different things and AB 1103 is a fairly limited  
9 subset of what might be possible with disclosure.  
10 We're trying to keep a broad view of what long  
11 term California needs in terms of benchmarking and  
12 disclosure policy, 1103 is the first example of  
13 that. And it's getting off to a bit of a rocky  
14 start. I heard in the workshop the other day  
15 some, certainly not that everything was hunky dory  
16 and ready for going forward, but that there were  
17 actually some structural problems that need to be  
18 fixed with the rollout of this program and I've  
19 heard that from many many stakeholders leading up  
20 to the workshop and I certainly expect those  
21 stakeholders to be in the room as we move forward  
22 with the OII and likely, I would say, or at least  
23 one of the options is to open an OIR and to revise  
24 those Regs.

25 So things are moving relatively quickly on

1 this front at the Commission, you know, we've got  
2 this investigation going, or not investigation,  
3 but informational rulemaking going to figure out  
4 what's actually going out on the marketplace.  
5 Really, I applaud folks actually out there helping  
6 small and medium and large businesses benchmark  
7 their buildings. Ideally, I would like to see a  
8 future where it was so easy that you didn't have  
9 to hire a consultant to do this, and those  
10 transaction costs didn't have to be generated. We  
11 want our money to go to projects and, you know,  
12 certainly technical assistance is part of that,  
13 but we want people to be able to make decisions  
14 about how to upgrade their buildings. And that's  
15 an important I think long term goal. Policy  
16 should make it easy for people to act.

17           So, you know, I would also point out that  
18 all of the other programs out there, and not that  
19 we have to copy other people, but all the programs  
20 out there have much larger thresholds, and there's  
21 really nothing in statute that says that 5,000 or  
22 10,000, or any number is the limit, so we have  
23 been given discretion to do what we need to do to  
24 implement the program, and we're trying to use it  
25 in a way that makes sense.

1           So in short, it has to be workable and at  
2 a reasonable cost for the thousands of buildings  
3 that are covered by this. And you know, I think  
4 there is a fundamental issue which has come up  
5 today, and certainly come up a lot in the  
6 workshop, that there is data infrastructure that  
7 is still required, that's not there. And I'm not  
8 saying that I'm okay with that, I'm certainly not  
9 okay with that, but the figuring out how to get  
10 the utilities to invest the way they need to  
11 aggregate data on a whole building level and to  
12 report that data quickly and easily, at the  
13 request of a building owner is a problem that, for  
14 the majority of the state we have not solved. So,  
15 you know, there are utilities that have done it,  
16 but the majority of customers don't have easy  
17 access to that service from their utility, so  
18 that's a problem that we have to solve, and  
19 certainly driving a lot of the heartburn here in  
20 much of the marketplace in the state.

21           I think one of the benefits of taking a  
22 hard view of this and fixing it sooner rather than  
23 later is that it will then be infrastructure that  
24 we can use for the long term play in terms of  
25 disclosure, benchmarking and disclosure. So you

1 know, there are other proceedings here at the  
2 Commission where we're looking at long term policy  
3 to get into our existing buildings and make them  
4 easier and more straightforward to upgrade. So I  
5 think getting it right in 1103 is going to help us  
6 do that.

7           You know, I appreciate Mr. Walsh's  
8 comments on the fact that smaller is different  
9 from larger, there are also many many more  
10 thousands of 5,000 to 10,000 foot businesses than  
11 there are larger ones, say, 30,000 and up, as many  
12 of the other programs across the nation have done.  
13 So I think we need to approach those with an  
14 appreciation of those differences. Certainly all  
15 the people who have commented obviously are out  
16 there in the world doing assessments and  
17 benchmarks, and I invite you all to participate in  
18 the near term and the longer term in the program  
19 and the proceeding to adapt the regulations.

20           Another thing I wanted to just point out,  
21 and then I'll pass this off to Commissioner  
22 Douglas because we're working closely together on  
23 this, is that part of the issue here is that we  
24 need to align with our sister agency over at the  
25 CPUC to make sure that the rules are consistent

1 across agencies, and that is something that  
2 wouldn't necessarily be obvious to folks out there  
3 trying to work with the program and participate  
4 and comply. There is enough uncertainty there  
5 that I think the utilities are certainly painfully  
6 aware of, and it's difficult to get them to act,  
7 to be proactive with them and make expectations  
8 clear with them unless we're crystal clear that  
9 the two agencies are fully aligned on this. And  
10 so we are working very closely with our sister  
11 agency to make sure that is and continues to be  
12 the case, and so that's sort of a subtext, I  
13 think, here of part of what's necessary to make  
14 the program work for the long term. So I'm  
15 actually excited about making sure that we  
16 continue to hold hands and are aligned because I  
17 think it's going to end up paying off dividends in  
18 a lot of different ways, but in particular, you  
19 know, we have to do it here. So I'll pass the  
20 dais to Commissioner Douglas.

21 COMMISSIONER DOUGLAS: So I've got a few  
22 brief comments and I want to express agreement  
23 with everything Commissioner McAllister just said,  
24 as well. This is a very important policy. AB  
25 1103 is the State's first foray into disclosure,

1 and disclosure is a very important energy  
2 efficiency tool. And we want this policy to work,  
3 we want it to go right, and there are issues with  
4 the program and those issues have to be resolved,  
5 they have to be resolved as soon as possible.

6           One of the perspectives that I bring to  
7 the program is in my role of paying attention to  
8 and focusing on compliance and enforcement issues  
9 commission-wide. And from that lens, this program  
10 offers some particular challenges because the law  
11 places an obligation on individuals or companies  
12 who are at a pretty high pressure moment because  
13 they're doing a transaction, they're trying to  
14 sell or lease a commercial building, and we're  
15 requiring them to do something new, something that  
16 is not necessarily easy for all of them to do, and  
17 none of that so far rises to the issue of  
18 emergency, but what really gets to the  
19 workability, the very workability of the program  
20 that is part of the finding is that so often we've  
21 heard a lot, and in the workshop we heard a lot,  
22 from people who are trying to comply and just flat  
23 out can't get this information that they are  
24 required to provide under the law and under the  
25 regulations. And so it is an important policy in

1 law, we need this to work, but we really need to  
2 make sure that there is a protocol, a simple way  
3 of providing the information that is required to  
4 be provided, and also that it be consistent  
5 statewide. I mean, one of the things I observed  
6 from the workshop that would be maddening from the  
7 perspective of anyone trying to comply with the  
8 regulations is that every single utility did  
9 things differently, so that if you were complying  
10 in PG&E territory, the type of information that  
11 you could get, the things that you would have to  
12 do to get that information, were dramatically  
13 different from, say, SMUD territory, or SDG&E, or  
14 Southern California Edison, or let alone the  
15 MUNIs, and so we need to do more as the Energy  
16 Commission to bring uniformity so that there is a  
17 statewide approach that is consistent with the  
18 CPUC.

19 I am very pleased to see a lot of  
20 supporters of 1103 here today and speaking out on  
21 behalf of the law. And to those supporters who I  
22 appreciate seeing here today, I want to say a  
23 couple things, first, thank you for being here,  
24 thank you for being here with us on the front  
25 lines of trying to make this program work because

1 it's a very important program. Second, the  
2 requirement of compliance with 1103, four  
3 buildings that are 10,000 square feet and above,  
4 is in place and there is a very large market  
5 there, and it is a market that we need to make  
6 work, we need to make it work now, and we are  
7 serious about it. Right now compliance is quite  
8 low, let's get those numbers up. Let's work  
9 together to get those numbers up, let's work  
10 together to get transaction costs down.

11           So I think with that, I will just close by  
12 saying that we have an OII process right now to  
13 gather information about the program, we've had a  
14 workshop on the program, we are going to move as  
15 quickly as possible into a rulemaking where we'll  
16 propose changes to our Regulations that will  
17 improve the program, and we look forward to all of  
18 your participation in that. And in the meantime,  
19 the requirement again for buildings 10,000 square  
20 feet and above is in place, we welcome your ideas  
21 for how the Energy Commission can do more to make  
22 sure that people are aware of the requirement to  
23 help people understand how to comply with the  
24 requirement and to make that compliance easier  
25 rather than harder. So those are my comments.

1                   COMMISSIONER MCALLISTER: Thank you for  
2 making crystal clear that the program in its  
3 entirety has not been suspended. We're delaying a  
4 particular provision of it to lower the ceiling  
5 and want to reiterate again the need for everyone  
6 to participate to bring your ideas how to make the  
7 program more streamlined, and recognize that we  
8 live in a big diverse state and we've got, I  
9 think, different situations in different parts of  
10 it.

11                   I wanted to highlight also that we did get  
12 a support letter docketed from the Local  
13 Government Sustainable Energy Coalition on this,  
14 which represents a bunch of local governments all  
15 around the state that are actively trying to  
16 encourage benchmarking and reporting, benchmarking  
17 disclosure in their jurisdictions, and are  
18 actually very excited. They recognize that there  
19 are issues and I think, well, they stated in the  
20 letter of support that the delay in the next  
21 phase, but they also highlight the need for better  
22 data to do better planning. And I think that's an  
23 ongoing theme throughout this and a couple of  
24 other proceedings here at the Commission, that we  
25 do need to figure that out. And I'm really

1 hopeful that we're going to have a very productive  
2 discussion among all of the stakeholders,  
3 certainly. We have to talk about privacy, it is  
4 important, but we also have State policy that we  
5 need to balance with that. And I think in this  
6 proceeding we have a lot of the right stakeholders  
7 at the table to work through that issue. So, in  
8 any case, this program has not gone away, it is  
9 persisting, and we're going to work together with  
10 you to make it better. So thank you.

11           COMMISSIONER DOUGLAS: So with that, if  
12 there are no other comments or questions, I move  
13 approval of this item.

14           COMMISSIONER MCALLISTER: I'll second.

15           CHAIRMAN WEISENMILLER: Okay. All those  
16 in favor?

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

18           MR. LEMEI: Can I say one word about the  
19 follow-up process just to the commenters? This  
20 Finding of Emergency initiates the Energy  
21 Commission's ability to file with the Office of  
22 Administrative Law. The process for that is set  
23 forth, specifically for the Emergency Regulations,  
24 is set forth in Section 48 of Title 1. And  
25 basically once the Energy Commission files its

1 Finding of Emergency, there will be a five-day  
2 comment period. So those commenters who spoke  
3 today and any others with an interest specifically  
4 in the question of the delay of the effective date  
5 of the expansion of the program, but not on  
6 broader issues, may wish to file comments in that  
7 process, in that formal Emergency Rulemaking  
8 process that should begin shortly.

9 CHAIRMAN WEISENMILLER: Thank you. Thanks  
10 for getting that information out to folks.

11 So let's turn to Item 12, U.S. Energy  
12 Raters Association. Nelson Peña, please.

13 MR. PEÑA: Good afternoon, Chair,  
14 Commissioners. My name is Nelson Peña and I'm  
15 with the Standards Implementation Office in the  
16 Efficiency Division.

17 In 1999, the Energy Commission adopted the  
18 Requirements for Field Verification and Diagnostic  
19 Testing Services used to show compliance with the  
20 Building Energy Efficiency Standards. During the  
21 2008 Standards cycle, the Energy Commission  
22 approved multiple Home Energy Rating System  
23 Providers, also known as HERS Providers. The HERS  
24 Providers train the Raters to verify equipment  
25 installation in new constructed buildings and

1 alterations to existing buildings, HERS Raters  
2 field test equipment per Energy Commission  
3 requirements, and perform diagnostic testing on  
4 HVAC equipment and Duct systems.

5           The 2013 Standards establish additional  
6 requirements for HERS Providers. In order to be  
7 approved as a HERS Provider, applicants must  
8 demonstrate their ability to create and maintain a  
9 registry and database, provide Energy Commission  
10 staff with ongoing access to their registry and  
11 database, to train and certify HERS Raters, to  
12 create quality assurance program and conduct  
13 quality assurance checks on HERS Raters' work.  
14 And HERS Providers do an annual report to the  
15 Energy Commission, date as required by the HERS  
16 Regulations and the Joint Appendices.

17           Energy Commission staff are required by  
18 the Joint Appendices and the HERS Regulations to  
19 perform an extensive and detailed review of the  
20 application and test the registry before HERS  
21 Providers' application is approved.

22           USERA, also known as U.S. Energy Raters  
23 Association, is applying for Home Energy Rating  
24 System, also known as HERS, as a provider, and at  
25 the same time ENALASYS as a Third Party Quality

1 Control program, also known as TPQC, both USERA  
2 and ENALASYS were approved during the 2008  
3 Building Energy Efficiency Standards cycle and now  
4 are reapplying and seeking separate approval for  
5 the 2013 Standards.

6 Staff is requesting Commission approval of  
7 USERA as a HERS Provider to oversee HERS Raters  
8 conduct Field Verification and Diagnostic Testing  
9 for alterations to existing buildings for the 2013  
10 Building Energy Efficiency Standards, and as a  
11 HERS Residential Data Registry Provider.

12 In addition to USERA approval, staff is  
13 also requesting separate Commission approval of  
14 ENALASYS Computerized Data Collection System as a  
15 Third Party Quality Control program, TPQC, which  
16 is used as a proprietary E1 software platform.  
17 The analysis software is an automated radio  
18 frequency controlled data gathering system with  
19 error checking capacity and has flagging  
20 procedures if an error is found. The software  
21 provides the same Field Verification and  
22 Diagnostic Testing as a HERS Rater, but uses  
23 automated instruments which allows near real time  
24 monitoring and avoids any potential erroneous  
25 readings.

1           Staff has extensively reviewed USERA as a  
2 HERS Provider Applicant. We reviewed in detail  
3 administrative forms, HERS training curriculum,  
4 user interface, quality assurance reporting, and  
5 Energy Commission inquiry options. Staff is  
6 seeking approval and to certify USERA as a HERS  
7 Provider for Field Verification and Diagnostic  
8 Testing for alterations to existing buildings as  
9 required by the 2013 Building Energy Efficiency  
10 Standards, in addition, to certify the USERA HERS  
11 Data Registry as a Residential Data Registry as  
12 required by the 2013 Energy Efficiency Standards.

13           In conjunction with USERA, staff is also  
14 seeking approval of ENALASYS as a Third Party  
15 Quality Control verifier. Staff has also reviewed  
16 ENALASYS training materials for HERS certified  
17 trainees and determined that ENALASYS meet the  
18 requirements for the 2013 Building Energy  
19 Efficiency Standards as a Third Party Quality  
20 Control Programmer. Staff is separately seeking  
21 approval and to certify ENALASYS as a Third Party  
22 Quality Control Programmer.

23           Based on this information, staff requests  
24 Commissioners to confirm the Executive Director's  
25 findings and accept the recommendations of USERA

1 as a new provider for residential alterations to  
2 existing buildings, and ENALASYS as a Third Party  
3 Quality Control Program. Thank you. If you have  
4 any questions, I'm available.

5 CHAIRMAN WEISENMILLER: Thank you. I  
6 would also note that Mr. Charles of USERA is on  
7 the line if we have questions for him. So at this  
8 point, Commissioners, any questions or comments?

9 COMMISSIONER MCALLISTER: Yeah, I would  
10 just point out that this is an approval for USERA  
11 for part of the potential activities under our  
12 HERS Regs, so for existing and alterations, not  
13 for any new construction, so it's apart, but you  
14 know, I have confidence in the staff's evaluation  
15 and their process. I think they're bringing some  
16 interesting technology into the mix.

17 CHAIRMAN WEISENMILLER: We do have someone  
18 who wants to comment. So, Mr. Eric Taylor.

19 COMMISSIONER MCALLISTER: Great.

20 MR. TAYLOR: Thank you, Commissioners. My  
21 name is Eric Taylor from ENALASYS Corporation, the  
22 Third Party Quality Control Program for the State  
23 of California. First, I want to thank staff, I've  
24 been working with staff for quite some time, and  
25 wanted to make a comment about the importance of

1 this approval.

2           The original approval was in 2006 to  
3 notably lower the cost of inspection processes and  
4 I believe over the years that we have demonstrated  
5 with contractors and raters that we can accomplish  
6 that through using integrated EM&V processes,  
7 Measurement and Verification processes built into  
8 the contractor's diagnostic equipment that is  
9 uploaded to the Central Registry, much like when  
10 you have the certification for cars and emissions,  
11 polluting, same type of process, but we take that  
12 to the job site by training contractors on the  
13 diagnostic equipment.

14           The importance of the approval today is  
15 that there are a few hundred contractors out there  
16 who are relying on this approval because they have  
17 been trained in the processes and I do believe  
18 that both the Third Party Quality Control program  
19 that ENALASYS runs and the USERA Registry is ready  
20 for action this year. So I just wanted to thank  
21 the Commission and take this into good  
22 consideration, and again we want to thank staff on  
23 working so hard on making this happen. Thank you.

24           CHAIRMAN WEISENMILLER: Well, thanks for  
25 being here today.

1           COMMISSIONER MCALLISTER: So, yeah, that  
2 was a great segue actually, I think there's some  
3 interesting technology coming to the marketplace  
4 with this provider, so I'm in full support. I  
5 would move Item 12.

6           COMMISSIONER DOUGLAS: Second.

7           CHAIRMAN WEISENMILLER: All those in  
8 favor?

9           (Ayes.) Item 12 passes 4-0.

10           Let's go on to Item 13, Gas Technology  
11 Institute. Michael Lozano, please.

12           MR. LOZANO: Good afternoon, Commissioners.  
13 My name is Michael Lozano representing the R&D  
14 Division's Industrial Agriculture and Water Team.  
15 The following agreement with the Gas Technology  
16 Institute was competitively selected through the  
17 IAW Team's competitive 2013 Emerging Technologies  
18 Demonstration Grant. This is the last of five  
19 proposals from this solicitation being brought  
20 forward.

21           In California alone, dried and dehydrated  
22 fruits and vegetables, these processes consume an  
23 estimated 6.2 trillion BTUs of total energy per  
24 year. Drying is an energy intensive operation,  
25 often consuming over 50 to 60 percent of this

1 total energy required for the entire process, so  
2 the entire process, just the drying, is 50 to 60  
3 percent.

4           The goal of this project is to demonstrate  
5 the Gas Technology Institute's rotary drying  
6 technology which improves the efficiency of a  
7 typical tunnel dryer from 35 to 40 percent to 75  
8 percent. At the same time, they also wish to  
9 integrate a heat pump to increase the efficiency  
10 over 80 percent of total efficiency.

11           Overall, the new drying process consumes  
12 81 percent less natural gas than conventional  
13 tunnel dryers. Complete conversion of all  
14 California Agricultural dryers of this type to  
15 these dryers would save 2.4 trillion BTUs per  
16 year, or about 24 million therms, and 200 tons of  
17 associated CO<sub>2</sub> emissions. This \$2.6 million  
18 project benefits from \$700,000 in match funding.  
19 The term of this project is 57 months, and will be  
20 conducted at a site in a Southern California gas  
21 service territory, tentatively in Riverside,  
22 California.

23           We request approval of this project and  
24 I'm prepared to answer your questions.

25           CHAIRMAN WEISENMILLER: Thank you.

1 Commissioners? First, there is no public comment  
2 on this, and at this point it's, Commissioners,  
3 any questions or comments? I was going to say,  
4 the Lead on R&D, I can say reviewed this, it's a  
5 good project certainly in terms of things we can  
6 do to help agriculture in these troubled times, is  
7 important.

8 COMMISSIONER DOUGLAS: Yeah, I agree. It  
9 sounds like a really great project. I'll move  
10 approval of this project.

11 COMMISSIONER MCALLISTER: I'll second.

12 CHAIRMAN WEISENMILLER: All those in  
13 favor?

14 (Ayes.) So this project passes 4-0.  
15 Thank you.

16 MR. LOZANO: Thank you.

17 CHAIRMAN WEISENMILLER: So let's go on to  
18 Item 14, which is New Solar Home Partnership  
19 Administration Contracts. Please.

20 MS. NGUYEN: Good afternoon, Chairman and  
21 Commissioners. My name is Le-Quyen Nguyen. I'm  
22 the Program Lead for the New Solar Homes  
23 Partnership Program. With me, I have Suzanne  
24 Korosec, the Deputy Director for the Renewable  
25 Energy Division, and Gabe Herrera from our Legal

1 Office.

2 I'm presenting Item 14 on today's Business  
3 Meeting Agenda. This is for the proposed  
4 termination without cause of existing contracts  
5 for the administration of the New Solar Homes  
6 Partnership Program by Pacific Gas & Electric  
7 Company, Southern California Edison Company, and  
8 San Diego Gas and Electric Company.

9 The New Solar Homes Partnership Program,  
10 also known as NSHP, began in January 2007 and has  
11 the goal of installing 360 megawatts of solar  
12 electric capacity on new homes and residential  
13 buildings by the end of 2016. The program offers  
14 incentives to builders and homeowners to install  
15 eligible solar energy systems on energy efficient,  
16 new residential construction.

17 In 2007 and 2008, the Energy Commission  
18 contracted with PG&E, SCE and SDG&E for them to  
19 administer the NSHP Program in their respected  
20 electric service territories. Under these  
21 contracts their administration duties include the  
22 day to day processing of reservation applications  
23 and payment claims, the operation of a call  
24 center, and various other support activities.

25 These contracts are scheduled to expire on

1 December 31, 2016. Considering NSHP's limited  
2 incentive budget and the time remaining for the  
3 NSHP Program, staff is proposing to terminate the  
4 agreements with the three IOUs and have the Energy  
5 Commission become the sole administrator of the  
6 NSHP Program for all three service territories.  
7 This will provide administrative cost savings for  
8 the program and a single point of contact for  
9 stakeholders, which will make the program more  
10 cost-effective and more efficient.

11 Under the current contracts, either party  
12 has the ability to terminate the agreements  
13 without cause upon 30 days' written notice. If  
14 the Commission approves termination, this will  
15 occur no sooner than 30 days after receipt of the  
16 termination letter by the respective utilities, at  
17 which point the Energy Commission is proposing to  
18 take over full administration of the NSHP program  
19 to occur on approximately August 27, 2014.

20 Staff would like to thank the utilities  
21 for the time and effort spent on administering the  
22 NSHP Program, and if this item is approved we will  
23 work closely with each utility to ensure a smooth  
24 transition. I respectfully request your approval  
25 of the resolutions for this item and am happy to

1 answer any questions.

2 CHAIRMAN WEISENMILLER: Thank you. Let's  
3 turn to public comment and then we'll turn to the  
4 Commissioners for questions or comments, then to  
5 staff and the presenters. So let's go to Bob  
6 Raymer first.

7 MR. RAYMER: Thank you, Mr. Chairman and  
8 Commissioners. I'm Bob Raymer, Senior Engineer  
9 with the Building Standards Commission and each of  
10 you should have received our letter of support for  
11 this item. We understand there was some concern  
12 on the part of the Utilities, I completely  
13 understand that, but this proposal does make  
14 sense. We've got some very large builder  
15 companies, some of the largest in California and  
16 the Western U.S., that are doing New Solar Home  
17 business in multiple utility districts, as a  
18 matter of fact, if you look at the top 10 users of  
19 New Solar Homes, they're doing business in all  
20 three of the major utility regions and then some.

21 So from a uniformity and rule application,  
22 this just makes sense. In addition, there is an  
23 inherent efficiency to having a single point of  
24 contact. Right now, the CEC has to oversee all of  
25 the individual approvals already, so you've got

1 sort of a redundancy in the system, and we think  
2 this will improve efficiency. I realize there may  
3 be some dollar savings, but I think the uniformity  
4 in the rules and the efficiency in this will  
5 definitely -- is good cause to approve it. And I  
6 also must say that rarely have I ever been  
7 contacted by VPs of some of these largest  
8 companies to say thank you and to make sure that I  
9 let Le-Quyen know that she's doing a great job. I  
10 don't mean to embarrass you, but the fact of the  
11 matter is, this program has been dealt with in a  
12 very service oriented attitude, the likes of which  
13 is very rare from our perspective. As she reaches  
14 out on a very regular basis to us, to our members,  
15 she's looking to see if there are ways that can  
16 improve the program. This type of ongoing very  
17 regular communication has been incredible. So we  
18 look forward to working with this program in the  
19 future, we're a participant in the EPIC proceeding  
20 that's going on at the PUC now, and so with that  
21 we seek your support.

22           And if I could, since I've got less than a  
23 minute left, with regards to an item that you've  
24 already approved today, Item 7, the Electric  
25 Vehicle charging issue, just a quick update, about

1 20 minutes ago the Building Standards Commission  
2 approved mandatory EV Ready Building Standards for  
3 all new homes that will take effect in July of  
4 2015, and they also approved EV Ready Mandates for  
5 most commercial buildings and most apartment  
6 complexes, and it was unanimous, industry and the  
7 environmental community came together and it was  
8 great working with all. And I know the CEC staff  
9 played a role in that. So with that, we seek  
10 support of this. Thank you.

11 CHAIRMAN WEISENMILLER: Yeah, thanks. And  
12 thanks for the news update.

13 COMMISSIONER MCALLISTER: Thanks, Bob.

14 CHAIRMAN WEISENMILLER: Let's go to Chip  
15 Fox, SDG&E.

16 MR. FOX: Good morning, Commissioners.  
17 Thanks very much for the opportunity to speak to  
18 you today. I'd just like to review a little  
19 history of the New Solar Homes Partnership Program  
20 at SDG&E. I'm the Residential Energy Efficiency  
21 Manager and I've had the opportunity to administer  
22 this program for the CEC in our service territory  
23 since April of 2008.

24 We inherited 31 projects in April of 2008  
25 and this year we'll complete almost 315 plus and

1 counting. One of the biggest issues that we have  
2 had in working with the Commission is that the  
3 utilities are looked at as kind of the ultimate  
4 energy provider, or the trusted energy advisor  
5 might be a better way to put it. And one of the  
6 things that we deal with with customers, builders,  
7 the solar contractors, home builders, is that when  
8 there are issues with any government program, is  
9 that we have been able to answer and address those  
10 questions very effectively, in a timely manner,  
11 and in a very forthright way. When we  
12 inherited the program in 2008, there was a lot of  
13 issues revolving around customer service because  
14 of either the inability to get a hold of someone  
15 at the Commission at the time that it was  
16 administering the program to answer those  
17 questions adequately and in a timely fashion that  
18 we were able to resolve very effectively. We've  
19 worked very closely with Le-Quyen and her staff  
20 over these five years, we have developed and  
21 helped to improve processes, reduce forms, have  
22 gotten accolades from CEC staff, as well as  
23 contractors and builders in our service territory  
24 for reaching out aggressively and almost hand  
25 walking customers through the process.

1           This is a very complicated process, it's  
2 not by any means easy, and there are a number of  
3 forms that have to be filled out in sequential  
4 order for a customer to get the incentives that  
5 they're looking for.

6           One of the things I would like to suggest  
7 is that, if the Commission does take  
8 administration, two key items I would like to  
9 leave with you is that when the people that are  
10 going to be administering the program that they  
11 have a real strong focus on customer service to  
12 the people that want answers in a timely manner.  
13 And the other suggestion is that potentially in 30  
14 days you're going to get probably hundreds of  
15 applications across the state, that's probably  
16 going to overwhelm a staff of potentially maybe  
17 one or two people, as well as interns. I would  
18 suggest that we look at a 90 to 120 day strategy  
19 only for the fact that when we bring on new people  
20 to train, 90 days is typically a day to get people  
21 from knowing nothing about a program up to speed,  
22 gives us an opportunity to work collaboratively  
23 with the Commission to make sure that we educate  
24 the industry about what's happening and way, and  
25 there's an orderly transition in this process. So

1 I thank you very much for the comments, appreciate  
2 it.

3 CHAIRMAN WEISENMILLER: Well, thanks for  
4 being here and thanks for your service on this.

5 MR. FOX: Thank you.

6 CHARIMAN WEISENMILLER: Blair.

7 MR. SWEZEY: Thank you, Chair Weisenmiller  
8 and good afternoon, Commissioners. I'm Blair  
9 Swezey with SunPower. I'm here today representing  
10 both SunPower and the Solar Energy Industries  
11 Association. You should have received a letter  
12 from a number of solar parties supporting this  
13 proposal, including not only SEIA, but Vote Solar,  
14 California Solar Industries Association, and the  
15 Alliance for Solar Choice. We all support this  
16 proposal because of two main interest, one is the  
17 savings that have been calculated that would  
18 accrue to this change, and also creating a single  
19 point of contact. We feel that creating a single  
20 point of contact for stakeholders will provide  
21 added simplicity and transparencies to help  
22 streamline the incentive application process and  
23 reduce any discrepancies in statewide  
24 administration. So if the proposal is adopted, we  
25 look forward to working with stakeholders to

1 ensure a smooth transition to a single  
2 administrator and moving forward to encourage the  
3 Energy Commission to adopt changes that result in  
4 both administrative and programmatic efficiencies.

5           And in this regard, we would like, much  
6 like Bob, we'd like to recognize the efforts of  
7 the Commission with the most recent update of the  
8 NSHP Guidebook, which improved and simplified  
9 several program guidelines and processes and  
10 introduced greater flexibility in meeting program  
11 requirements. We've also seen a greater presence  
12 of the CEC in supporting and responding to  
13 applicant needs, which to us argues favorably for  
14 approving this proposal before you today.

15           Finally, just harkening back to the  
16 Commissioners' discussion on Item 10, I think the  
17 comments of Commissioner McAllister that we want  
18 our money to go to projects, and the comment of  
19 Commissioner Douglas that we need to do more to  
20 create uniformity in these programs, I think,  
21 speaks to the importance of this proposal, as  
22 well, in that regard. So thank you very much.

23           CHAIRMAN WEISENMILLER: Thanks. Thanks  
24 for being here. Valerie Winn.

25           MS. WINN: Good afternoon. Valerie Winn

1 with PG&E. First, I did want to say that PG&E has  
2 appreciated its partnership with the Energy  
3 Commission over the last six years in  
4 administering this program. It's been very  
5 successful and our key concern in the transition  
6 of this program is to avoid confusion for our  
7 customers, and to make sure that the claims are  
8 processed in a timely manner.

9           You know, in the six years since we  
10 started administering the program, and that was at  
11 a time when I believe there were limited  
12 Commission resources, and also a lot of  
13 applications were being received, we've worked  
14 very diligently working with the Commission to  
15 develop the Program Guidelines, or making  
16 suggestions for program simplification. And we  
17 look forward to working on an orderly transition.

18           We do have some questions about particular  
19 areas. There are some general areas in the  
20 program where the utilities have been uniquely  
21 positioned to administer the program, and those  
22 have to do with our ability to verify that the  
23 customer is actively receiving service from a  
24 utility, and that they're getting bills. We've  
25 also been able to verify their interconnection

1 status and we've been able to verify that they're  
2 not getting incentives from other programs. And  
3 we've also been able to look to see if they're  
4 participating in energy efficiency programs, as  
5 well.

6           So we look forward to working with the  
7 Commission in determining how we transition those  
8 sorts of verifications that are so important to  
9 making sure the program is successful and that the  
10 incentives are spent appropriately.

11           We do hope that you've been gearing up for  
12 this because we get a number of calls from our  
13 customers and, in fact, some of our recent  
14 statistics are we've gotten over 1,500 emails a  
15 year from customers on projects, you know, 400  
16 phone calls, and getting these applications to the  
17 point with the customer that we actually send them  
18 to the Commission has been a very time consuming  
19 process for our time. So we're looking forward  
20 to, again, sharing some of that expertise, sharing  
21 some of the lessons that we've learned over the  
22 next month as we transition the program.

23           One of the things I would say, one of our  
24 key lessons learned, is that stability in the  
25 program administration and stability in the rules

1 has been very important for customers. They have  
2 gotten confused, they don't necessarily understand  
3 the regulatory process when we proposed Guidebook  
4 changes, and they get a lot of confusion over  
5 which set of rules they're supposed to comply  
6 with. And then there's also a need of, when we  
7 are proposing changes to tools, that we get those  
8 tools posted and upfront before the change goes  
9 into effect, so customers know what they need to  
10 use.

11           So again, communication is going to be  
12 key, communication between the current  
13 administrators and the CEC, as well as  
14 communication with customers on the program. So  
15 we look forward to working with you on that  
16 successful transition. Thank you.

17           CHAIRMAN WEISENMILLER: Well, thank you  
18 again for your assistance so far in the program  
19 and the commitment for a good transition. We have  
20 no more comments in the room and we have one on  
21 the line. George Nesbitt, please.

22           MR. NESBITT: Can you hear me?

23           CHAIRMAN WEISENMILLER: Yes.

24           MR. NESBITT: Yeah, George Nesbitt, HERS  
25 Rater. So NSHP is a statewide program and yet one

1 of the programs we've had, even with statewide  
2 programs, is with three major IOUs as well as the  
3 MUNIs and whatnot, that you have three different  
4 administrators and then they hire subcontractors  
5 often to do portions of the work in that process.  
6 That leads to differences program to program, or  
7 territory to territory, you know, that many more  
8 people to communicate. We've seen lots of  
9 problems as HERS Raters not having documents  
10 uploaded, things taking a long time to process  
11 through, a variety of problems and, of course,  
12 then the Energy Commission has had to review  
13 everything, and it's been a pretty slow process,  
14 and it's really not been fun for anyone,  
15 installers, you know, everyone. So the idea of  
16 having a central administrator is definitely good.  
17 I think the dilemma is whether the Commission will  
18 have the staff and the expertise, and then I think  
19 the other difficulty is, yes, then they've got to  
20 get the access back to a lot of things from the  
21 utilities and whatnot, since I do think utilities  
22 are in a good place to administer. So I support  
23 it, yet it's not clear whether, although this  
24 might eliminate some of the problems, it may still  
25 have its own problems. So we'll see. Thank you.

1 CHAIRMAN WEISENMILLER: Okay, thank you.

2 And I believe that's all the comments. Now let's  
3 transition over to the Commissioners for further  
4 discussion.

5 COMMISSIONER MCALLISTER: So yeah, hold on  
6 a second.

7 CHAIRMAN WEISENMILLER: Hold on a second.  
8 No, the only question was whether the staff needs  
9 to comment on any of the comments that have been  
10 made.

11 COMMISSIONER MCALLISTER: I wanted to  
12 invite Suzanne or Le-Quyen to talk about those  
13 staffing issues.

14 MS. KOROSSEC: Yeah, I'll handle that.  
15 Yeah, we're well aware that we need to beef up our  
16 existing staff, and we've already taken action to  
17 do that. We've directed a number of staff to work  
18 on the NSHP Program, in addition to the three  
19 staff that have been working on the program since  
20 its inception. We have doubled the number of  
21 part-time student assistants that will be working  
22 staffing our call center to answer questions and  
23 be available and provide that customer service  
24 element, also to help us doing the initial  
25 application reviews, to streamline it for the work

1 that the more technical staff will do later on  
2 down the line. We're conducting intensive  
3 training for all of the staff and that's been  
4 ongoing for the past several weeks and it's  
5 continuing on all the rules and procedures for  
6 processing the applications and the payment  
7 requests.

8           If this item is approved, we will be  
9 setting up meetings with each of the contract  
10 managers at the IOUs with our contract manager to  
11 discuss a transition plan. Items that we'll be  
12 discussing, part of that transition plan include  
13 addressing any payment and application backlogs  
14 that the utilities may have, the content  
15 submission in the file report that's required by  
16 the contract, delivery of all program data to the  
17 Energy Commission, public notification by both the  
18 CEC and the Utilities of the changes in the  
19 program administration, and payment of final  
20 invoices and retention.

21           And throughout this transition period,  
22 we're going to work very closely with the  
23 utilities to remain in close contact and make sure  
24 that we are having a smooth transition. I also  
25 want to make sure that it's clear that, since the

1 IOUs began administering the program, our staff  
2 have reviewed every single application for rebate  
3 and every single payment review. So they are well  
4 aware of the challenges and the issues and the  
5 problems. And over time we have updated our  
6 guidelines to reflect changes in the market,  
7 things that needed to be done to address these  
8 challenges, so we are really the experts on what  
9 the program is supposed to do and what the rules  
10 of the program are, so it's just a matter of  
11 getting the newer staff trained up. And as I  
12 said, we're well on our way to doing that.

13 COMMISSIONER MCALLISTER: Great. Thanks  
14 very much, Suzanne. So I don't think there are  
15 any other commenters, right? So when I first came  
16 to the Commission, I was lead on NSHP and worked  
17 with staff and many stakeholders on a whole bunch  
18 of issues with the program, and that sort of  
19 culminated in my shop at least in the adoption by  
20 this Commission of the Revised Guidelines for the  
21 program. And I remain very excited about the  
22 positive impact that I'm pretty certain that's  
23 going to have on the marketplace for solar and new  
24 homes.

25 And during that process, I worked closely

1 with staff and a lot of stakeholders and two  
2 things about that, I have been and continue to be  
3 impressed with the staff that we have on this  
4 program, certainly Suzanne's leadership in this  
5 new division, and Le-Quyen on this program, and  
6 the supporting staff that she has, I think are  
7 completely ready for prime time, and know more  
8 about this program than anybody, really. And I  
9 think that flexibility that you heard, that  
10 outreach mentality, that customer service  
11 mentality is something that I believe is really  
12 critical for the program going forward. And, you  
13 know, in this and the other areas in the  
14 Commission, that sort of can do problem solving,  
15 customer oriented approach is something that's  
16 important for us, and I think we really have this  
17 in the group that's taking this program that will  
18 take this program over if approved today.

19           You know, I was in a different role when  
20 the whole California Solar Initiative started and  
21 the NSHP is part of that, so I had a certain  
22 viewpoint of it. I certainly appreciate the  
23 resource limitations that the Commission had at  
24 that time, and the very valid reasons the  
25 Commission had for outsourcing the program

1 administration at that time. I think we're in a  
2 new reality now in terms of both the solar  
3 marketplace and the Commission's position with  
4 respect to this program. And I definitely believe  
5 this is the right move at the right time.

6           Again, the relationships with the building  
7 industry, you know, this is a market  
8 transformation program for builders essentially,  
9 to get them familiar with solar, to get them their  
10 comfort level, and really I think the utilities  
11 have played a key part in that, not just in their  
12 role as administrators, but in their role as  
13 energy providers, and I want to thank Chip and  
14 Valerie and the other utility representatives here  
15 for that, all the hard work that I've seen  
16 throughout the course of the program from wherever  
17 I happen to be sitting, including here. So, you  
18 know, I definitely appreciate the level of effort  
19 that that's taken and I think the forward planning  
20 that's needed to change practices in the building  
21 industry, I think that's something that we all see  
22 as not easy to do, and it requires a lot of  
23 persistence and creativity.

24           So the main benefits here are the  
25 consistency and streamlining, points we've heard,

1 cost savings, those are going to be significant, I  
2 think avoiding double and triple touching of  
3 applications is something that is just good  
4 program administration practice and, to the extent  
5 that our staff will provide that one point and  
6 that sort of consistent and nothing lost in  
7 translation kind of treatment of a given  
8 application, and shepherding it through the  
9 process, there are going to be cost savings there.  
10 It's going to be an overall lower level of effort  
11 per application.

12           You know, certainly my view of this, and  
13 Commissioner Hochschild, as well, who couldn't be  
14 with us here today, but I'm sure he would say the  
15 same thing, the pressure is on us to perform. I  
16 am fully confident that our staff can do it, but  
17 clearly it's a task that we are going to be  
18 stepping up to, and you know, certainly look  
19 forward to lots of feedback from the marketplace  
20 and the participants on the program on how we can  
21 improve.

22           But I think between the Guidebook  
23 improvements, which opened up flexibility for  
24 participation, created a new option for  
25 participation, made the program more user friendly

1 and the consolidation of administration, I think  
2 we're going to see a better program that's going  
3 to stand a lot better chance of meeting its  
4 numbers going forward, which is challenging. We  
5 need a big percentage of the new constructions to  
6 have solar on it going forward if we're going to  
7 hit our numbers, and more importantly, have the  
8 building industry feel that solar is something  
9 that really needs to go on every new building  
10 going forward. We're headed toward Zero Net  
11 Energy in the state and we really need that  
12 message to be clear and consistent and statewide.  
13 So I see this move as a significant step forward  
14 in making that happen.

15 I really want to again express my  
16 confidence in staff and thank the staff for  
17 working with everybody to make this happen, and  
18 doing the forward planning; that's going to be key  
19 to the success of the transition. And finally,  
20 thank again the utilities and really express our  
21 gratitude over the last six or so years for your  
22 administration and, you know, a lot of work has  
23 gone into getting us where we are today, and the  
24 partnership going forward is going to be no less  
25 important. So thanks.

1                   CHAIRMAN WEISENMILLER: Great. I was just  
2 going to note, I remember when Commissioners  
3 Geesman and Chair Pfannenstiel made the original  
4 decision to pull the Utilities in on the New Solar  
5 Homes Program administration, their thinking was  
6 that that was the first step to really get the  
7 utilities into the business of installing solar  
8 subdivision by subdivision. Obviously, that part  
9 of the vision didn't play out, but again, we  
10 certainly appreciate getting us to where we are  
11 now.

12                   COMMISSIONER SCOTT: I also wanted to say,  
13 as the Public Member, it was really great to hear  
14 from the different commenters about the strong  
15 focus that we've had on customer service, and so  
16 that's just always something that I like to hear  
17 about the various programs that we have here. And  
18 the customer oriented approach that we want to  
19 continue to have going forward. And also, I just  
20 wanted to highlight that I thought it was a really  
21 good reminder from Suzanne to hear about the in-  
22 depth experience that the team has on working with  
23 this, and also to hear how you have already been  
24 gearing up to help have a smooth and a clear and  
25 an orderly transition. So thanks for that

1 reminder.

2 CHAIRMAN WEISENMILLER: Great.

3 COMMISSIONER MCALLISTER: I'll move Item  
4 14.

5 COMMISSIONER SCOTT: Second.

6 CHAIRMAN WEISENMILLER: All those in  
7 favor?

8 (Ayes.) Item 14 passes 4-0. Thank you.

9 MS. KOROSSEC: Thank you, Commissioners.

10 CHAIRMAN WEISENMILLER: So we held the  
11 best for last, so Melissa has been very patient,  
12 but we now have a briefing on EPA's Rule 111(d) on  
13 Carbon Pollution Rule for Existing Power Plants.  
14 I would talk a little bit, we usually have a segue  
15 over to the Commissioners on a meeting I had, but  
16 I really wanted to have the presentation occur  
17 because I've been working very closely with Mary  
18 Nichols on this, at the same time Janaea has been  
19 working closely on the Western Governors  
20 Association weave on it, and Commissioner  
21 McAllister has been working very closely with  
22 NIESCO on it, so it's a good opportunity for this  
23 briefing, and then when we get the Lead  
24 Commissioner reports, to have some degree of  
25 conversation on this issue, NASEO. Okay, so

1 Melissa, thanks again for being patient.

2 MS. JONES: Sure, thanks. Good afternoon.

3 I also have Christopher Gallenstein from the Air  
4 Resources Board, who has very patiently waited and  
5 is available for any questions you might have.

6 And today we'll be talking about the EPA's  
7 Carbon Emission Plan. This evolved as part of the  
8 President's Climate Action Plan, which was  
9 announced in June of last year. Part of that plan  
10 was a blueprint to slow climate change, and there  
11 were three primary features: accelerating  
12 renewable energy permitting on public lands,  
13 modernizing and upgrading the transmission and  
14 electric grid to facilitate clean energy  
15 improvements as well as reliability, and then  
16 promulgating rules to address GHG emissions  
17 associated with new and existing power plants.

18 There are actually a set of three  
19 different rules that EPA has under consideration  
20 at this point. Rule 111(b) is for new power  
21 plants, it was originally released in April of  
22 2012, but was subsequently withdrawn after getting  
23 something like a million comments, and revised. A  
24 new proposal was released in January of 2014 and  
25 we are expecting the rule to be finalized by June

1 of 2015.

2           There is also a Rule 111(b) for modified  
3 and reconstructed power plants, and that was also  
4 released concurrent with the rules for existing  
5 power plants, which we will be primarily talking  
6 about today, and that final rule is also expected  
7 by June of 2015. And just so you know what  
8 modified and reconstructed are, if the renovation  
9 or investment is less than 50 percent of the  
10 capital investment in the plant, then it qualifies  
11 as modified or reconstructed.

12           So the Proposed Rule 111(d) for Existing  
13 Power Plants was released June 2, 2014. I think  
14 you all probably heard about it in the press,  
15 there have been numerous national and regional  
16 forums addressing the rule. The sort of three  
17 things that EPA was trying to achieve, they're  
18 expecting to be able to reduce carbon emissions by  
19 30 percent from 2005 levels by 2030. And I want  
20 to be clear that the rule doesn't require that 30  
21 percent, but that's what they anticipate will be  
22 achieved. It will limit the carbon intensity of  
23 each state's electric grid and a credit will be  
24 given for demand side energy efficiency and  
25 renewable programs.

1           The basic sort of framework for the rule,  
2 first of all, EPA has established allowable GHG  
3 emission reduction targets for each state, those  
4 are binding targets that must be met. The rule  
5 then requires states to develop a state plan to  
6 achieve the targets using a range of measures that  
7 are chosen by each state. In addition, EPA will  
8 allow multi-state plans to be submitted or  
9 regional plans.

10           And just to be clear what this covers, it  
11 applies to existing coal and natural gas-fired  
12 combustion turbines, which includes simple cycle  
13 turbines, as well as combined cycles that are  
14 located in the state. And so even though a state  
15 may sell power or another state may have an  
16 ownership share in a particular plant, it's the  
17 location of the plant that determine which plan it  
18 must be applied under.

19           So the first thing the EPA does when they  
20 are looking at a rule like this is they establish  
21 what's called the best system of emission  
22 reductions. And EPA determined for this rule that  
23 the best system should be based on a system-wide,  
24 rather than a within the fence line plant level  
25 measure approach. Many air quality regulations

1 apply to a particular power plant, a power plant  
2 must meet a certain emissions standard. For this  
3 rule, EPA determined that anything on the  
4 electricity system that would reduce or defer or  
5 displace generation from fossil fuels, and then  
6 the carbon emissions associated with that, should  
7 be covered under the rule.

8           Then EPA goes through a process of  
9 assessing combinations of electricity production  
10 and demand reductions that are technically  
11 feasible and that can occur at a reasonable cost  
12 to come up with a target for each state.

13           And EPA talks about the targets as made up  
14 of four building blocks in establishing the best  
15 system. The first tranche of measures is  
16 improving heat rates at existing coal plants by  
17 six percent, and that includes both investments in  
18 the plant itself and equipment, as well as in O&M  
19 practices.

20           The second block includes increasing the  
21 utilization of natural gas power plants to  
22 displace coal resources in states, and what EPA  
23 did there was assume that combined cycle plants  
24 could be operated up to a 70 percent capacity  
25 factor.

1           The third block of measures is increased  
2 use of zero carbon resources. And for us, this is  
3 particularly important, this is where our  
4 renewable resource programs will be very  
5 important. So the zero carbon resources are  
6 renewables. Right now, EPA has proposed a  
7 methodology that averages a regional target and  
8 then that is applied to each state. There's an  
9 alternative proposal that EPA would like to have  
10 evaluated, and I'll talk about that a little in  
11 just a minute.

12           And the second zero carbon resource that  
13 EPA considered was existing nuclear plants, and  
14 what they determined was that we should achieve  
15 six percent of the initial nuclear power plants  
16 that are slated for retirement should be retained.

17           And then, four, achieving 1.5 percent  
18 energy savings from end use energy efficiency  
19 programs, and that starts out and increases at a  
20 rate of .2 percent per year until you reach the  
21 1.5 percent savings.

22           For California, the emission baseline, and  
23 in the rule it's established for 2012, that's the  
24 baseline against which you measure your carbon  
25 reductions, it's just under 700 pounds of CO<sub>2</sub> per

1 megawatt hour. And California's proposed target  
2 as established by EPA will be 537 pounds of CO<sub>2</sub> in  
3 2030.

4 And I will say that we've been working,  
5 the energy agencies have been working with ARB and  
6 there's been a preliminary assessment and we  
7 believe at this point, although we are continuing  
8 to evaluate, this is a very complex rule, that  
9 California will be able to comply.

10 Just to give you a sense of the emission  
11 rates for the other states and where we sort of  
12 are within the west, this shows the 2030 rate in  
13 gray, and then you'll see where each of the states  
14 line up, and you can see California is on the low  
15 end of an emissions rate. And then what you see  
16 for the lines that I've just added, the first  
17 three states which are very coal oriented are  
18 going to be primarily relying on Block 1, which is  
19 the improvements of efficiency at their existing  
20 coal plants, and then the other measure that will  
21 be important to them is increasing natural gas  
22 development. That becomes even more important for  
23 the sort of second line of states you see, Utah  
24 through Arizona, a large portion of their  
25 achievement in the EPA proposal is through

1 shifting coal to cleaner natural gas. And then  
2 for Nevada, California, Oregon, Washington, Idaho,  
3 a strong reliance on energy efficiency and, as  
4 well, Block 2 becomes important for both  
5 Washington and Oregon.

6 And you'll see across the states there's a  
7 fairly strong element of Block 4 energy efficiency  
8 for all the states.

9 This is the state reductions. It just  
10 calls out better how EPA determined that each of  
11 the states could meet their targets, like you see  
12 Block 2 is a fairly strong one where coal states  
13 are switching to natural gas, and then we've got  
14 the Block 3 which is renewables, which is  
15 particularly important in California. There's an  
16 anomaly in the data for South Dakota and I used  
17 the slide that was presented by the Center for the  
18 New Energy Economy, and I couldn't get that  
19 resolved, so just ignore that.

20 So EPA set out some guidelines for states  
21 to establish their compliance plans. First of  
22 all, EPA is providing a tremendous amount of  
23 flexibility for states to select measures or  
24 combinations of measures that each state prefers.  
25 While you saw that there were different blocks

1 that EPA had analyzed in establishing rules, the  
2 states are not bound to use those blocks or those  
3 stringency of blocks in developing their plan.

4 The primary goal is to meet your carbon target.

5 Any measure in addition to the measures  
6 that have been identified in the EPA plan that a  
7 state can put forward that will reduce GHG  
8 emissions will be considered and would apply to  
9 the targets as long as it meets certain criteria,  
10 which I'll talk about in a minute.

11 And also very important for California is  
12 that mass-based programs like our Cap-and-Trade  
13 Program can be counted towards achieving our  
14 targets and so that is a very good thing for  
15 California.

16 Basic criteria that EPA will use in  
17 approving plans, the measures have to be  
18 enforceable. An example would be states that  
19 have, like California, a Renewable Portfolio  
20 Standard, there is a requirement that utilities  
21 must meet, that is considered to be an enforceable  
22 measure; whereas a state that has a stretch goal,  
23 but there's no enforcement, no program to support  
24 its implementation, would not necessarily be  
25 considered an enforceable measure. The most

1 important thing about the rule is that the state  
2 targets are achieved on the timelines that are  
3 equivalent to the proposed rule, and just to let  
4 you know, the primary target is 2030 for meeting  
5 that carbon reduction, but in the 10 years between  
6 2020 and 2029, there is an average annual rate of  
7 emissions that must be achieved.

8           The emission reductions have to be  
9 quantifiable and verifiable, this is particularly  
10 important when we're looking at energy efficiency  
11 programs, as well as renewable programs. And part  
12 of the plan, it must include a process for bi-  
13 annual reporting to EPA on implementation of the  
14 plan, and the progress towards the goals.

15           EPA is seeking comments on a number of  
16 issues. The rule itself is less than 30 pages,  
17 but the preamble for the rule is over 600 pages,  
18 and there's several thousand pages of  
19 documentation and backup material to support the  
20 rule, so all the states and all the entities are  
21 trying to work through what we think is going to  
22 be a very flexible and good approach, but again it  
23 involves a tremendous amount of complexity.

24           Three areas that in particular we're  
25 concerned with are the methodology for renewable

1 energy targets. As I said, EPA had proposed an  
2 averaging of regional targets, and what that means  
3 for the Western Region is when you average the  
4 regional targets, you end up with the target of 20  
5 percent and California will be exceeding that at  
6 33 percent or higher. And what that provides for  
7 us is a cushion in terms of compliance. However,  
8 an additional methodology has been proposed by EPA  
9 that would rely on estimates of economic potential  
10 based on NREL work that was done for each of the  
11 states and so we will be taking a look at that  
12 methodology. One of the things that  
13 EPA is seeking comment on is the MV&E practices  
14 and protocols for energy efficiency. There are  
15 many states who are concerned that EPA will  
16 establish practices and protocols that are  
17 different from the ones that they currently use,  
18 they don't want to be forced into a one-size-fits-  
19 all MV&E practice, however, there is a lot of  
20 debate about this topic, so we'll be looking at  
21 the practices and protocols, and EPA is actually  
22 seeking proposals for how to treat MV&E.

23 And then probably the most controversial  
24 issue associated with the plan is the issue of  
25 Federal enforceability. Because energy efficiency

1 and renewable programs have primarily been state  
2 jurisdictional programs, states are very concerned  
3 that by using these types of programs to qualify  
4 in their plans, that those programs will become  
5 federally enforceable, in fact, they will be  
6 federalized. So there's been a lot of debate  
7 about that, that's a big issue that will be  
8 addressed in comments and there will be lots of  
9 regional dialogues about that.

10 So the timelines for the Rule 111(d), the  
11 Clean Air Act requires that EPA finalize the  
12 111(b) rules prior to or concurrent with the Rule  
13 111(d), that's anticipated in June 2015. States  
14 will be required to submit compliance plans within  
15 a year by June of 2016. The multi-state or  
16 regional plans would be allowed additional time  
17 for development and would be due June of 2018.  
18 And compliance with the rule actually begins in  
19 2020.

20 I want to just talk for a moment about the  
21 interagency effort that's been going on. ARB has  
22 been collaborating with the Energy Commission, the  
23 PUC, and the CAISO to provide input to EPA. Back  
24 in December of 2013, California provided comments  
25 on the Rule 111(d), we were supporting

1 flexibility, system level approach and ensuring  
2 credit for existing programs. And we believe that  
3 EPA clearly heard that message.

4           And in March of 2014, California provided  
5 comments on Rule 111(b) recommending that  
6 subcategories for emission performance standards  
7 be established that actually acknowledge the  
8 operation of the plant, and that is an important  
9 element for integrating renewables into  
10 California's electricity system.

11           So the next steps, ARB is proposing to  
12 solicit input from California stakeholders.  
13 They're looking at a possible workshop in mid-  
14 August, and ARB and the energy agencies continue  
15 to evaluate the proposal and will begin preparing  
16 draft comments. ARB is also working with other  
17 states to evaluate opportunities for regional  
18 collaborations, and the comments on the proposed  
19 rule will be due to EPA on October 16 of this  
20 year. So if you have any questions, I'd be happy  
21 to answer them.

22           CHAIRMAN WEISENMILLER: Yeah. Thank you,  
23 Melissa. That was a great presentation. What  
24 we're going to do is we're going to lose the Fuel  
25 Cell cars at 1:30, so at this point I'm just going

1 to move on, take up the Minutes, then we'll take a  
2 break for about 15 minutes, and then we'll come  
3 back and have a dialogue on this.

4 MS. JONES: Okay.

5 CHAIRMAN WEISENMILLER: So please standby  
6 and we can have the conversation, but let's make  
7 sure we have time for it. So the Minutes of June  
8 18th.

9 COMMISSIONER MCALLISTER: I'll move the  
10 June 18th Minutes.

11 COMMISSIONER SCOTT: Second.

12 CHAIRMAN WEISENMILLER: All those in  
13 favor?

14 (Ayes.) The Minutes are adopted. So  
15 we're taking a short break, but we'll be back.

16 (Recess at 1:20 p.m.)

17 (Reconvene at 1:31 p.m.)

18 CHAIRMAN WEISENMILLER: Okay, we're back  
19 on the record now. First, in terms of the Air  
20 Board, do you have anything you want to say to  
21 supplement what Melissa did?

22 MR. CHRISTIE: No, I think she did an  
23 excellent job, actually. I just want to thank  
24 her, as well as her staff and the members that  
25 have been helping us as we go through, again,

1 thousands and thousands of pages trying to figure  
2 out what EPA actually meant, and formulating  
3 comments that we can drive EPA to accept  
4 California's reductions that we've already  
5 attained to this point, the programs that we have,  
6 and making sure that they're not all federalized.  
7 So that's going to be part of, as a staff  
8 perspective, our major comments.

9           CHAIRMAN WEISENMILLER: Great, thank you.  
10 Certainly thanks for being here today. Again, I  
11 was going to suggest that, in terms of Lead  
12 Commissioner, Presiding Commissioner Reports, we  
13 focus on this topic. Certainly if anyone has  
14 anything else urgent, we can bring it up. But it  
15 just seemed like this is really an important Rule  
16 and I thought one of the advantages of bringing it  
17 before the full Commission was that all of us may  
18 be asked from time to time about this, and so I  
19 wanted to make sure all the Commissioners had the  
20 opportunity to get the briefing. I think it was a  
21 pretty good briefing.

22           I went to an event last Thursday with Mary  
23 Nichols in Denver, with the Center for Energy  
24 Economy, Governor Ritter's group, and so we  
25 basically had 13 other states there and we had EPA

1 do a briefing in the morning. And a couple of the  
2 slides here are from them, the two bar charts were  
3 ones they prepared to help all the states sort of  
4 understand what was going on. I'll confess, South  
5 Dakota was there, I think they maybe even knew  
6 what was going on, but everybody tried to figure  
7 out why they go below the line there.

8           In terms of basic points, I would say that  
9 to supplement what Melissa said, was first there  
10 was a very clear message from EPA that, while they  
11 had the four building blocks that they thought  
12 they had built-in room for every state to comply  
13 with that and that there were certainly other  
14 measures that weren't listed, which could also fit  
15 for compliance. So, again, they weren't  
16 necessarily thinking it was going to be a really  
17 hard stretch for anyone. They said they are going  
18 to do supplemental material, I guess, and for  
19 example on of the issues is there's a lot of  
20 discussion about those tribal lands, and at this  
21 point there's nothing in the rules that deal with  
22 tribal lands, and they will put out something  
23 probably in October that tries to address how  
24 these rules might affect the tribes, and might  
25 propose specific measures for the tribes. But

1 again, it's probably safer to say that they will  
2 say something about trying to clarify the tribal  
3 issues then.

4           They also indicated that it was likely  
5 that they would put out a mass-based approach, a  
6 table for each state about then, and it was sort  
7 of a common refrain they were getting was to get  
8 more of a mass-based or mass-based total amount,  
9 you know, and so they would come out with the  
10 total amount.

11           MS. JONES: And if I could just interject,  
12 what they did was they provided us with a  
13 calculation on how to calculate your mass, but  
14 there's a lot of uncertainties in it, so the  
15 states asked can you just give us what that number  
16 is.

17           CHAIRMAN WEISENMILLER: Yeah, some states  
18 claim that they thought there were errors in the  
19 numbers, and so that discussion will be going  
20 forward. And again, you know, it's sort of step 1  
21 I think for everyone was to really go through and  
22 try to make sure that what they were saying for  
23 this was each specific state was correct. It was  
24 fairly clear that for many states in the west,  
25 it's a pretty heavy lift. Again, if you were the

1 energy or environmental officer in X, Nevada, or  
2 whatever, and suddenly you had this 650-page  
3 document land on your doorstep with comments due  
4 in mid-October, it would be seen as a pretty heavy  
5 lift. And so they were certainly struggling.  
6 They all found the session to be pretty good, you  
7 know, it was a pretty good session by EPA in the  
8 morning marching through the rules, and obviously  
9 the Center also did their sort of initial  
10 presentation and had structured comment issues for  
11 folks, things like the role of either -- obviously  
12 looking west wide, it's pretty clear when you look  
13 at the pieces here, there are states that, you  
14 know, their energy is pretty much exporting coal  
15 power, so in terms of how do they deal with  
16 responding, and that gets to questions of how  
17 either coal or renewables are counted, depending  
18 on where they're located and who is buying. There  
19 was a lot of discussion on that part.

20           Coming out of it, I think this group will  
21 meet a couple -- the hope would be to get  
22 something to focus more west wide. Now, having  
23 said that, it's pretty clear, like I said, between  
24 now and October really everyone is going to be  
25 scrambling just to get their state stuff in, there

1 will probably be another session sometime in late  
2 September of early October, and more discussions  
3 afterwards. I think the Center will try to do  
4 some comments for the west, these might be things  
5 like we all need money to really implement these,  
6 you know, again there are probably some things  
7 that all 13 states will agree upon, as opposed to  
8 some of the issues that will really splinter the  
9 west. But certainly Governor Ritter's group will  
10 try to come up with at least the consensus items,  
11 although whether they get 13, 3, or what the magic  
12 number is, the gubernatorial support is not clear.  
13 But certain some of the western states realized  
14 that it was really important that we all work  
15 together through some of these questions, although  
16 again I suspect that's going to be much more  
17 focused on trying to get consolidation after this  
18 October filing.

19 COMMISSIONER MCALLISTER: Who was the  
20 convener of that, you said?

21 CHAIRMAN WEISENMILLER: Governor Ritter's  
22 group.

23 COMMISSIONER MCALLISTER: Oh, so it was --

24 MS. JONES: It is the Center for the New  
25 Energy Economy.

1                   CHAIRMAN WEISENMILLER:   And that's  
2 associated with I think Colorado State?

3                   MS. JONES:   Yeah.

4                   CHAIRMAN WEISENMILLER:   Yeah.   But it was  
5 pretty clear that, you know, he was well respected  
6 by the participants there and also some of the WCI  
7 group is associated with that, too, which  
8 obviously did a lot of the preparatory work  
9 looking at maybe a Cap-and-Trade Program  
10 throughout the west.   So again, at least people  
11 have gone through some of the vocabulary and the  
12 group also worked at one stage on some of the  
13 Regional Haze stuff with EPA.   So again, we had  
14 WGA and WIEB folks there to talk about how they  
15 were trying to be helpful, but again I think it's  
16 more technical analysis as opposed to trying to  
17 say, "Okay, we will draft comments."   But we'll  
18 see which Governors want to sign off on.

19                   Stanford was represented by Diane Gruenig,  
20 she's also helping Mary and I on this, and  
21 Stanford's focus will be more on what I'll  
22 characterize as the EMV for energy efficiency.   But  
23 certainly at the same time, Stanford is probably  
24 interested in providing some analytical and  
25 intellectual support for the activities west wide,

1 along with obviously the Colorado folks. So at  
2 least that's where that piece is at this stage.  
3 And as Melissa said, one of the things is, as the  
4 Air Board is coming up with a work plan, people  
5 are marching through that, we're also reaching out  
6 to the utilities in California, we're looking for  
7 some sort of stakeholder workshop in August that  
8 walks through stuff to make sure we're not missing  
9 anything, and sort of reaching out to the  
10 utilities to have some more preliminary  
11 conversations between now and then because there's  
12 just not a lot of time between now and mid-October  
13 for the rules.

14 I think it's also safe to say obviously  
15 George sounds very active more on a national  
16 level, but the notion was that you really needed  
17 more of a west wide effort, too, particularly  
18 given the unique characteristics of, let's face  
19 it, we buy 25 percent of our power from out of  
20 state, and historically that's been driven by, you  
21 know, if you look west wide on a diversity of  
22 loads and resources, you know, that regional  
23 projects have always had, you know, dating back to  
24 the late '60s with the interties, there's always  
25 been regional projects in the west, it's just

1 historically they've been more coal. And the  
2 notion now is I think to shift to cleaner  
3 resources there, but again to look for where there  
4 are synergisms across the west.

5 COMMISSIONER SCOTT: So I must just add to  
6 this from the last Western Interstate Energy Board  
7 meeting that I attended, and that actually was a  
8 little while ago, it was in the spring, so the  
9 rules were not out yet, but the Energy Offices in  
10 the various states that were around the table, and  
11 I'm not sure if it's the exact same set of states  
12 that were at your meeting, but I can get you guys  
13 the list, folks were interested or open to working  
14 together to seeing if there are things, again,  
15 that either a regional approach or a west wide  
16 approach that could fit into this. We didn't  
17 spend too much time talking about it because  
18 everyone was kind of speculating on what the rule  
19 might look like, we didn't know at that point in  
20 time. But at that point in time, the Energy  
21 Offices were interested.

22 An issue that the Energy Offices did raise  
23 was wanting to make sure that they are also  
24 involved in their various state efforts as this  
25 goes forward. Typically it's your Air Agency that

1 works with the Environmental Protection Agency,  
2 not your Energy Office or Agency. But of course  
3 there are things like energy efficiency here in  
4 California, the Renewable Portfolio Standard that  
5 really go through the Energy Offices, not through  
6 the Air Offices, but that have kind of a critical  
7 role potentially in how we fulfill these. And so  
8 that was another piece. But it sounds like at the  
9 meeting, Bob, that you were at you had both Energy  
10 Offices and Air Offices.

11           CHAIRMAN WEISENMILLER: We had both. The  
12 footnote, I'm not quite sure exactly who they  
13 invited as opposed to who showed up. And having  
14 said that, I would also note that if you attend  
15 one of these meetings with Mary Nichols, certainly  
16 all the EPA people are in suitable awe, so  
17 California was very well represented in that  
18 context.

19           COMMISSIONER SCOTT: Yeah and, I mean, I  
20 think that's probably the only other thing that I  
21 would highlight. I do think California, as  
22 always, has potential as a good leadership role to  
23 play, I mean, we've got a Cap-and-Trade Program,  
24 we've got the strongest RPS in the country, and  
25 we've got a lot of incentive programs that help us

1 to demonstrate a lot of these things. We're so  
2 far ahead on energy efficiency. And then, you  
3 know, the question will just be if there are  
4 lessons learned there, or models there, that the  
5 other states might potentially be interested in  
6 picking up. So that's just a little bit from the  
7 Western Interstate Energy Board perspective. As I  
8 mentioned before, though, the rule was not out  
9 yet, and so we didn't have a chance to really talk  
10 about this in detail. And I don't know, the next  
11 meeting is in the fall and it'll be interesting to  
12 see where we are then because that will be very  
13 close to the October deadline. So I'm not quite  
14 sure --

15 CHAIRMAN WEISENMILLER: In fact, I think  
16 they or WEEB were doing studies that might be done  
17 by next spring.

18 COMMISSIONER SCOTT: Right.

19 CHAIRMAN WEISENMILLER: And, you know,  
20 this is trying to identify projects, so you may  
21 have some say in what projects might be helpful.  
22 I guess the other messaging that I was doing was  
23 to say, obviously there was a preference for Cap-  
24 and-Trade, and that means that each of these  
25 states can either set up their own program, join

1 our program, or join the New England program. We  
2 certainly discourage them from setting up their  
3 own programs.

4           COMMISSIONER MCALLISTER: Yeah, thanks,  
5 interesting. So it's great to sort of quad  
6 angulate here because I think we're all looking at  
7 this from our own perspectives and it all fits  
8 together quite well. From what I've been doing,  
9 sort of keeping in touch around this issue mostly  
10 has to do with involvement with NASEO, the  
11 National Association of State Energy Officials.  
12 And there's this group called the 3N which is  
13 NASEO and NACAA, which is the National Association  
14 of Clean Air Agencies, which includes ARB, and  
15 NARUC, which is the National Association of  
16 Regulated Utility Commissioners. So NASEO has  
17 been really driving that 3N kind of periodic get  
18 together to make sure that these three types of  
19 agencies, that are all relevant for this  
20 discussion, are sharing information and hopefully  
21 getting on the same page, but in the process of  
22 EPA's developing the rule for 111(d), for example,  
23 they convened several meetings, that all 50  
24 states, all three agency equivalents in all 50  
25 states were invited to, and many of them showed up

1 and I was able to participate in. And I guess one  
2 observation I would have from that is to confirm  
3 what Commissioner Scott just said about our  
4 leadership role, a lot of people are looking to  
5 California and New England for leadership and  
6 ideas, and it's just palpable that, you know,  
7 where deep thinking and experience exists on this  
8 issue, states that don't have it really need it.  
9 And there's a little bit of the deer in the  
10 headlights in places where they haven't been  
11 working on those issues much. And I think there's  
12 a collective knowledge that will be very very  
13 helpful.

14           You know, by the same token, I think that  
15 variability across the country is something EPA  
16 has been struggling with. Some states are looking  
17 for off-ramps and exceptions, and kind of ways to  
18 dilute the rules, whereas I think California,  
19 being in a leadership position, and our Governor  
20 really wanting to push it forward more broadly  
21 than just California and provide that leadership,  
22 you know, move the ball forward really with real  
23 reductions. And I think ARB has been pushing this  
24 viewpoint in the various discussions with EPA is  
25 that we need this to have teeth, you know, it's

1 totally appropriate to have different states have  
2 different ramp ups and maybe longer implementation  
3 timeframes, and they have to start where they are,  
4 but we all want to get to the end goal. And I  
5 think the diversity of our federal system is  
6 remarkable. Our agency, our State Energy Office,  
7 the Energy Commission, has 600 plus FTEs, South  
8 Dakota's has less than one. So they have a very  
9 different reality than we have in terms of how  
10 they go about dealing with some of these issues,  
11 and they're not going to be able to do it on their  
12 own, they're going to have to use other states'  
13 kind of leadership and get on board with the  
14 trains that are already moving down the track.

15           And, you know, I think certainly the EM&V  
16 challenge is real, and I've been encouraging over  
17 time, at every opportunity I can, for EPA and DOE  
18 to try to align on how they work with the states  
19 individually so we don't get different messages  
20 from different agencies, and particularly that the  
21 expertise that exists in the Department of Energy,  
22 if it's helpful, can bring to bear and sort of  
23 standardize some of the credit that's given to EE.  
24 I think that's the second big issue for California  
25 is that we want to make sure that, given all we've

1 done, we get credit for the energy efficiency and  
2 the renewables that we've already got. So there  
3 are a lot of detailed issues and I think Melissa,  
4 you brought up the main ones. And I think it's  
5 very exciting. There's a lot of good thinking  
6 going on in this and I think now there's no choice  
7 but to take it pretty seriously. And hopefully  
8 that will persist over time and EPA will be able  
9 to work with the individual states to get  
10 compliance.

11 I had a couple of -- you know, I'm Lead on  
12 Energy Efficiency, so obviously that energy  
13 efficiency credit issue is something I'm really  
14 highly tuned into and there's a lot going on in  
15 California right now that's pushing the envelope  
16 both in the state, you know, the Chair and I went  
17 to the PUC's workshop on the Next Generation  
18 Energy Efficiency a couple weeks ago that the PUC  
19 convened, and I thought that was a useful  
20 discussion. And then, just sort of highlighting  
21 this federal/state partnership, you know, the Flex  
22 Lab is a new resource that is housed at Berkeley  
23 Labs, funded right now mostly by DOE, but as a  
24 private/public partnership looking for builders to  
25 contribute to individual projects where they test,

1 it's a highly instrumented, very advanced  
2 commercial building test bed, it could be used for  
3 residential eventually, but it's mostly about  
4 commercial, and that's an area where DOE, I think,  
5 is really showing a lot of leadership and getting  
6 cutting edge testing systems to optimize our tens  
7 of billions of dollars of nonresidential  
8 investment in the built environment. So, you  
9 know, all of this stuff fits together and those  
10 are just a couple of things I've done recently  
11 that I've been very excited about, not directly  
12 related to 111(d), but still something that  
13 California I think has really shown leadership on  
14 in the Energy Efficiency side, and I think just  
15 gets me motivated to keep engaging in these  
16 issues.

17           COMMISSIONER SCOTT: Just in general, the  
18 only other thing I would highlight for you all  
19 that's taken place since we last met, where we had  
20 two Integrated Energy Policy Report Workshops.  
21 They were both terrific. We had Commissioner  
22 Peterman from the PUC and Steve Berberich from the  
23 CAISO join us for the first one which was on  
24 Transportation, Electricity and Natural Gas, and  
25 we had a very interesting conversation, and maybe

1 we can talk about it at a different time. And the  
2 other one that I wanted to highlight for you is on  
3 the changing trends in the sources of oil coming  
4 into California. We held that in Berkeley. And  
5 we were joined by Commissioner Peevey from the  
6 Public Utilities Commission, by Cliff and Ken from  
7 the Governor's Office, and Commissioner Douglas  
8 and Chair Weisenmiller and myself. And so that  
9 was just a very informative day, it was a nice way  
10 to hear from the federal and state and local  
11 agencies that all kind of have a piece of this,  
12 whether it's safety, whether it's data, or any of  
13 the different types of regulations that they do,  
14 and kind of really learn from each agency, here is  
15 what we do, here is the data we do have, here is  
16 additional data that we do need, and kind of have  
17 all of that together in one place. And so I just  
18 wanted to highlight those two, and I see Gordon  
19 there and I will note that he did a fantastic  
20 presentation and Commissioner Peevey was very  
21 impressed with Gordon's enthusiasm for all of the  
22 different trends and things, and had a very nice  
23 compliment for him. So those were both really  
24 good workshops, just wanted to highlight them for  
25 you.

1           CHAIRMAN WEISENMILLER: So I think let's  
2 go to Chief Counsel's Report.

3           MR. LEVY: Good afternoon, Commissioners.  
4 Today, actually, Rob asked me to update you on a  
5 recent U.S. Supreme Court Decision that changed  
6 the landscape of GHG Regulations under the Clean  
7 Air Act, so I've got a little presentation for you  
8 about it.

9           The name of the Decision was Utility Air  
10 Regulatory Group vs. EPA. It was released on June  
11 23, 2014, it was a 5-4 decision by the U.S.  
12 Supreme Court and, to tell you about how this case  
13 actually works, I have to back up a little bit  
14 because it starts about in 2007 with another case  
15 which you're well aware of, Massachusetts vs. EPA,  
16 where the U.S. Supreme determined that GHG  
17 emissions were subject to EPA regulation under the  
18 Clean Air Act if EPA determined the GHG emissions  
19 endangered public health. And in 2010, they made  
20 that endangerment determination, and then they  
21 proceeded to adopt rules for mobile sources,  
22 automobiles and transportation sector, and the  
23 like, imposing GHG requirements on tailpipe  
24 emissions and the like.

25           Now, that had the effect of making GHGs

1 and CO<sub>2</sub> a regulated pollutant under the Clean Water  
2 Act, and that's important because regulated  
3 pollutants under the Clean Air Act, EPA  
4 determined, would trigger requirements that apply  
5 to other parts of the Act like for stationary  
6 sources.

7           So where do we go from there? EPA  
8 determined that the PSD permitting program is one  
9 of the schemes that would be required to implement  
10 GHG requirements because of the new regulation of  
11 GHG emissions under the Act. Specifically, well,  
12 let me talk a bit about the PSD Program for a  
13 moment, PSD is Prevention of Significant  
14 Deterioration and it applies to areas in the  
15 country which are in attainment for certain  
16 regulated pollutants under the Clean Air Act. And  
17 if there's a PSD permit required, there's  
18 essentially two requirements in that permit. One  
19 requirement is that the facility is prevented from  
20 causing or contributing to a violation of air  
21 quality standards, and the other requirement is  
22 that the facility meet the standard called BACT,  
23 Best Available Control Technology, which is  
24 basically a standard that ensures that the output  
25 of a facility meets specific criteria that could

1 be attained by the best technology that's  
2 available.

3           The PSD Program has limits under the Clean  
4 Air Act for stationary sources, and generally it's  
5 250 tons per year of specific pollutants. And  
6 that's key to our discussion, too. So EPA  
7 determined under the language of the PSD Program  
8 that GHGs fall within the definition of what the  
9 Act terms "any air pollutant," and so imposed  
10 requirements for GHGs on stationary sources, that  
11 they would have to have a PSD Permit.

12           The problem with doing that, though, is  
13 that the thresholds for triggering a PSD Permit,  
14 the 250 tons per year, aren't relevant to GHGs,  
15 and they are orders of magnitude different. And  
16 so EPA said, well, how do we reconcile this  
17 requirement to put GHGs, to regulate GHGs from  
18 stationary sources without basically expanding the  
19 scope of regulated entities monumentally under the  
20 PSD Program. And EPA determined to reconcile this  
21 with what is known as the Tailoring Rule. They  
22 decided they would tailor the amount of emissions  
23 that would be required to meet the conditions  
24 relevant to specific pollutants like GHGs. And  
25 instead of 250 tons per year, the Tailoring Rule

1 as implemented set as a trigger 100,000 tons of  
2 GHG equivalent emissions.

3           So a number of states and industry groups  
4 were not happy with this and filed suit, and it  
5 made its way up to the U.S. Supreme Court, and as  
6 I said, with the 5-4 decision, the U.S. Supreme  
7 Court held that EPA cannot use GHG emissions as a  
8 trigger for the requirement to obtain a PSD  
9 Permit. In other words, if the only criteria that  
10 causes the facility to fall within the PSD Program  
11 is GHG emissions, that's not adequate.

12           And basically what the Court said is that,  
13 while the GHG emissions fall within the broad Act-  
14 wide definition of air pollutants, which is really  
15 expansive, the particular programs requiring  
16 regulations in certain areas have a narrower scope  
17 when they're using the term "air pollutants." And  
18 the Act-wide definition specifically is any air  
19 pollutant, agent, or combination of such agents,  
20 including any physical, chemical, biological, or  
21 radioactive substance or matter, which is emitted  
22 into or otherwise enters the ambient air." And in  
23 the Massachusetts vs. U.S. EPA, the Court back in  
24 2007 said basically this embraces all air borne  
25 compounds of whatever stripe, in the Courts'

1 words, "really expansive," but the U.S. Supreme  
2 Court just held that expansive declaration of what  
3 is an air pollutant doesn't apply in every context  
4 under the Clean Air Act. Certain contexts require  
5 a case specific analysis of what is allowed. They  
6 specifically held that that's true with the PSD  
7 requirements, and the definition of "any air  
8 pollutant" as a trigger in the PSD requirements.  
9 The Court noted that since 1978 EPA's regulations  
10 have interpreted air pollutant in the PSD  
11 Permitting trigger as limiting only regulated air  
12 pollutants, and not any air pollutant under the  
13 Act. And the Court held that EPA had no authority  
14 to modify the expressed numerical limits, the  
15 triggers of 250 tons per year in favor of  
16 something else. And then the Court went further  
17 and said that EPA's determination that emissions  
18 volumes relevant to GHGs were orders of magnitude  
19 greater than the triggering limits specified in  
20 the statute should have alerted EPA that it was on  
21 the wrong tact here, and that it was violating the  
22 intent of the Clean Air Act and basically writing  
23 out of the law numerical limits that Congress had  
24 put in.

25 So again, this is a 5-4 Decision --

1           COMMISSIONER MCALLISTER: Michael, can I  
2 ask a clarifying question?

3           MR. LEVY: Please.

4           COMMISSIONER MCALLISTER: Did they make  
5 any distinction between criteria pollutants and  
6 other pollutants? Or is it just this is a unique  
7 pollutant?

8           MR. LEVY: What they said specifically was  
9 that EPA should have interpreted air pollutant to  
10 encompass only pollutants that are emitted in  
11 quantities that enable them to be sensibly  
12 regulated at the statutory thresholds, and to  
13 exclude those atypical pollutants that, like GHGs,  
14 are emitted in such vast quantities that their  
15 inclusion would radically transform those programs  
16 and render them unworkable, as written.

17           So basically the majority of the Court  
18 said the place where there's flexibility here is  
19 in the word, "what's an air pollutant?" Now, the  
20 minority opinion by Justice Breyer took the other  
21 approach and said, no, we can just as easily read  
22 an exception into the other side of it, into the  
23 volumetric, imply exception into the volumetric  
24 component, as we can read and imply the exception  
25 into the "what is a pollutant" component. But

1 that was just a difference between the majority  
2 and the minority.

3 COMMISSIONER MCALLISTER: How did the  
4 majority stack up? Was it Kennedy who was the  
5 swing vote?

6 MR. LEVY: As always.

7 COMMISSIONER MCALLISTER: As always, okay.

8 MR. LEVY: So it was Scalia, Thomas,  
9 Alito, Kennedy, and I'm missing one -- thank you  
10 -- Roberts. But it was a split because you had  
11 Alito and Thomas going on to a dissenting opinion  
12 and in part dissenting on another part of it. So  
13 what this did was basically it said if the only  
14 criteria for bringing you within the PSD Program  
15 is GHGs, you can't do that; however, what they  
16 call these "anyway sources," you would have been  
17 regulated by the PSD Program anyway, meaning you  
18 are a 100 or 250 tons per year facility, you meet  
19 the criteria, you get a PSD Permit, you are still  
20 subject to the BACT requirement for the  
21 technological limitations for all of those  
22 facilities if you would have a PSD Permit anyway.

23 In other words, if GHGs is the only  
24 trigger, no more PSD Permit; if GHGs are not the  
25 only trigger, BACT still applies and EPA was

1 within its discretion in determining that the BACT  
2 program could apply to GHGs. And this is where  
3 Alito and Thomas parted company with the majority,  
4 and the minority, Breyer, et al., went with Scalia  
5 and Roberts. And basically Alito and Thomas said  
6 that GHGs should be completely out of the Clean  
7 Air Act because the Clean Air Act isn't suitable  
8 to it. Alito noted differences in the purposes  
9 between the PSD Program, which is to prevent  
10 deterioration of places meeting standards, and he  
11 argues that where we're talking about GHG  
12 emissions, nobody is meeting standards because  
13 there are no standards for what is an acceptable  
14 level of GHG emissions. And he also made the  
15 argument that the PSD Program and the NAAQS  
16 Program and the structure of the program were  
17 designed for local air quality impacts and not  
18 global-wide impacts. So again, they had a split  
19 and what the effect of the Decision is on  
20 facilities is, well, two things, 1) facilities  
21 that would have required PSD Permits, for the most  
22 part, the pundits are saying that the new  
23 efficient facilities are going to be able to meet  
24 the BACT standard anyway. They're highly  
25 efficient. Our smaller facilities might not be

1 triggered by the 100 tons per year because they're  
2 too small and they come under the threshold, but  
3 what they'll avoid is they'll avoid the secondary  
4 permitting scheme by going through the PSD Permit  
5 under the Feds. And so you've got a single  
6 permitting scheme and the end result may be close  
7 to the same nationwide.

8           The Solicitor General in the Opinion is  
9 quoted as noting that about 83 percent of the  
10 stationary source emissions are already falling  
11 under the BACT program because they're PSD  
12 relevant facilities, so that would be one effect.  
13 On the flip side, the other effect, the three  
14 percent that would have been captured by the  
15 Tailoring Rule was dismissed by the majority as  
16 not all that significant, though some of the  
17 pundits are noting there's some pipeline projects,  
18 conversion of coal facilities or things like that  
19 that might actually fall within the rule under the  
20 Tailoring Rule, but won't now be submit to the  
21 requirements because they won't meet the  
22 thresholds for a PSD Permit.

23           As far as we're concerned here, our teams  
24 of course are working with the Air Districts, but  
25 some of our newer facilities might not have to go

1 through the PSD Permitting process, which is an  
2 immediate effect for us. Other questions?

3 CHAIRMAN WEISENMILLER: Thank you. I was  
4 going to say you made the statement about that one  
5 document being filed, so if you could get that on  
6 the record, too, at this point that would be good.

7 MR. LEVY: Yes, so the 1103 item --

8 COMMISSIONER MCALLISTER: Item 10.

9 MR. LEVY: Item 10, thank you. No, the  
10 one who testified and she mentioned that she tried  
11 to docket her document last night, so two things  
12 happened, she did send it in at 3:21 last night by  
13 email, it did not come in through ECRMS and what  
14 she failed to do was identify a docket number  
15 inside the subject line. And so we're working on  
16 the old system, when an email document -- it was  
17 docketed yesterday, it was attempted to be  
18 distributed this morning, but it came in late  
19 yesterday and there was an outage in the email  
20 system this morning, so things weren't circulated  
21 as promptly as they otherwise would be.

22 On the pre-ECRMS system, ECRMS, as you  
23 know, only applies to our siting cases, and so  
24 this rulemaking had a docket, but it goes through  
25 the old system which is somebody emails us a

1 document, somebody has to manually pull the  
2 document off of the email system, figure out what  
3 docket it goes to, and then figure out what  
4 distribution list and eService it would get  
5 internally routed to, and that takes somebody  
6 figuring out what docket number it goes to, which  
7 is why we ask folks in the instructions to make  
8 sure they identify the docket number in the email  
9 so that our support staff, our docket staff, can  
10 do that. So it was timely received by the dockets  
11 unit, it went out this morning, it was attempted  
12 to go out this morning at some point in time, but  
13 as your Blackberries have shown, Steve noted,  
14 there was a system outage which delayed its  
15 transmittal. So that's what happened in the  
16 system.

17 I mean, folks need to understand that  
18 there are technological limitations with an email  
19 system, and if they're sending documents at the  
20 last minute, we do our best to accommodate folks  
21 as best as they can. She was timely in her  
22 submittal, the deadline was 4:00 yesterday, but  
23 without our staff knowing which system to put it  
24 to, or which docket, they can't figure out where  
25 it goes readily and sometimes it takes a little

1 while.

2 COMMISSIONER MCALLISTER: That's fine.  
3 We've got it now, it's an open docket, and we will  
4 work with it. Thanks.

5 MR. LEVY: And it's been forwarded to  
6 staff, as well.

7 CHAIRMAN WEISENMILLER: Great. I just  
8 wanted to make sure it was clear that it has been  
9 docketed, yeah. Okay. Executive Director Report.

10 MR. OGELSBY: I'll just thank Mike for  
11 doing the review of the Supreme Court Decision  
12 since it's something that could have a bearing on  
13 several of the power plant siting cases that we're  
14 having, particularly as we look at Southern  
15 California reliability. So I wanted to make sure  
16 it was brought to your attention. Other than  
17 that, I have nothing to add.

18 CHAIRMAN WEISENMILLER: That's great.  
19 Public Advisor?

20 MR. ROBERTS: I have nothing to report.

21 CHAIRMAN WEISENMILLER: Okay, Public  
22 Comment. I've got one card from Pat Splitt. And  
23 I guess we have a second, good.

24 MR. SPLITT: Okay, yeah. Hi, it's Pat  
25 Splitt from Aptech again. I just -- actually, I

1 had dozens of things I could have given comments  
2 on, but I picked one, and I'm asking for the  
3 Residential version of the EnergyPro Version  
4 6.2.0.7 to be decertified. And I want to make it  
5 clear that it's just that particular version.  
6 What happened is we're getting updates all the  
7 time, probably at least once a week, so just  
8 yesterday I got an update and when I installed it  
9 and ran it, all of a sudden the results on the  
10 Buildings that I've been working on significantly  
11 changed. And it happened that the one that I was  
12 really working on right now actually got better,  
13 but I was talking to Mike Gabel this morning and  
14 he said, well, they ran into the same problem,  
15 except theirs got worse and even caused projects  
16 to fail. And there's a requirement in the  
17 Residential ACM Approval Manual that whenever this  
18 happens, it says "full approval is required when  
19 the compliance software vendor makes a change that  
20 significant affects the results." Well, this was  
21 a significant effect and we can't have this  
22 happening all the time. We're in the process of  
23 doing things. This morning, Erlynn, sort of  
24 suggested that we could keep, once we started on a  
25 certain version of the software, that we could

1 keep using it and then just on subsequent projects  
2 switch to a different version, as if we could have  
3 parallel compliance software running. But the way  
4 the software works, it just updates. And when it  
5 updates, it's the new version. And the old  
6 version is gone. There's no way I can go back.  
7 So with this version in there, I've lost what I  
8 had before. And so what I'm asking for is just  
9 that we decertify the version yesterday and take  
10 it back to Version 6.2.0.6, which is the version  
11 that was official as of last Friday.

12 CHAIRMAN WEISENMILLER: Well, again, this  
13 is a great topic to discuss with the staff, but --

14 MR. SPLITT: But this is symptomatic to  
15 all the problems we're having with Residential,  
16 which are going to be the same problems we're  
17 going to have with Nonresidential. The reason  
18 CB ECC emphasized all the Residential problems is  
19 because that's what the program has available  
20 first.

21 The subject I brought up this morning  
22 where this special exemption for energy software  
23 for Nonres is unfair, is just --

24 CHAIRMAN WEISENMILLER: We're not going to  
25 reargue that again.

1           MR. SPLITT: Well, I'm just trying to  
2 explain why they emphasized this and it's that  
3 he's going to have six months where he's not going  
4 to have to worry about compliance with any of the  
5 problems with the State's software. If I use the  
6 IES version of the software, every time there's a  
7 problem, my compliance stops. They are seriously  
8 penalized by this. No one is going to use their  
9 software knowing that they're going to have six  
10 months of grief if they use theirs rather than six  
11 months of absolutely no problems if they use Mike  
12 Gabel's. It's not fair. And you guys do this all  
13 the time, you specialize and you give one vendor  
14 special treatment. And I'm really tired of it.

15           CHAIRMAN WEISENMILLER: Okay, you want to  
16 wrap up? Thank you. Next comment. Mr. Berman.

17           MR. BERMAN: Thank you, Commissioners.  
18 I'm Mark Berman, I'm President of Davis Energy  
19 Group and Davis Energy Group has focused on  
20 residential energy efficiency for almost as long  
21 as the California Energy Commission has. And I'd  
22 like to start by applauding the CEC for the most  
23 recent Title 24 enhancements. I think we're at  
24 the leading edge of the country and I think that's  
25 all good. There have been some implementation

1 bumps in the road, as you know.

2           One of the things that we've done a lot of  
3 research on, funded by the California Energy  
4 Commission along with the others, is ventilation  
5 cooling. And ventilation cooling is something  
6 we're blessed with in the West, particularly  
7 California as it cools off at night and we can use  
8 that to pre-cool the house naturally;  
9 unfortunately there's an error in the current  
10 version of the model and it contradicts for two-  
11 story houses the benefit that mechanical  
12 ventilation cooling can provide. We have been  
13 working on this for a long time, but so has the  
14 Energy Commission, so has whole house fan  
15 producers, so have other central ventilation  
16 system manufacturers. And what the error does is  
17 contravenes and undermines the standard, the  
18 proscription for whole house fans, monitored  
19 results, results from other models. So staff has  
20 recommended, I think, a pretty elegant resolution  
21 to this. I know there are, as we just heard,  
22 other problems with changes to the model. What I  
23 would like to humbly suggest is that a date  
24 certain be set for this correction to be made,  
25 it's undermining an entire industry of central fan

1 manufacturers and whole house fan manufacturers,  
2 it's undermining efforts and over \$1 million of  
3 investment by the Energy Commission in a product  
4 called Night Breeze that we've developed, and  
5 we're right now trying to get on to the market and  
6 commercialized with the proper manufacturer and  
7 marketing partner. And we need a date certain  
8 when this correction will be made. I think  
9 builders also need a grace period, as we just  
10 heard, so that they're not constantly whipsawed  
11 with new models that take the place of the old  
12 ones and they can't reuse the old ones. So there  
13 needs to be some kind of graceful on ramp, perhaps  
14 a 60-day period where the old model can be used.  
15 But I would like to know if this correction is  
16 slated to be released in the next version of the  
17 CBECC-Residential model, which I believe is  
18 Version 3 and due out by the end of the month.

19 CHAIRMAN WEISENMILLER: You have to ask  
20 the staff. You know, we have some staff here, we  
21 don't have the right staff here, and it's not  
22 something that we would know automatically.

23 MR. BERMAN: Right.

24 CHAIRMAN WEISENMILLER: So, I mean, that's  
25 the reality.

1           MR. BERMAN: I've had discussions with  
2 staff and would look forward to having more  
3 discussions. This is of critical importance to us  
4 as we discussed, Commissioner McAllister.

5           COMMISSIONER MCALLISTER: Yeah. I wanted  
6 to make a comment here. You know, certainly I  
7 know we've made a lot of investment in developing  
8 this technology and you're not the only company  
9 that has technology that does Ventilative cooling  
10 and there's traditional whole house fans, there  
11 are sort of better whole house fans, I recently  
12 installed one myself in my own house, and then  
13 there are the ventilation cooling systems such as  
14 Night Breeze that connect to the existing HVAC  
15 system, and you know, take the benefits kind of  
16 with both approaches with a slight energy penalty,  
17 but still very worth doing. So this modeling  
18 issue, I think we've agreed, all of us have  
19 agreed, actually, that it's real and that it needs  
20 to be fixed. And so I don't know the details of  
21 when that next release and exactly what's going to  
22 be in it in terms of this particular fix, but you  
23 do have my commitment that this is going to get  
24 fixed. And you know, the little bit of the  
25 implementation nuance that you referred to still

1 needs to be worked out, I believe, but we are  
2 working on that. So I would have to defer to  
3 staff and the right staff actually isn't in the  
4 room right now. But I know you're in good contact  
5 with us, so you and others.

6 MR. BERMAN: I appreciate that very much.  
7 Just so you understand, we're a small company,  
8 we've invested a significant amount to hire an  
9 investment banker, we look forward to putting out  
10 the word that a public-private partnership created  
11 a technology that's being commercialized by GE or  
12 Train or York or Apple or Google, or others, and  
13 that the Energy Commission was a key partner in  
14 this. Unfortunately, as we talk with builders and  
15 particularly with prospective buyers right now, we  
16 need to be able to let them know the date. So I  
17 don't mean to be a pest, and I appreciate all that  
18 you do, but it would be so helpful if we could  
19 have a release date. Is there one person in  
20 particular that you'd suggest I talk with?

21 CHAIRMAN WEISENMILLER: Go to staff,  
22 please. We can't -- at this point, we could  
23 guess, but the likelihood of us guessing the right  
24 person, you know. And again, as you said, you've  
25 got considerable state money to get to where you

1 are now, and there's some hiccups now, we  
2 appreciate the issues there. But again, it is an  
3 investment by both sides. And certainly we would  
4 like to see that investment play out.

5 MR. BERMAN: We would too and we just  
6 don't want to go broke in the process of watching  
7 it play out.

8 CHAIRMAN WEISENMILLER: But again, you did  
9 get the money from us to get this far.

10 MR. BERMAN: Yes, and we're very  
11 appreciative of that and we don't want an error to  
12 cut us off prematurely.

13 CHAIRMAN WEISENMILLER: Yeah, we're trying  
14 to get to the end game, too.

15 MR. BERMAN: Thank you very much.

16 CHAIRMAN WEISENMILLER: Thank you.

17 MR. BERMAN: Thanks for listening.

18 CHAIRMAN WEISENMILLER: Sure. Okay, Matt  
19 Christie.

20 MR. CHRISTIE: Good afternoon. I'm Matt  
21 Christie of TRC speaking on behalf of CABEC,  
22 California Association of Building Energy  
23 Consultants. This is an abbreviated version due  
24 to time limitations of the letter that we've  
25 already submitted, I believe. You've already

1 reviewed it, as has been referenced a few times  
2 today.

3           So the California Association of Building  
4 Energy Consultants supports the CEC in its  
5 implementation of the 2013 Standards, however,  
6 CABEC's membership of over 400 Title 24  
7 Consultants is struggling to comply with the  
8 rollout that took effect on July 1st. Problems  
9 include a lack of properly and adequately working  
10 energy --

11           CHAIRMAN WEISENMILLER: I think we went  
12 through this letter once already.

13           MR. CHRISTIE: You actually read it.

14           CHAIRMAN WEISENMILLER: Well, no, again,  
15 we're all literate, you don't have to read it to  
16 us, and we've read the letter.

17           MR. CHRISTIE: Very well.

18           CHAIRMAN WEISENMILLER: So certainly we're  
19 looking for summaries, we've had one summary,  
20 happy to hear yours.

21           MR. CHRISTIE: All right, my summary is  
22 that there are significant problems that are  
23 actually threatening firms that are members of our  
24 organization and threatening their ability to do  
25 business, and we need an increase in staff to work

1 on the bugs in the compliance software, work on  
2 the bugs in the Report of Generation work that  
3 Robert Scott is working on, and work on the bugs  
4 fixing through this, and we also need a publicly  
5 available and transparent way to log the issues  
6 and log the responses, and fixes that are being  
7 employed because right now private emails are  
8 bouncing back and forth, and not everyone is able  
9 to be aware of what's getting fixed and why and  
10 when, and it's creating quite a confusion in the  
11 background of the market.

12 CHAIRMAN WEISENMILLER: Again, earlier we  
13 went through your, I'm going to say, six specific  
14 recommendations with staff, one by one, and asked  
15 them for reports on that.

16 MR. CHRISTIE: My apologies. I wasn't  
17 able to make it to the first half this morning.

18 CHAIRMAN WEISENMILLER: I'm assuming you  
19 missed that part of it, so --

20 MR. CHRISTIE: I did.

21 CHAIRMAN WEISENMILLER: -- again,  
22 certainly we'll point you to that transcript, or  
23 certainly you could talk to staff on it, but we  
24 did -- I really appreciate getting a letter in  
25 advance, so it gave us a chance to go through it,

1 all of us, and to have the staff go through it,  
2 and I very specifically asked the staff to turn to  
3 a piece of it, your six recommendations, and asked  
4 them to go through each of them one by one.

5 MR. CHRISTIE: Perfect. My apologies,  
6 then, for missing this morning. I wasn't able to  
7 make it on the first half and didn't realize that  
8 would get put on the docket on that kind of level,  
9 so I appreciate you elevating it to that status.

10 COMMISSIONER MCALLISTER: We pulled it  
11 from the Consent Calendar, we treated it  
12 separately, and then you can also read my  
13 statements about what the process going forward is  
14 and what our commitment is, and also my  
15 admonishment to get involved in the process  
16 earlier than this time so that these flags which  
17 could have been brought up way before weren't  
18 brought up until late in the game. So, you know,  
19 change is difficult was the message. And we all  
20 have to kind of step up and learn and use the new  
21 software, so I understand it's a challenge, but  
22 we've got to get there.

23 MR. CHRISTIE: Very well. Thank you.

24 CHAIRMAN WEISENMILLER: Okay, thanks.  
25 Thanks for being here. Anyone else? The meeting

1 is adjourned.

2 (Whereupon, at 2:20 p.m., the Business Meeting  
3 was adjourned.)

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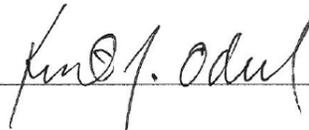
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**REPORTER'S CERTIFICATE**

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 19th day of August 2014.



A handwritten signature in cursive script, appearing to read "Kent Odell", is written over a horizontal line.

Kent Odell  
CER\*\*00548

**TRANSCRIBER'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 transcribed by me, a certified transcriber 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 19th day of August, 2014.



Karen Cutler  
Certified Transcriber  
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