

State of California
California Energy Commission
Minutes of the May 15, 2019, Energy Commission Business Meeting

The meeting was called to order by Chair Hochschild. The Pledge of Allegiance was led by Chair Hochschild.

Present:

David Hochschild, Chair
Janea A. Scott, Vice Chair
Karen Douglas, Commissioner

J. Andrew McAllister, Commissioner
Patricia Monahan, Commissioner

THE COMMISSION WILL CONSIDER AND MAY TAKE ACTION ON THE FOLLOWING:

1. Consent Calendar. (Items will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)
 - a. AUDIT COMMITTEE. Possible approval of Chair David Hochschild and Commissioner Karen Douglas as members of the Energy Commission Audit Committee, an advisory committee. Government Code section 13886 requires that any governing body that oversees a state agency establish an audit committee that generally meets the framework set forth by the American Institute of Certified Public Accountants. Contact: Drew Bohan.
 - b. COLLABORATIVE FOR HIGH PERFORMANCE SCHOOLS, INC. Proposed resolution approving Agreement 200-19-001 with Collaborative for High Performance Schools, Inc. for a \$5,000 contract to formalize the Energy Commission's membership. This one-year membership allows the Commission a seat on the Board of Directors and a voice in advocating energy efficiency practices that go beyond Title 24 energy standards.
 - c. THE SOLAR FOUNDATION. Proposed resolution approving Agreement 200-19-002 with The Solar Foundation for a \$5,000 sponsorship contract to support the research and implementation of the 2019 Solar Jobs Census, including California-specific data. (ERPA Funding) Contact: Michael Poe.
 - d. NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS (NASEO). Proposed resolution approving Agreement 200-19-003 with NASEO for a \$9,999 sponsorship contract to support the research and development of the 2020 U.S. Energy and Employment Report. (ERPA Funding) Contact: Michael Poe.
 - e. CLEAN ENERGY STATES ALLIANCE, INC (CESA). Proposed resolution approving Agreement 500-18-002 with CESA for a \$100,000 contract to renew the Energy Commission's Core Membership for two years. CESA is a national, nonprofit coalition of state, municipal and regional clean energy agencies and organizations working together to advance clean energy markets and the development of clean energy technology. This membership provides the Energy Commission a seat on the CESA Board of Directors to ensure California's interests are addressed in CESA activities. (ERPA Funding) Contact: Jim Folkman.

- f. BEHAVIOR, ENERGY & CLIMATE CHANGE CONFERENCE. Proposed resolution approving a purchase order for a \$9,999 sponsorship and use of the Energy Commission logo to support the 2019 Behavior, Energy & Climate Change Conference on November 17-20, 2019, in Sacramento. (EPIC Funding) Contact: Tiffany Solorio.

Commissioner McAllister moved Items 1a, 1c, 1e-f and Commissioner Douglas seconded. The vote was unanimous (5-0). Commissioner McAllister announced he is recusing himself from Items 1b and 1d because he is a Commissioner on Collaborative for High-Performance Schools and the Chair of the Board for the National Association Upstate Energy Officials. Commissioner McAllister left the room. Commissioner Scott moved Items 1b and 1d and Commissioner Douglas seconded. The vote was 4-0.

2. ALANA MATHEWS. Proposed resolution recognizing and commending Alana Mathews for her contributions to the Energy Commission. (Staff Presentation: 5 minutes)

The Commissioners presented Alana Mathews with a resolution and commended her for her contributions to and achievements at the Energy Commission. No vote was taken.

3. MAGNOLIA PUBLIC SCHOOLS PROPOSITION 39 K-12 SCHOOLS PROGRAM APPEAL. Consideration of Magnolia Public Schools' appeal of the Executive Director's denial of its Petition for Reconsideration of staff's denial of its request to amend its Energy Expenditure Plan for Magnolia Science Academy San Diego, to change the school's site location. Contact: Jennifer Martin-Gallardo. (Staff Presentation: 5 minutes)

Commissioner McAllister moved the denial of the petition in Item 3 and Commissioner Douglas seconded. The vote was unanimous (5-0).

4. ORDER INSTITUTING INFORMATIONAL PROCEEDING (OIIP). Consideration and possible adoption of an OIIP to gather and assess information for analyses identified in the 2019 Integrated Energy Policy Report Scoping Order. Contact: Heather Raitt. (Staff presentation: 5 minutes)

Commissioner Scott moved Item 4 and Commissioner McAllister seconded. The vote was unanimous (5-0).

5. 2019 BUILDING ENERGY EFFICIENCY STANDARDS RESIDENTIAL AND NONRESIDENTIAL ALTERNATIVE CALCULATION METHOD (ACM) REFERENCE MANUALS. Proposed resolutions certifying the 2019 Residential and Nonresidential ACM Reference Manuals as required by Public Resources Code (PRC) section 25402.1(e). The ACM reference manuals document the modeling methods used in the 2019 Compliance Software, which will demonstrate performance compliance with the 2019 Building Energy Efficiency Standards. Contact: Larry Froess. (Staff presentation: 5 minutes)

Commissioner McAllister moved Item 5 and Commissioner Monahan seconded. The vote was unanimous (5-0).

6. 2019 PUBLIC DOMAIN RESIDENTIAL COMPLIANCE SOFTWARE, CBECC-RES 2019.1.0 AND NONRESIDENTIAL COMPLIANCE SOFTWARE, CBECC-COM 2019.1.0. Proposed resolutions approving the 2019 public domain residential and nonresidential software used to demonstrate performance compliance with the 2019 Building Energy Efficiency Standards (PRC section 25402.1(a)). Contact: Larry Froess. (Staff presentation: 5 minutes)

Commissioner McAllister moved Item 6 and Commissioner Scott seconded. The vote was unanimous (5-0).

7. CITY OF SAN LUIS OBISPO. Proposed resolution approving Agreement 005-18-ECD with the City of San Luis Obispo for a \$3 million loan for a 261.4 kilowatt (kW) solar

photovoltaic system, and a 264 kW hydro-electric generation system both located at the water treatment plant, and adopting staff's determination that this action is exempt from the California Environmental Quality Act (CEQA). The project is estimated to save the City 1,738,933 kWh of electricity, resulting in annual energy cost savings of \$266,863. The simple combined average payback on the loan amount is approximately 11.2 years. (ECAA Funding) Contact: David Michel. (Staff presentation: 5 minutes)

Commissioner McAllister moved Item 7 and Commissioner Scott seconded. The vote was unanimous (5-0).

8. ZERO NET ENERGY ALLIANCE, INC. Proposed resolution approving Agreement EPC-18-011 with Zero Net Energy Alliance, Inc. for a \$4,999,060 grant to deploy two master-metered all-electric zero net energy residential microgrids and three renewable microgrids at Lancaster schools, and to provide funding to support scale-up of the Lancaster Green District Program, and adopting staff's determination that this action is exempt from CEQA. This agreement will also deploy a virtual power plant to integrate and manage these distributed energy resources. (EPIC Funding) Contact: James Friedrich. (Staff presentation: 5 minutes)

Commissioner Scott moved Item 8 and Commissioner McAllister seconded. The vote was unanimous (5-0).

9. SEISMIC RISK ASSESSMENT AND ENHANCED TRAINING, GFO-18-502. This solicitation sought proposals to develop and demonstrate tools that can improve the seismic risk assessment of natural gas storage and pipeline infrastructure. (PIER Funding) Contact: Yahui Yang. (Staff presentation: 5 minutes)
 - a. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF THE LOS ANGELES CAMPUS. Proposed resolution approving Agreement PIR-18-002 with The Regents of the University of California, on behalf of the Los Angeles campus, for a \$3,485,255 grant to develop a seismic risk quantification methodology and tool for natural gas storage and pipeline infrastructure, and adopting staff's determination that this action is exempt from CEQA. The tool will be able to identify, prioritize, and mitigate seismic risks.
 - b. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, ON BEHALF OF THE BERKELEY CAMPUS. Proposed resolution approving Agreement PIR-18-003 with The Regents of the University of California, on behalf of the Berkeley campus, for a \$4,940,158 grant to develop a performance-based earthquake engineering assessment tool for natural gas infrastructure, and adopting staff's determination that this action is exempt from CEQA. The recipient team will develop a tool to provide regulators and utilities the ability to analyze seismic risks, and will validate the tool by experimental testing of natural gas system components and subsystems.

Commissioner Scott moved Item 9 and Commissioner Douglas seconded. The vote was unanimous (5-0).

10. DEMONSTRATING INNOVATIVE SOLUTIONS TO CONVERT CALIFORNIA'S RESIDUAL FOREST BIOMASS RESOURCES INTO RENEWABLE GAS, GFO-18-501. This solicitation sought proposals to fund projects that will develop and demonstrate innovative technologies for the conversion of forest waste biomass to renewable gas. (PIER NG Funding). Contact: Prab Sethi. (Staff presentation: 5 minutes)
 - a. WEST BIOFUELS, LLC. Proposed resolution approving Agreement PIR-18-001 with West Biofuels, LLC for a \$2 million grant to fund the development and demonstration of a pilot-scale system to produce renewable gas and value-added

alcohols by converting forest residue from high hazard zones, and adopting staff's determination that this action is exempt from CEQA. The project will integrate gasification with a catalytic upgrading and novel gas separation processes to demonstrate a full pathway from forest feedstock to renewable gas production and use.

- b. TAYLOR ENERGY. Proposed resolution approving Agreement PIR-18-004 with Taylor Energy for a \$1,999,695 grant to fund the pilot-scale demonstration of a unique pulse-detonation gasification-reforming process to convert forest biomass into high quality renewable gas, and adopting staff's determination that this action is exempt from CEQA.

Commissioner Douglas disclosed that she teaches at King Hall at UC Davis and UC Davis is a subcontractor in Item 10a. Commissioner Scott moved Item 10 and Commissioner Monahan seconded. The vote was unanimous (5-0).

11. DEMONSTRATION-SCALE BIOFUELS PRODUCTION FACILITIES, GFO-18-602.

This solicitation sought proposals to provide grant funds for biofuels projects that scale up, scale out, and prove a technology or process. (ARFVTP Funding) Contact: Andrew Hom. (Staff presentation: 5 minutes)

- a. OBERON FUELS, INC. Proposed resolution adopting CEQA findings for Oberon Fuel's "Renewable DME: Pathway to Zero-Emission Vehicles" project, and approving Agreement ARV-18-018 with Oberon Fuels, Inc.
 - i. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS. Findings that, based on Imperial County Planning and Development Services Department's (the lead agency) Initial Study and Mitigated Negative Declaration, additional information about project modifications, and the lead agency's environmental review of the additional project information, the work under the proposed grant project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated.
 - ii. OBERON FUELS, INC.'S RENEWABLE DME: PATHWAY TO ZERO-EMISSION VEHICLES PROJECT. Proposed resolution approving Agreement ARV-18-018 with Oberon Fuels, Inc. for a \$2,876,139 grant to scale up and modify the existing Oberon Fuels dimethyl-ether (DME) pilot production plant in Brawley, California. The plant will have a target DME production capacity of approximately 1.56 million gallons of DME per year (equivalent to 830,000 gallons of diesel per year), with an expected carbon intensity of 21.6 grams carbon dioxide equivalent per megajoule.
- b. TECHNOLOGY & INVESTMENT SOLUTIONS LLC. Proposed resolution approving Agreement ARV-18-024 with Technology & Investment Solutions LLC for a \$2 million grant to demonstrate a catalytic biogas reforming process to generate hydrogen syngas from food waste at an existing anaerobic digester in El Mirage, California. The use of this process is expected to create biogas with a higher methane content, which will reduce the capital and operating costs needed to clean up the gas for transportation fuel. The process will also capture and convert CO₂, eliminating the need for flaring.

Commissioner Monahan moved to table Item 11a for the next Business Meeting and Commissioner McAllister seconded. The vote was unanimous (5-0). Commissioner Monahan moved Item 11b and Commissioner McAllister seconded. The vote was unanimous (5-0).

12. **Minutes.** Possible approval of the April 10, 2019, business meeting minutes.

Commissioner Scott moved Item 12 and Commissioner McAllister seconded. Commissioner Monahan abstained. The vote was 4-0.

13. **Lead Commissioner or Presiding Member Reports.** The Commissioners reported on their recent activities. The Chair announced that the Commissioners will go into closed session as specified in Agenda Items 14a ii and ix, which provide notice that the Commission will adjourn to closed session with its Legal Counsel pursuant to Government Code Section 1126(e) to discuss the following litigation to which the Energy Commission is a party: Communities for a Better Environment and Center for Biological Diversity versus Energy Resources Conservation Development Commission and State Energy Resources Conservation and Development Commission versus Hygen Industries, Inc.

14. **Chief Counsel's Report.** None.

- a. Pursuant to Government Code section 1126(e), the Energy Commission may adjourn to closed session with its legal counsel to discuss any of the following matters to which the Commission is a party:
 - i. *In the Matter of U.S. Department of Energy (High Level Waste Repository), (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy* (9th Cir. Docket No. 09-71014).
 - ii. *Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller* (Alameda County Superior Court, Case No. RG13681262).
 - iii. *State Energy Resources Conservation and Development Commission v. Electricore, Inc. and ZeroTruck* (Sacramento County Superior Court, Case No. 34-2016-00204586)
 - iv. *Natural Resources Defense Council, Inc., et al. v. United States Department of Energy* (Federal District Court, Northern District of California, Case No. 17-cv-03404).
 - v. *City of Los Angeles, acting by and through, its Department of Water and Power v. California Energy Resources Conservation and Development Commission* (Los Angeles Superior Court, Case No. BS171477).
 - vi. *Helping Hand Tools v. California Energy Commission, and Vantage Data Centers LLC.* (Sacramento Superior Court, Case No. 34-2018-80003026).
 - vii. *In re: PG&E Corporation and In re: Pacific Gas and Electric Company* (United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 19-30088).
 - viii. *Chukwuemeka (Emeka) Okemiri v. California Energy Commission, et al.* (Sacramento Superior Court, Case No. 34-2018-00246019).
 - ix. *State Energy Resources Conservation and Development Commission v. HyGen Industries, Inc.* (Sacramento County Superior Court, Case No. 34-2019-00252543).
- b. Pursuant to Government Code section 1126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant

the initiation of litigation or that constitute a significant exposure to litigation against the Commission, which might include:

15. Executive Director's Report. The Executive Director gave a report.

16. Public Adviser's Report. The Public Adviser gave a report.

17. Public Comment. Madeline Stano, Greenlining Institute

Appearances:

(*by telephone)

Alana Mathews

Patrick Ontiveros, Magnolia Public Schools

Gokhan Serce, Principal, Magnolia Science Academy

James Richmond, First Note Finance

Joseph Schofield, SMUD

Dr. Rebecca Boudreaux, Oberon Fuels

Steve Uhler via Acting Public Adviser

Bob Raymer, CBIA

Richard Schorske, Zero Net Energy Alliance

There being no further business, the meeting was adjourned.

Respectfully submitted,

CODY GOLDTHRITE
Secretariat