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<td><strong>Filer:</strong></td>
<td>Cody Goldthrite</td>
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BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of: }
)17-BUSMTG-01
Business Meeting )
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CALIFORNIA ENERGY COMMISSION
THE WARREN-ALQUIST STATE ENERGY BUILDING
ART ROSENFELD HEARING ROOM – FIRST FLOOR
1516 NINTH STREET
SACRAMENTO, CALIFORNIA 95814

WEDNESDAY, OCTOBER 11, 2017
10:00 A.M.

Reported by:
Peter Petty
APPEARANCES

Commissioners

Robert Weisenmiller, Chair
Karen Douglas
Janea Scott
David Hochschild
Andrew McAllister

Staff Present:

Drew Bohan, Executive Director
Kourtney Vaccaro, Chief Counsel
Alana Mathews, Public Adviser
Cody Goldthrite, Secretariat
Jennifer Martin-Gallardo, Staff Counsel
Mona Badie, Staff Counsel
Michelle Chester, Staff Counsel

Agenda Item

Paul Kramer 3
Courtney Smith 3
Gabe Herrera 3
Geoff Dodson 4
Mike Monosmith 5
Shawn Pittard 6
Erik Jensen 7
Ingrid Neumann 8
David Michel 9
Sebastian Serrato 10
Gina Barkalow 11
Michael Sokol 12

Others Present (* Via WebEx)

Interested Parties

Todd Guerrero, Kutak Rock 3a
Mel Levine, LADWP 3a
Reiko Kerr, LADWP 3a
Jean-Claude Bertet, LADWP 3a
Tom Ware, Southern California Edison 5
Simon Baker, CPUC 6
Tyson Eckerle, GO-Biz 10
Gerhard H. Achtelik, Jr., CARB 10
APPEARANCES

Interested Parties (Cont.)

Bill Elrick, CA Fuel Cell Partnership 10
*Matt McClory, Toyota Technical Center 10
*Joel Armin-Holland, All Power Labs 11

Public Comment (* Via WebEx)

Barry Moline, CMUA 3a
Sara Taheri, SCPPA 3a
3: Robert Raymer, CBIA 4, 7
Hanna Grene, CSE 7
*Valerie Winn, PG&E 7
1. CONSENT CALENDAR

a. CALIFORNIA-CHINA CLEAN TECHNOLOGY PARTNERSHIP
   i. Proposed resolution approving Agreement MOU-16-004, signed June 7, 2017, with the Government of Haidian District of Beijing to create a clean technology partnership and establish a California-China Clean Technology Innovation Center in Beijing, China.
   ii. Proposed resolution approving Agreement MOU-16-005, signed June 9, 2017, with the Huadian Corporation, a Chinese state-owned enterprise, to advance a bi-lateral partnership focused on battery storage technology.

b. CLEAN ENERGY STATES ALLIANCE, INC.

c. PROSPECT SILICON VALLEY DBA BAY AREA CLIMATE COLLABORATIVE (BACC)

d. ES ENGINEERING, INC.

2. ENERGY COMMISSION COMMITTEE APPOINTMENTS

3. LOS ANGELES DEPARTMENT OF WATER AND POWER RENEWABLES PORTFOLIO STANDARD (RPS) APPEAL (16-RPS-02)

   a. Consideration and possible approval of an order adopting the Committee Proposed Decision (CPD) and Errata on the LADWP appeal regarding certification and eligibility under the RPS program.
   b. Possible closed session deliberation on the above described CPD. [Government Code Section 11126(c)(3)].
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c. Communities for a Better Environment and Center for Biological Diversity v. Energy Commission (Court of Appeal, First Appellate District, #A141299)

d. Energy Commission v. Electricore, Inc. and ZeroTruck (Sacramento County Superior Court #34-2016-00204586)

e. Helping Hand Tools and Robert Simpson v. Energy Commission (San Francisco Superior Court Case # CPF-17-515576)


Pursuant to Government Code section 11126(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:

a. Claims filed at, and rejected by, the Victim Compensation and Government Claims Board against a number of defendants including the Energy Commission relating to the gas leak at Aliso Canyon.
b. The U.S. Department of Energy's actions to delay effective dates and failures to complete certain energy conservation standards and test procedures for appliances.

c. The licensing process for a nuclear waste storage repository at Yucca Mountain, Nevada.

d. Alternative and Renewable Fuel and Vehicle Technology Program grant ARV-10-016 with the City of San Jose, including its subcontractor JUM Global, and the lawsuit between the two (5:16-cv-01462-HRL, United States District Court, Northern District of California [San Jose]).

e. Alternative and Renewable Fuel and Vehicle Technology Program grant ARV-14-011 with HyGen Industries.
CHAIRMAN WEISENMILLER: Good morning. Let's start this meeting with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: Oh, it's been quite a month. Let's start with a moment of silence. Obviously, we've had deaths in Northern California from the fires. Certainly, a lot of Californians were killed in Las Vegas. And I think, even before that, all of our hearts went out in Puerto Rico.

(Whereupon, a moment of silence was observed.)

Okay. And then let's go on with the record now. Let's start with the Consent Calendar.

COMMISSIONER DOUGLAS: Move consent.

COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: Consent has been approved by 5-0.

Let's go on to Item 3. Mr. Kramer, L.A. staff, please come on up.

MR. KRAMER: Good morning. This item concerns

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229 Napa Street, Rodeo, California 94572 (510) 224-4476
the Los Angeles Department of Water and Power's efforts to qualify contracts for electrical generation to count towards its Renewables Portfolio Standard obligation for Compliance Period 1.

In 2013, LADWP requested that Commission staff certify its facilities' use of landfill gas obtained under a 2008 Shell contract and a 2009 Atmos contract as eligible renewable energy resources under the RPS Program. In the Proposed Decision before you, these are generally called the Biomethane Agreements.

Staff denied certification and LADWP appealed the denial to the Executive Director, who upheld staff's denial. And therefore LADWP appealed to the Commission the action that's before you today.

In June of 2016, the Commission appointed a Committee of Chair Weisenmiller, Presiding Member, and Commissioner Hochschild, Associate Member, to consider the appeal.

And during an early Committee Conference, LADWP asked that the Committee add a second issue, whether a 2007 contract with Powerex for a small hydroelectric generation in British Columbia, Alberta, Washington and Oregon is eligible under RPS. And a Proposed Decision calls this by the name BC Hydro. LADWP had not applied for certification for BC Hydro. And therefore, staff had not previously
considered its eligibility at that point.

Staff and LADWP briefed the legal issues and stipulated to a set of agreed-upon facts.

The Committee filed a Proposed Decision in early January. Comments were received from the parties in late January. After considering the comments, the Committee revised the Proposed Decision to read as it is before you today.

The Proposed Decision determines first, that generation attributed to the landfill gas purchased under the Biomethane Agreements is eligible under RPS. And second, that BC Hydro is not eligible under RPS. LADWP disagrees with that second determination on legal policy and equitable grounds.

LADWP and staff are here today to provide their comments. And there may also be some public comment. You have before you their written comments filed last week. And I'll note that we've prepared the Agenda to afford the opportunity for you to deliberate in closed session if you desire.

The Committee recommends that you approve the Adoption Order that's also before you which, by its terms adopts the Committee Proposed Decision. The Adoption Order also includes in Attachment A, where any changes that you might choose to make today, can be recorded.
My colleague Jennifer Martin-Gallardo and I are available for questions.

There is a preliminary matter that you may wish to discuss first and that's the request of Todd Guerrero -- he is a member of the Minnesota Bar, who is not admitted to practice in California -- for permission to appear before you as a lawyer representing LADWP.

CHAIRMAN WEISENMILLER: That's great. Let's take up that preliminary matter and then we'll go to the (indiscernible) to discuss issues. Sit, you've already made your (indiscernible) I believe, so let's -- I'll tee it up for --

MS. VACCARO: I guess that's me.

CHAIRMAN WEISENMILLER: Yeah.

MS. VACCARO: So, I've reviewed the written documentation submitted by LADWP and prior to that I had the benefit of a conversation with Legal Counsel Jean-Claude Bertet of the LADWP, to discuss this really kind of a first-impression question for the Commission.

We have a rule in our regulations that allows pretty much anyone to be represented by anyone in our proceedings. And we don't specify whether that representative must be or should be a lawyer or anyone else. We generally don't care. What we don't purport to do with that rule though is tell an out-of-state attorney
that they may practice law in California. That's better left to the California Supreme Court and the Legislature. And as it turns out, there are a number of Rules of Court that deal with this type of situation.

One of the things that I did discuss with Mr. Bertet is it's not entirely clear which if any of those rules might apply to this situation before this administrative body. And in fact, the Rules of Court that are applicable don't just apply to court proceedings. They also specifically call out matters before administrative decision makers, which is essentially the role that you're in today.

So, one rule that I did point out to Mr. Bertet that may or may not apply is Rule 9.47, which essentially allows an out-of-state attorney to appear before administrative decision makers subject to the rules of that body. And as it turns out we have no such rules. And my leaning in this respect is because we have no rules we don't want to make them on an ad hoc basis. That rulemaking is best done and is most credible and legally defensible when done consistent with the Administrative Procedure Act for rulemaking.

And I think primarily for that reason I would suggest that you consider declining to agree to the request to the extent that it's asking you to permit an out-of-
state attorney to practice law in California, but instead
to certainly welcome Mr. Guerrero to represent LADWP in
these proceedings pursuant to our regulations as we would
welcome any representative. And I think that's my
recommendation for your consideration with respect to the
application.

COMMISSIONER DOUGLAS: I do have just some brief
comments I think, on this. Certainly, in siting matters
before the Commission, we have a fairly liberal approach to
ensuring that parties are able to choose their
representation. And sometimes of course in siting matters
we have community or individual intervenors. And they
find, at times a volunteer counsel or they're represented
by people who are not attorneys at all. And to the extent
that that is clearly a choice of the Intervenor and
facilitates the proceeding, we've always been very open to
it.

But I do hear very clearly the distinction that
the Chief Counsel is making and I think it's a good one.
You know, I think her recommendation that we welcome this
participation before our proceeding, in our proceeding,
pursuant to our regulations and don't speak beyond that to
matters that are not our direct jurisdiction is
appropriate.

CHAIRMAN WEISENMILLER: Well, okay so with those
caveat you're welcome to --

MR. GUERRERO: Would you prefer that I stand or
to just sit?

CHAIRMAN WEISENMILLER: Either way. It's up to
you.

MR. GUERRERO: Thank you, Mr. Chairman, Members
of the Commission. Todd Guerrero with the law firm of Kutak
Rock. We don't disagree with the proposal, as Chief
Counsel outlined. And I think that that's an appropriate
way to proceed.

Just by way of background, we had always looked
at your rule that said anybody can participate. And that's
the way we had interpreted it. Out of an ounce of caution,
Mr. Bertet had called Chief Counsel's Office just to make
sure that we weren't misreading anything. That's when
Chief Counsel cited the California Supreme Court Rule --
which we were, of course, already aware of -- 9.47 of the
Court Rules.

The issue sort of became an issue, because as you
know we had -- the original request or the original docket
was only going to allow five minutes. And so the
conversation that we were having behind the scenes was,
"Well, does it make sense for me to come out for a five
minutes of presentation?" When the Chair granted some
additional time that's when we made the decision to maybe
allow me to speak a little bit more fully. And it was on that day that the request or the granting of the additional time request came out, that we made the application.

And again, the application was made in the ounce of caution that, "This is the way that we read the rule."

But if we are misreading it in any way then we ask your discretion, which I think that the Court Rules clearly allow, because the Court Rules do specifically refer to the jurisdiction of the decision-making body.

So that's just a little bit of way of background. But I -- again, we don't disagree with the approach outlined.

CHAIRMAN WEISENMILLER: Great.

MR. GUERRERO: Thank you.

CHAIRMAN WEISENMILLER: So please start the discussion.

MR. LEVINE: I'll start.

CHAIRMAN WEISENMILLER: Yeah.

MR. LEVINE: Hello, Commissioners. I'm Mel Levine. I'm President of the Board of Commissioners with the L.A. Department of Water and Power. And I want to thank you for the opportunity to speak with you about this matter, which is of great importance to DWP and great importance to the City of Los Angeles.

I intend to focus not on the legal issues, except
very briefly, which highly competent lawyers on both sides
have skillfully presented in their papers. I want to focus
primarily on policy issues. And that's why I'm here today.

My bottom line and most important point is this:
This is a fight that the Energy Commission and the L.A.
Department of Water and Power should not be having. We are
seeking the same results, we and you. The Administration
in Washington is assaulting both California and Los Angeles
in terms of our renewable energy policies. Both of us, the
Energy Commission and the L.A. Department of Water and
Power, are acting in good faith to maximize the deployment
of renewable resources. And both of us have now been at
this for some time.

To force DWP to litigate an issue where DWP has
acted in good faith, and I believe in a manner completely
consistent with the law and with good public policy,
dermines our respective efforts and is both unwise and
unnecessary.

I can appreciate the creative legal arguments
that staff made to suggest that rules in place somehow can
apply to a party who would have had no reason to suspect
that those rules would be applied to it many years after it
took an action, which was then consistent with all rules
which applied to it at the time. Or that an action should
not be viewed as retroactive even though its application
may impose potential multimillion dollar penalties on a
party who abided by all the rules, which applied to it at
the time that it entered into a good-faith contract
designed to meet self-imposed, aggressive and innovative
renewable energy targets.

But however creative these arguments are,
traditional public policy concepts and common sense would
not accept these strained legal interpretations. And I
won't belabor the legal points, except as follows: it is
clearly settled law in California that a statute is
retroactive if it substantially changes the legal effect of
past events. This is the one legal point I want to
emphasize, which is to repeat, "A statute according to
California courts consistently -- a statute is retroactive
if it substantially changes the legal effect of past
events."

As I am sure you know and appreciate there is
also both a U.S. and California presumption that statutes
operate prospectively, not retroactively. If staff's
reasoning is accepted, your rules in place will impact Los
Angeles ratepayers to the tune of potentially $22 million.
That clearly changes the legal effect of past events, thus
falling squarely into the California law definition of
retroactivity and strictly on public policy grounds as well
as even some of CEC staff's own assertions. Staff
interpretations, both of rules in place and retroactivity, should be rejected.

No matter how you cut it, whether it is because the Proposed Decision fails to recognize the Legislature's intent to grandfather DWP's pre-June 2010 contracts so they could be counted in full by RPS purposes, or whether it's because the Proposed Decision fails to recognize that it is grounded in a retroactive application of the law, the effect of staff's recommendations is the same.

Application of the Energy Commission's guidebook to the DWP Powerex contracts, many years after those contracts were signed in good faith and for good reasons, will unfairly punish DWP for acting appropriately and in good faith to achieve objectives entirely consonant with those of the Commission.

And in terms of the staff interpretations let us just take two assertions made in staffs' written argument and apply them to this matter. First, on page 19 of the Proposed Decision, the decision asserts correctly that, "SBX1 2 and its constituent statutes were prospective in their application." From the Proposed Decision, yes they were, but they were not designed to be anything but prospective.

And second, the Proposed Decision asks its ultimate question on page 18 regarding retroactivity when
it asks whether CEC's rules in place, "substantially affects LADWP's existing rights and obligations under the Powerex Hydro PPAs."

If your staff's reasoning is allowed to stand it opens the door to a potential $22 million cost to L.A. ratepayers. That result was obviously never contemplated when DWP entered into the Powerex contract many years before this retroactive decision.

Your staff might argue that the penalty was not, "existing" when the contract was entered but its potential imposition, which DWP had no reason to consider at least until SBX1 2 became effective, would substantially affect LADWP's existing rights and obligations. And as I mentioned previously it clearly changes the legal effect of past events for DWP's ratepayers, thus falling squarely into what California courts have repeatedly defined as retroactive.

With due respect to your staff lawyers the principle at work here is easy to understand. Laws are intended to have prospective effect, because commercial endeavors are dependent on a rule of law that allows people to have confidence about the legal consequences of their actions at the time that they make them. Thus, core public policy and even constitutional principles dictate that unless there is a very express legislative provision that
states that a law is intended to operate retroactively,
they operate prospectively.

And importantly where there is ambiguity, courts
in public policy are likewise clear that any ambiguity is
resolved in favor of prospective, not retroactive,
application.

The Proposed Decision concedes that LADWP's
argument on retroactively has, as your staff says, surface
appeal. We agree. That is because it's consistent with
any common sense application of the concept of
retroactivity. This is something I dealt with for almost
16 years as a state and a federal legislator. And based on
these almost 16 years of legislative experience I can
confidently assert that staff's interpretation of
retroactivity would not pass the smell test to legislators.
And frankly, I don't think it would pass the smell test to
judges either. I hope we aren't forced to test that.

And again, I very much appreciate the opportunity
to present these thoughts to you.

CHAIRMAN WEISENMILLER: Well, thanks for being
here.

MS. KERR: Good morning Chair and Commissioners.
My name is Reiko Kerr. I am the Senior Assistant General
Manager for the L.A. Department of Water and Power.

L.A. remains committed to renewable energy and
has a commendable track record. In 2005, as part of its voluntary renewable portfolio standard policy L.A. set a
goal to achieve 20 percent renewables by 2017. Two years later in 2007 that 20 percent goal was accelerated to 2010.
With all of LADWP's renewable contracts and facilities, L.A. was on track to meet its 20 percent goal. As reported to the Commission in 2014, 20 percent of LADWP's power resources were from renewables. LADWP shares the Commission's enthusiasm for incorporating Renewable Portfolio Standards into our energy mix.

In 2007, the Powerex Hydroelectric contracts met LADWP's renewable classifications in its RPS as determined by its governing body. LADWP relied in good faith on those contracts to fill its part of the RPS. I believe the Legislature intent understood this. And it is why it grandfathered all pre-June 2010 contracts. LADWP certainly believed the Legislature intended to grandfather all June 2010 contracts, including the Powerex BC hydroelectric contracts.

Punishing LADWP for voluntarily being a leader and early adopter in its procurement of renewables is unfair. LADWP may have to pay up to $22 million for RECs, for energy, renewable energy, for which it already paid a premium. This is unfair to LADWP's customers. This isn't a shareholder obligation. This would be placed upon our
customers and ratepayers.

I believe DWP and the Energy Commission have an opportunity to resolve this dispute. I am confident the parties can develop a method to reconcile the renewable energy credits from the Powerex contracts. LADWP has submitted one such solution, but likely there are others.

As Chair Levine stressed, the parties can reach a resolution. I agree with Chair Levine that it is better for us to devote our scarce public resources for a common goal of achieving greater renewables for California. And for California to continue to demonstrate leadership in a country where currently there is none.

I urge you to reconsider the recommendation in the Committee's Proposed Decision regarding the Powerex BC Hydro contracts. And I thank you for the opportunity to speak before you today.
comments here a little bit. And if you want to go to the
last page of the PowerPoint, which is page 13, we will
rebut some of the legal arguments in some of the issues
that we have discussed for some time now. But I want to
raise the issue so that you can think about this throughout
the proceeding Mr. Chairman and Members of the Commission,
and that is our interpretation is that if this Commission
is inclined to follow the Proposed Decision, we're likely
to look at upwards of $20-plus million in penalties. We
don't know exactly when that's going to happen, but the
writing seems to be pretty fairly written on the wall.

In the Proposed Decision and in staff's most
recent comments there is a suggestion that this proceeding
is not -- it's not a suggestion, it's a statement -- that
this is not about compliance or noncompliance. And then
that at some later proceeding -- and the word that's used
is actually if staff brings a complaint -- an enforcement
complaint against DWP, then we can talk about penalties.

If this Committee -- excuse me, if this
Commission is inclined to follow the Proposed Decision --
and we're going to tell you why we don't think you should,
but if this Commission is inclined to follow the
Committee's decision it would be helpful to know what the
Commission's determination is about what's next. Because
the reality is, is that we have to make some pretty hard
decisions about whether or not to seek an appeal.

And if the fact that this Committee, or excuse me, Commission is not making a determination that we're going to seek penalties then maybe there's an opportunity to stay the enforcement of that decision until such a time as there is a verification proceeding in which DWP's -- all of their resources can be thrown into the mix and then to see whether or not there will be. Or whether or not there ultimately will be a complaint filed. But we think it's incumbent upon the Commission, and we're happy to have the discussion, to let us know what the Order does or doesn't do with respect to penalties, because we read it a little differently.

And we do think that under the circumstances that if there's not an enforcement as part of this proceeding, then a stay, if in fact this Commission is inclined to follow the Proposed Decision, a stay of enforcement would be an appropriate mechanism to put a time-out on the proceedings and let the parties determine whether in fact there will be penalties at some point in the future. And a stay does not upset certainly your applecart, because it doesn't affect your determination. It only affects when the enforcement of that decision would kick in. And certainly, the parties could work out a number of different circumstances, which if this Commission wanted the stay to
be lifted, that could easily be factored in to any
determination.

So with that my time is probably up. And we'll
be back to address some of the legal points a little bit
more clearly.

Thank you, Mr. Chairman.

CHAIRMAN WEISENMILLER: Okay. Thank you.

Staff?

MS. SMITH: Good morning, Commissioners. I am
Courtney Smith, the Deputy Director for the Renewable
Energy Division. I will be providing staff's opening and
closing statement. However, I am joined by Gabe Herrera
and Mona Badie from the Chief Legal Counsel's Office, who
are here to answer any legal or procedural questions you
may have.

So to begin, I actually want to switch up what I
was going to do and actually speak first to LADWP's
economic and procedural arguments. LADWP's argument
regarding the loss of economic benefit associated with BC
Hydro procurement is overstated as LADWP was able to use
that energy for the very purpose for which it was procured,
to comply with LADWP's pre-SBX1 2 renewable energy program
under the Public Utilities Code Section 387, and to provide
energy to its customers.

As the Committee noted in its revised Proposed
Decision there is no evidence the Committee's recommendation impairs LADWP's ability to comply with Section 387 or diminishes the value of the benefit accrued from its acquisitioning use of BC Hydro procurement.

Further staff maintain, as Mr. Guerrero noted, that it is premature and speculative to say at this point and time what the compliance determination will be for LADWP for the first compliance period.

If, after staff's verification of LADWP's procurement it's determined that LADWP did not procure sufficient eligible renewable energy resources to meet its RPS procurement requirements for the first compliance period, LADWP could apply one of several optional compliance measures as allowed for by statute, and by the Energy Commission's regulations in order to comply with the RPS.

If LADWP's procurement shortfall is not satisfied by the application of an optional compliance measure and a complaint for noncompliance is initiated against LADWP pursuant to the Energy Commission's regulations, LADWP would have an opportunity in its answer to that complaint to raise any mitigating or otherwise pertinent factors related to the alleged violation. And indeed, that really is the appropriate time procedurally for equitable arguments to be considered by the Energy Commission.
In addition, staff believes it's appropriate for the Committee to reject LADWP's equitable arguments regarding the BC Hydro generation as it really does fall outside of the scope of the appeal process that's provided for in the RPS Eligibility Guidebook. This appeal process is narrowly for consideration of situations in which factors other than those described in the guidebook where applied by the Energy Commission in either denying or revoking the RPS certification of a facility. It's really not the appropriate venue to explore if rules in the guidebook should be changed or new rules adopted, yet this is what LADWP is essentially seeking. So siding with LADWP on the BC Hydro issue would be tantamount to establishing new Energy Commission rules, which really again goes beyond the scope of the appeal rights contemplated in the RPS Eligibility Guidebook.

Just to then go a little bit more into some of the legal argumentation, on the issue of eligibility of LADWP's biomethane contracts, staff does not object to the revised Proposed Decision's finding that LADWP's Scattergood, Harbor, Haynes and Valley generating stations are eligible renewable energy resources based on the use of biomethane that was procured under their Shell and Atmos agreements. And that the generation from these facilities, upon verification from staff, will count in full towards
their RPS procurement obligations.

On the issue of the eligibility of LADWP's BC Hydro procurement, staff also agrees with the determination made in the Committee's revised Proposed Decision that the generation from the BC Hydro facilities should not be counted towards their procurement requirements.

In arriving at this determination staff believes that the revised Proposed Decision correctly interprets SBX1 2 in its intent. As LADWP notes, before SBX1 2 was enacted by the Legislature, local publicly owned electric utilities, they were directed by statute to create their own renewable energy procurement programs in accordance with the then-existing Section 387 of the Public Utilities Code.

Yet, with the passage of SBX1 2, POUs were brought into a statewide RPS subjecting POUs to the same or similar RPS requirements as retail sellers. Including the requirement to meet the same facility eligibility rules as established by statute and the Energy Commission the requirement to have all resources certified by the Energy Commission and the requirement to be subject to compliance verification by the Energy Commission.

In staff's view, the intent behind establishing the same or similar requirements for all utilities in California was to develop a California's Renewables
Portfolio Standard into a uniform statewide program.

L.A. argues that the rules in place provisions established by SBX1 2, instead intended for each POU's existing rules, to be the rules that determine what resources would be eligible for California's RPS under SBX1 2. Now, if these provisions were construed as LADWP argues to mean that a POU's rules, rather than the Energy Commission's rules were the rules that were to be applied, there would be conflicts in how the laws are interpreted and applied throughout the state.

So essentially just to play this out, there would be one set of rules for certifying facilities for retail sellers, namely the Energy Commission's RPS Eligibility Guidebook. But then there would be different sets of rules for certifying facilities for POUs, namely the rules under each POU's pre-SBX1 2 program, which at the time could have been as many as 44 sets of rules.

So this would have resulted in facilities having different certification statuses depending on which utility, retail seller or POU purchased electricity from the facility, creating a market uncertainty and significant barriers in achieving the intent of the law, which was to advance renewable energy in California.

So, the Committee's revised Proposed Decision is correct in determining that LADWP's position was not what
the Legislature intended. And instead that the appropriate rules in place are the RPS statutes and the Energy Commission's RPS Eligibility Guidebook rules.

In addition, LADWP argues that SBX1 2 intended to wholesale grandfather all resources POUs procured prior to SBX1 2 being enacted as part of the POUs renewable energy programs that they had again established to comply with Section 387 of the Public Utilities Code.

As detailed in staff's comments on the revised Proposed Decision, the Legislature provided several narrowly tailored exceptions for a few POU resources that met specified criteria. The Legislature would not have needed to create these specific exemptions if the Legislature's intent was to wholesale grandfather all POU resources under the POUs pre-SBX1 2 programs.

Staff also agrees with the revised Proposed Decision that since SBX1 2 did not wholesale grandfather resources procured by POUs pursuant to their Section 387 programs, all resources must meet the statutory definition of an eligible renewable energy resource as defined in the Public Utilities Code, in order for that resource to count toward compliance with the RPS.

Again, as detailed in staff's comments on the revised Proposed Decision LADWP bases its arguments on the misinterpretation of several provisions of the Public
Utilities Code, including sections pertaining to the RPS product category requirements, the bucket requirements, and provisions applicable to electrical corporations. Staff believes the Committee has correctly interpreted these provisions and their intent in the revised Proposed Decision.

In addition, the revised Proposed Decision correctly determines that certification of eligible renewable energy resources for participation in California's RPS is exclusively the Energy Commission's responsibility. While LADWP did apply to the Energy Commission for certification of its other pre-SBX12 resources, it did not apply for RPS certification of the BC Hydro facilities despite the extended grace period for applications provided for by the Energy Commission. This grace period was established by the Energy Commission, so POUUs could specifically apply for certification of these resources and have them count towards the first compliance period.

If L.A. wanted to count the procurement of electricity generation from the BC Hydro facilities, starting January 1, 2011 either they or Powerex Corp would have needed to apply for certification on or before December 31st 2013. As acknowledged by the Committee, neither LADWP nor Powerex applied to the Commission to
certify any of the BC Hydro facilities as eligible.

Lastly, LADWP argues that a Committee determination would cause undue prejudice and substantial harm. As I mentioned at the beginning of my comments, staff feel that it is premature for us to be able to speak to what the implications will be.

So in closing, staff supports the Committee's revised Proposed Decision and its analysis of the applicable RPS program statutes in the RPS Eligibility Guidebook, including its decision to not count renewable energy credits associated with the BC Hydro facilities that LADWP procured under its Powerex BC Hydro power purchase agreements.

Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Up again? Okay.

MR. GUERRERO: Thank you, Mr. Chairman. Again, Todd Guerrero for DWP. If I could get the slides back up at your earliest convenience, please?

(Off mic colloquy re: slides setup)

MR. GUERRERO: Mr. Chairman, and I'm on the -- again, thank you for your indulgence and thank you for your additional time that you did grant us. This is an important matter and it's difficult to get through these issues in a short period of time, but I will try. Next
The issues that I want to address briefly, Mr. Chairman, is we don't disagree with a lot of what we just heard with the exception of one key difference. She talked about "facilities," we're talking about "contracts." And so we want to talk about the difference between 16(d)(1) and (e)(1)(C). (phonetic) We'll respond to briefly, again, to some of the arguments made. We want to speak to the legislative history and of course, we want to talk about what we think is an appropriate resolution here.

Next slide, please. So the issue here: Negating statute is 399.16(d)(1) and you can see what it says on this slide. It says, "Any contract originally executed prior to June 1, 2010 shall count in full" -- it doesn't say certified, it says shall count in full -- "if the renewable energy resource was eligible under the rules in place as of the date when the contract was executed." The focus is on contracts, it's not qualified by facilities and it does not talk about certification. Next slide, please.

So the second statute of course, that issue is 399.12(e)(1)(C) that grandfathers pre-June 2010 facilities, which is what Counsel spent most of her time talking about. This says, "A facility approved and adopted pursuant to former Section 387, shall be certified as an eligible renewable energy resource" -- there's the buzzwords,
eligible renewable energy resource -- "if the facility is a renewable electrical generation facility as defined in Section 25741 of the Public Resources Code." Again, this statute says nothing about contracts. And importantly, it has a qualifier. It has a qualifier, it says "if." Next slide, please.

So the Proposed Decision's interpretation of 16(d)(1) is despite the fact that there's no language limiting the statute the decision says, "The facilities must first meet" -- and their words were, "first establish," -- "a definition of 'eligible renewable energy resources at time that the contracts were executed."

So staff's interpretation of the statute is the bottom paragraph. It says, "Any contract originally executed prior to June 1, shall count in full if the eligible renewable energy resource was eligible if the facility underlying the contract is a renewable electrical generation facility." That's the way that they've defined this statute. That's not what the statute says. Next slide, please.

It doesn't reference eligible renewable energy resource, it doesn't reference renewable electrical generation facility. And despite the plain language regarding the reference to contracts, the Decision finds that the Powerex contracts were supposed to meet this
Mr. Chairman, Members of the Commission, if the Legislature wanted to reference facilities, if they wanted to include the definition of renewable electrical generation facility, they knew how to do it. They did it in 16. -- or excuse me -- 12(e)(1)(C). If they wanted to do it in 16(d)(1) they could have done it. They did not. And we believe it's wrong to assume that the Legislature intended to do it otherwise.

Let me respond. Next slide please.

We heard Counsel talk about this parade of horribles, this parade of unintended consequences of what's going to happen if despite what the statute says we're going to -- for gosh sake, we're going to let the POUs be bound by their own rules. This is the Hoover Dam argument, among others.

If the Legislature intended to grandfather all POU contracts then any resource, no matter how incongruent, could count toward a POU's RPS. This is the 44 different sets or the 21 different sets of rules that will lead to this so-called chaos in the regulatory steam. The conclusion that staff has made is that the interpretation that our rules in place, refers to our own rules will lead to this patchwork of ineligible resources however, does not play out in the real world. Next slide, please.
First, all of the other POUs resources have been verified one way or the other. Thus, there is no concern about 44 different sets of rules. The issue is limited here to DWP and DWP only.

Second, the mention in their staff comments about well, they could get the contracts or facilities approved over 30 megawatts, when the RPS never contemplated that. We did get aqueduct facilities approved under a different statute, which were 40 megawatts. That's 399.12(e)(1)(A), which specifically refers to facilities operated as part of a water supply or conveyance system. We got those approved under 12 -- by this Commission -- under 12, but not under 16.

Third, the idea that we're somehow going to bring any contractor or any facility forward, we think is not credible. I think you need to give the POUs a little bit more credit than that. They're not going to bring contracts or facilities that are not renewable, certainly, not renewable under our own rules when the contracts and facilities were entered into.

So the conclusion, Mr. Chairman, that there's going to be this patchwork of unintended consequences, there's going to be this patchwork of different regulations, while it has appeal has no basis in either fact or reality.
And let me talk about very briefly, staff's comments about the narrowly tailored exceptions that they raise in their comments and that she raised here. I urge you to go look at 399.30(g), (h), (i), (j), (k) and (l). Those are the statutes that staff says are these narrowly tailored exceptions. And why would we have these exceptions if all rules or if all contracts were intended to be grandfathered? Those statutes look forward, they do not look back. The question here is whether or not the statute allows, as it specifically says, "contracts to be grandfathered."

Let me talk briefly about the legislative history. Next slide -- thank you.

Reading it clear on its face, that the statute speaks to contracts, not facilities, we think there's a clear distinction. But if you believe -- Mr. Chairman and members of this Commission believe there's ambiguity, which the Proposed Decision specifically states there's ambiguity" it references a vague reference to rules in place" among others. No less than five-bill analyses indicate that the Legislature intended to approve or grandfather pre-June 2010 contracts. Those are the committees. We've referenced them in our comments. The next slide, please?

And let me just give you an example. Under the
bill, all existing renewable energy contracts signed by June 1, 2010 would be grandfathered into the program. Going forward, new renewable energy contracts must meet the loading order that categorizes renewable resources. To finesse a transition from the 20 percent to 33 percent, SBX1 2 grandfathered all RPS contracts entered into prior to June 1st, and provided that those contracts will count in full. Next slide please. Thank you.

We submit, Mr. Chairman and members of this Commission, that the history is very clear and that the Legislature understood at the time what it was voting on. It's hard to imagine how much more clear legislative history could get, and yet the Proposed Decision -- respectfully, Mr. Chair -- bewilderingly refers to this legislative history as mere generalized statements.

And I want to juxtapose that finding, Mr. Chairman, to the finding in the Proposed Decision with respect to the retroactive impact of the law. As Mr. Levine had stated absent an express provision of the law, all laws are presumed to be prospective in nature; that is, going forward. There is absolutely no express statement anywhere in SBX1 2 intended to have retroactive impact. There is no express provision that we were supposed to be bound by rules to which we were specifically exempt.
Indeed, as I mentioned the Proposed Decision states that the statute is vaguely worded -- page 14 -- of the rules in place of the Proposed Decision. And yet -- and yet, Mr. Chairman, the Proposed Decision finds what we submit as clear legislative history is generalized statements. But finds vague reference to rules in place, specifically refers to the Commission's Guidebooks rules and not the POU rules. We submit respectfully that that is difficult if not impossible to reconcile. Next slide please. Thank you.

Putting aside the points that we've raised we think we are here as friends, as somebody that supports the efforts of this Commission and many other bodies that are trying to do the right thing in terms of energy policy in this state and country.

This proposal talks about our obligations ending -- excuse me, the Proposed Decision talks about our obligations ending on December 10th, which is the effective date of the statute, and beginning anew thereafter. As Mr. Levine mentioned this, the Proposed Decision specifically states that SBX1 2 and its constituent statutes were prospective in operation and effect.

The issue here, our contract terminated on December 31st, 2011. Compliance Period One started in January of 2011 and went to 2013. What we're talking about
here is the one year of our contract, the last year of our contract and not even the full year. We're talking about January 1 to December 9th when our contract was still in effect; we'll write off the remaining 21 days of the month. But we think that you have the authority, Mr. Chairman, despite the language in the Proposed Decision about this that you don't have the authority, because it refers to Division 15 -- which Division 15 of course is your enabling legislation that gives you all authority to act and interpret any statute whatsoever.

Nor is it prudent to suggest in quasi-judicial proceeding that somehow this body doesn't have the inherent judicial or equitable powers to find a resolution that makes sense for both parties. And so we would suggest that it makes a lot of sense under the circumstances, Mr. Chairman, that we be allowed to count the 400,000-plus RECs that are at issue in this proceeding. And those are the only RECs that are an issue. And with that, next slide please.

I want to just finish again, with a thought about this compliance versus non-compliance, which I raised earlier, Mr. Chairman. And that is we are -- this is not intended to be an adverse position on ours, it's intended to be, we don't really know. And our concern is that we're facing -- the way we look at it we're facing a very
substantial penalty for energy that we bought in 2007 in
good faith under rules that we were specifically bound to.
And now we're talking about a legislation that was four
years later. And now we're talking about a decision ten
years later.

And so, we think under the circumstances that we
are entitled to know exactly what we're looking at. And we
think that there's an opportunity to get something worked
out if the previous position of this Commission is to go
ahead and issue the Proposed Decision. Which, I think, for
reasons that I raised earlier should give you pause,
because we think that there are some faults in the logic
there.

But if this Committee -- or excuse me, Commission
is looking at moving forward we think a stay or a stay-like
mechanism would be an appropriate mechanism. So that the
parties can determine whether or not we're looking at
penalties before we have to take a very expensive, very
costly, very protracted litigation that just takes
resources that are otherwise could and should be used on
more productive endeavors.

And with that, I'm happy to answer any questions,
Mr. Chairman.

CHAIRMAN WEISENMILLER: Okay, thank you.
I'll go back to the staff's response.
MR. HERRERA: Yeah. Good morning Chairman, Commissioners, Gabe Herrera with the Energy Commission's Legal Office.

Just to address a couple of points made by Mr. Guerrero. First of all, he pointed out the difference in the language of the statute of 399.16(d)(1), which uses the contract language, and 399.12(e)(1)(C), which uses the facility language.

First with respect to 399.16(d)(1) that language uses, or that provision in the statute uses contracts, because that section is intended to prescribe requirements for contracts entered after a certain date. It imposes a bucket requirement or the portfolio content category procurement requirements under SBX1 2. It doesn't make sense for that provision to identify facilities. It makes sense for that provision to identify contracts.

Another point with respect to that particular provision is keep in mind that 399.16 appears in the statute, in the area directly applicable to retail sellers. These are utilities that were already subject to the Energy Commission's RPS eligibility rules. And they had been since 2003 when the RPS was initiated. Again, given context to this provision and applying it to electrical corporations and retail sellers, there would have been no need for the Legislature to repeat itself and include
additional provision that says, "These retail seller resources need to be certified by the Energy Commission."

There was already an obligation for that to occur.

Concerning the provisions in 399.12(e)(1)(C), as Ms. Smith has already pointed out, this isn't a wholesale grandfathering provision. If it was there would not have been a need for the Legislature to then go back and create very specific exemptions that apply to POUs. Again, if the POUs resources were already grandfathered by virtue of their section 387 policies, no need for the Legislature to get involved to say, "We're going to create a special exemption for some of these POUs and for others, not." It wouldn't make any sense.

It's worth noting that the exemptions that were established do apply to large hydro. Let me just name a couple of these. In 399.30(g), that's an exemption that applies to Trinity Public Utilities Division and it's for hydro generation from Trinity River. 399.30(j) is an exemption that applies to the City and County of San Francisco for its large hydro from Hetch Hetchy. In 399.30(k) is exemption for Merced Irrigation District for its large hydro that it owns. And 399.30(l), which was a provision the Legislature enacted under SB 350 -- so this is years after SBX1 2 -- applies to any POU that receives greater than 50 percent of their retail sales needs in any
given year from large hydro. So, these are provisions where the Legislature saw fit to carve out exemptions for POUs, some of which would have already been grandfathered by Section 387 if you believe L.A.'s arguments.

Concerning the Hoover Dam argument Mr. Guerrero raised, before SBX1 2 was signed into law there were 21 different POUs that included large hydro. This is hydro larger than 30 megawatts in capacity, as an eligible resource for their section 387 RPS programs. After SBX1 2 it's clear that these resources did not become eligible. But again, the Legislature did carve out some exceptions. L.A. was a beneficiary in one of those exceptions, because its aqueduct hydro systems, which are greater than 30, but less than 40 megawatts in size then became eligible.

On the point of it makes no sense to have a uniform, statewide RPS program, this is the point Ms. Smith raised that if we had to establish separate rules for each of the POU programs that were implemented under their Section 387 it could result in a bunch of different rules, some of which may apply to the same resources. So you could imagine a facility that was selling resources for generation to both a utility, a retail seller like PG&E, and perhaps a POU be subject to two different requirements on certification. One that will apply to the portion of the generation that was sold to PG&E and one that would
apply to the portion of generation that got sold to, say, SMUD. It doesn't make sense to have a uniform system and split it up in that way.

Regarding the legislative history that Mr. Guerrero raised to, the bill analysis that he identified in fact does indicate that the provision shall count in full. But it's in respect to the bucket requirements. The portfolio content requirements that Legislature established that said, "After a certain date, June 1, 2010, any contracts entered after that date shall be subject to this new bucket requirement," requiring that a portion or no less than a certain amount of the contracts be for what we call Bucket 1, and no greater than a certain amount for Bucket 3, strictly RECs.

So when you look at the purpose of those provisions in the statute in the legislative history it makes sense in these bill analyses for the Legislature to have referred to count in full, because count in full referred to all the contracts that were entered into prior to June 1, 2010.

I think that concludes my remarks. But I think, Mona, if you have additional remarks you can chime in on some of Mr. Guerrero's points.

(No audible response.)

CHAIRMAN WEISENMILLER: So if staff is done let's
take public comment. Let's start with CMUA.

MS. VACCARO: Chair Weisenmiller, before we do
the public comment I just wanted to be clear as to whether
or not LADWP believes it did its closing statement, because
I think we want to finish up with the dialogue and the
interaction between staff and LADWP first. I didn't
understand the PowerPoint slides to be your closing.

CHAIRMAN WEISENMILLER: They seem to be more a
continuation of the opening, so --

MS. VACCARO: I'll wait until -- yeah, I'm sorry,
they're not listening.

CHAIRMAN WEISENMILLER: -- but I mean they only
have a certain amount of time is what I'm saying.

MS. VACCARO: So I think if you were still
intending to do a closing I think it's probably appropriate
to that before we move on to public comment. And that we
allow L.A. to have sort of the last word in this exchange
with staff.

CHAIRMAN WEISENMILLER: That sounds good.

MR. GUERRERO: Thank you. I'll take two minutes.

MR. LEVINE: I'd like to reserve one minute also,
if I can?

MR. GUERRERO: Do you want to start?

MR. LEVINE: You go ahead, Todd.

MS. VACCARO: So yeah, it'll be within the entire
ten minutes that you have reserved. And so you split it up however you deem fit.

MR. GUERRERO: It sounds like I think we've actually have probably expended close to our allotted time, so we'll make this very brief.

Again, Mr. Chairman, Members of this Commission, what we're looking for is a resolution that makes sense. We don't want to have to pay $22 million in penalties for energy that was bought in 2007 under a contract that L.A. citizens committed up to $186 million when they thought it was going to be renewable energy, when it was renewable energy under their rules, no question.

And so, what we want to do is to find a way to make sense of this in a way that doesn't impose retroactive penalties on citizens that made a good decision at the time under rules to which they were specifically bound.

And with the respect to -- I know there's a lot of statutes being thrown around -- the Legislature sometimes doesn't do things that make sense. Sometimes they do things, because somebody wants something and somebody else wants something here and somebody else wants something there. And that's the way it goes. But the reality is, is that when they pass this law we submit respectfully that they knew that there was a $186 million contract out there that people relied on, in good faith.
And it seems to me that it's a prudent decision for the Legislature to make that any transition from unregulated to regulated, there's a grace period. There's a grace that is given and it's called grandfathering. And going forward, we don't dispute anything that's been said. But we're looking back at contracts that were executed in 2007. And it's now 2017.

Thank you, Mr. Chairman, I yield.

MR. LEVINE: Just very briefly, for the last 15 to 20 minutes we've been going back and forth with regard to the legislative history. What did the bill mean? What did it say? What was the intent? If that shows anything, we happen to believe that it was very clear that the types of things we were doing prior to December 11, 2011, were subject to our rules in place. But if this discussion for the last 20 minutes shows anything, it shows there's ambiguity in the law, there's ambiguity in the law.

We like our interpretation. We think it makes sense. But if it doesn't prevail it's indisputable that it's ambiguous. When the statute is ambiguous it is very clear under both U.S. law and California law that it is deemed to be prospective. And that the retroactive aspect of an ambiguous -- that an ambiguous law cannot be held to be retroactive in consonance with either California or U.S. longstanding legal and public policy.
CHAIRMAN WEISENMILLER: Thank you.

So, let's go to public comment now and let's start with CMUA.

MR. MOLINE: Thank you, Chair Weisenmiller and Commissioners. I'm Barry Moline, with the California Municipal Utilities Association, CMUA's is a state trade association representing community-owned electric utilities and water agencies across California. And we urge your support for LADWP's position and proposal, to count the renewable energy that has been received.

Assemblymember Raul Bocanegra wrote the Commission a letter of support that you have received, for LADWP's position. And I'd like to quote from excerpts from that letter, speaking as Assemblymember Bocanegra. "I am writing to you to reiterate my support for LADWP and for grandfathering the BC Hydro contracts. To do otherwise would significantly penalize Los Angeles ratepayers upwards of $22 million for the early voluntary efforts of LADWP to procure renewable resources.

"Los Angeles was a pioneer in the renewable energy, with efforts predating any state mandates. The City of Los Angeles established renewable energy targets as early as 1999.

"LADWP voluntarily adopted its own ambitious RPS program and has been committed to meeting California's
clean energy goals. The utility has invested well over $1 billion in its RPS program. And LADWP's contracts have funded real projects with demonstrable greenhouse gas emission reductions.

"Disallowing the inclusion of these hydropower contracts would cost Los Angeles ratepayers upwards of $22 million in addition to the cost of the BC Hydro renewable energy produced. Similarly, it would punish Los Angeles for being an early adopter of the RPS. And we urge the CEC to reconsider the tentative decision and award LADWP full credit for its BC Hydro procurement.

"LADWP views itself in partnership with the Governor, the Legislature, and the CEC, in achieving the renewable energy goals. The renewable energy investments made by the City of Los Angeles and its ratepayers, prior to the POU mandates under SBX1 2, should be counted in full under the RPS rules established by LADWP's regulatory bodies.

"Renewable resources procured after the effective date of SBX1 2 are required to meet the standards under the applicable CEC RPS Eligibility Guidebook. California is at the vanguard of renewable energy in our country and we all have a strong interest in seeing California's RPS Program succeed."

CMUA agrees with Assemblymember Bocanegra. And
we appreciate the CEC for its work thus far to ensure that LADWP's past renewable energy investments receive the full credit they deserve. Thank you.

CHAIRMAN WEISENMILLER: Well, thank you.

Let's go to SCPPA.

MS. TAHERI: Good morning Chair Weisenmiller and Commissioners. My name is Sara Taheri and I'm with the Southern California Public Power Authority, or SCPPA. SCPPA is a joint-powers authority. We represent 12 public power members. The Los Angeles Department of Water and Power is one of our members. And today I really just want to echo some of the comments you've heard already, but specifically focusing on two points.

First, SCPPA supports the Committee's proposal to count LADWP's biomethane agreements in full toward their RPS procurement obligation. We believe that that proposal is mutually agreed upon and the conclusion is therefore appropriate.

Second, we respectfully disagree with the Committee's proposal to not count the BC Hydro generation towards that RPS procurement obligation.

As several others have stated, in 2007 LADWP made a good-faith effort to procure carbon-free hydro power from this facility and the associated environmental benefits of that power. That procurement was consistent with the
existing policies that L.A. had in place, adopted by the LADWP Board of Commissioners voluntarily.

And at that time the Commission did not have RPS rules that were directly applicable to POUs. In fact, that actually happened with the passage of SBX1 2 in 2011, which included several provisions that acknowledged some of the efforts of early adopters of renewable energy, such as LADWP.

Those grandfathering provisions were intended to allow for accounting the significant renewable energy investments that many POUs had made previously in counting those towards their RPS requirements. Adopting this Proposed Decision today, as written, would undermine the RPS policies adopted by L.A.'s Board of Commissioners and would result in significant cost impacts to LADWP ratepayers, as you've heard today.

This aspect of the Proposed Decision penalizes LADWP ratepayers for their public agency decision to make early and voluntary efforts to procure clean resources that support our state's goals to reduce GHG emissions.

We respectfully urge the Commission to reconsider its position on BC Hydro and to allow DWP to count that generation towards its RPS obligation. Thank you for your time, and consideration today.

CHAIRMAN WEISENMILLER: Thank you.
Anyone else in the room?
(No audible response.)
Anyone on the line not associated with LADWP?
(No audible response.)
Okay, so I think we'll transition over to the Commissioners.

COMMISSIONER HOCHSCHILD: Well, let me just begin by thanking Chairman Levine and your team for coming in and expressing your perspective. And also for staff, for your presentation.

I just want to say at the outset this is complicated stuff. I think, in many ways, this is really growing pains of a new structure that began with the RPS, of the Energy Commission providing oversight enforcement for the RPS. And our job at the Energy Commission is to enforce the law, the letter of the law as we are given it, by the Legislature. And I do appreciate always hearing from individual legislators like Assemblyman Bocanegra, and so on, but at the end of the day the fidelity we have to have is to the language of the statute.

I just want to point out as one example, that we did overturn the biomethane component of the original staff recommendation; 75 percent of the contested RECs in this Proposed Decision have been granted for RPS compliance with the decision.
I have to say I did dig into the details of this. It is complicated, but at the end of the day I think the result of the decision is the best job we can do to be faithful to the statute. I recognize that people acting in good faith, as I believe LADWP has, and our staff, can see this differently.

But my view at this point is the recommendation does encompass the best judgement of what the intention of the law, and to apply a uniform application of our state's renewable mandate, provides.

COMMISSIONER DOUGLAS: So I have a question, really to I think our Chief Counsel or to our Legal Office. I obviously have reviewed the materials and now heard from both sides today. And L.A. asked a question, or framed up a question, that has me looking for a better understanding of the answer. Because one of the points they make is that of course, this is an eligibility determination. And the ultimate significance of an eligibility determination into RPS compliance determinations is unknown today, as we said.

And so I think the question they've asked a couple of times is to the degree that we were to adopt a decision that they did not agree with legally, they have a decision to make about do they challenge it judicially or not? And potentially are faced with making that decision in a vacuum of information about what the significance of
the eligibility determination actually is to them and their
ratepayers.

And so, I wanted to ask what the -- what options
there might be to address that concern? Is it a 30-day
statute of limitations to challenge a decision that we were
to vote out today, for example? And in 30 days my guess is
that little more will be known than is known today about
the likelihood or prospect of enforcement actions, just
given the way that -- just the very information intensive
and meticulous and complex nature of verification.

So I'd love to hear from you, Ms. Vaccaro, or
others on that question.

MS. VACCARO: So I'm going to answer one of your
-- the easiest question first, which is yes under Warren-
Alquist Act at Section 25901 it specifies that there are 30
days to -- this is a paraphrase -- to basically challenge a
determination that this Commission makes by way of writ.
So, if there are other challenges and it's not by way of
writ then you're not limited to that 30-day. So that is
set forth in our statutory framework.

But you touch on a number of issues that I guess
I would just ask you to consider the extent to which you
want an open-session discussion of legal risk and --
because really what you're hearing, and I don't know any
other way to say it, is you're hearing a very polite
statement that, "We're unhappy. And we will go to court unless we receive an answer that is satisfactory to us."
That's essentially what L.A. is saying and of course you should hear that.

How much that resonates with you and what you want to think about, I think are for you to decide. But the notion of a stay, so that L.A. can figure out which way the winds will blow once the verification process is completed -- and as you all know, the verification process, it's an interactive process that staff engages in with every -- not just the POUs, it was retail sellers as well. You have adopted and approved the reports that have come from staff with the respect to verification. That really is the next step in this process. That really tells us the story of the numbers.

And I think a point that Ms. Smith made, and it's an important one but I understand in part why it provides no solace to LADWP, is that you go through the verification process to figure out the numbers. The numbers don't tell the full story of RPS compliance. That really then takes you over to the compliance option portion of it. But if the focus is, "We want to comply on the numbers and not rely on compliance option," then that's really not an answer. And I appreciate that and I think that's what we've been hearing today.
And then you get to the determination of whether or not the compliance options have been satisfied in the eyes of staff and the Executive Director, because the way that our regulation is written, Regulation Section 1240, it vests discretion within the Executive Director to determine whether to move a complaint forward. And that complaint would be moved forward to the Commission or again a Committee, but ultimately to the Commission to determine was there or wasn't there a violation?

And as Ms. Smith pointed out, that's an opportunity for any POU to tell the very important story that they should be telling to this Commission to say, "Here's what we think the outcome should be. We do or don't want to issue a Notice of Violation."

And what's important about that is once that Notice of Violation issues this matter then does go over to the Air Resources Board, who then determines whether or not to issue a penalty and in what amount. So we don't get involved in the penalty phase, except to influence whether something goes to ARB and what story ARB should understand. So that it is considering as well, equitable and other matters in determining whether or not to levy a penalty and what the amount of that penalty should be.

So that doesn't directly answer your question, but it gives you some things to think about as to whether
or not you really want to talk about legal risk and
litigation. And if so, I would recommend you do that in
closed session. That you could deliberate on this matter.
We have preserved the right for you to go into closed
session to deliberate on what you've heard today. And I
courage you to consider that if there are questions that
you feel that you need to answer among yourselves or if you
do the need the benefit of some more legal guidance.

COMMISSIONER DOUGLAS: So I appreciate that
answer. I know Mr. Gutierrez (sic) would like to speak to
this. And I'll welcome that in a moment.

I'll just say that I have had occasion over the
years to spend some time with the fine print of not only
the RPS statute in question, but multiple iterations in the
evolution of the RPS rules in California. And it has been
a rapid evolution. And when you have this case of rules
and regimes that change, as Commissioner Hochschild pointed
out, there are times when issues come up that are a
struggle to deal with.

And I've reviewed the Proposed Decision by the
Committee. I agree with them on the legal interpretation.
But I did have that question.

I think that we'll ask -- we'll see if Mr.
Gutierrez (sic) would like to speak. And then we'll see
what other Commissioner comments there are.
And I'll just say as a last -- your point has 
been well taken that the verification and the RPS 
enforcement process are long processes.

MS. VACCARO: And just for clarification of the 
record, it's Mr. Guerrero who's representing LADWP.

COMMISSIONER DOUGLAS: I apologize.

MS. GUERRERO: Thank you, Counsel, Mr. Chair, Ms. 
Commissioner.

I just want it found very briefly, we're not here 
to threaten litigation. That's not -- politely or not 
politely that's not our purpose here. I think that the 
real purpose is, is that as Commissioner Douglas indicated, 
there are some real unknowns here with the transition and 
the adoption of new statutes and adoption of new rules. 
And I think to suggest that we're sort of threatening 
litigation to get a stay or an answer is sort of making de 
minimis of our real interests. And that is we don't think 
it makes sense, as the Commissioner suggested, that we make 
-- that anybody makes decisions in the vacuum.

And right now, what we understood the case to be 
is that if this Commission is going to adopt a Proposed 
Decision then we have a real vacuum. And that was the 
purpose of the inquiry.

CHAIRMAN WEISENMILLER: Thanks for that 
clarification. Again, I'm going to let my other
Commissioners ask any questions.

Yeah, and go ahead.

COMMISSIONER MCALLISTER: So I guess I would appreciate a little more detail on both sides here about the sort of application for these resources as qualifying. It sounds like we heard that for reasons that I only partially understand, I'm not sure they were fully spelled out, LADWP opted not to apply or not to submit an application for qualification or for an eligibility determination on these resources but yet did for others? And I'm kind of just wondering, now you made some legal arguments about why they're different, right? But I guess I'm a little bit incredulous as to you made that very-detailed legal call, back in the day, or not?

Maybe I'd just like to hear that. But I guess I'm really fundamentally just wondering why you would have applied for other resources to have them certified with -- but yet not others?

MR. GUERRERO: Mr. Chairman, Commissioner McAllister, we do have Mr. Jean-Claude Bertet, who is with the Counsel of the Department of Water and Power. And for historical questions, maybe if okay he could help address those?

MR. BERTET: Thank you. Good morning, Commissioners and Chair.
So just to understand the basic of our argument, you have facilities on the one hand and you have a statutory scheme that addresses the facilities. And you have facilities that spent a lot of money and municipal entities expect those facilities to last generations, lifetimes. And you have facilities with biomethane that was built many years ago.

On the other hand you have contracts. And so contracts are limited in time, duration and scope. So you have a Powerex contract that's for five years or just under five years, for a limited amount of time and limited amount of energy. And so that's, in essence why the Department didn't apply for certification. It didn't own these facilities. And there's a statutory scheme within SBX1 2 that addresses all contracts. The Legislature wanted to specify each and every contract it could do so, but why would it ever do that?

But when you look at facilities, facilities are these enormous facilities, generation facilities, and there's just an enormous amount of resources spent to build them. So it makes sense to identify them out. The Department of Water and Power has its aqueduct facilities that were built in the 1920s. And so it makes sense to identify those out.

But a contract limited in duration and time? It
doesn't make sense to identify them all. So you have 399-16(d)(1) that specifies contracts. And that's part of the grandfathering scheme. And so, it's incumbent upon this Commission to look at why the Legislature enacted that and discussed contracts.

You have your sister agency, CPUC, that looked at that very provision. It looked at it and it interpreted it the same way that the Department of Water and Power is proffering in front of this Commission to look at the time where SBX1 2 took effect. And the time that Public Utilities Code section 387, voluntary program ended. It's interpreting that on a going-forward basis. We believe that this Commission should do so as well.

COMMISSIONER MCALLISTER: So on the -- so these are international resources and I want to just draw that distinction as well. Maybe you and staff can also include that in your answer.

COMMISSIONER DOUGLAS: So let me just -- I'm sorry, Mr. Herrera, I know you're going to speak, but I just had a follow-up that might be helpful. So I just wanted to make sure I understood your answer, because I'm not certain I did.

So did you answer Commissioner McAllister's question by essentially saying well, it wasn't a very long-term contract. You didn't own the facility. And so it
wasn't maybe, at that time viewed as worth the effort to
get it certified or was there a different answer to that?

MR. BERTET: So at the time --

COMMISSIONER DOUGLAS: Because I heard a number
of things, I wasn't sure.

MR. BERTET: Thank you for that clarification.

So at the time that the City of Los Angeles
entered into that contract it was a contract to procure
renewable energy for the citizens of Los Angeles. And it
was very limited in scope. And so yes, the Department of
Water and Power did not own these facilities. And at the
time it entered into the contract it wasn't negotiated for
them to certify any of these facilities. The law at that
time didn't require certification similar to the law at the
time did not require contracts to be approved by the CEC.

Unlike IOUs, where IOUs are required to have
their contracts by the CPUC, but under the voluntary
program, under 387, there was no requirement to have
certified facilities or to have contracts approved by this
Commission.

COMMISSIONER DOUGLAS: So under the contract you
had for this energy you did not -- there was not a
condition in the contract that they, that the facility,
would come to the Energy Commission and seek certification.
And so requesting that certification later might have
reopened or required an additional negotiation or something like that?

MR. BERTET: That is -- in essence, that's true. I mean, if you're looking at a decision of today and you're going back ten years to try and interpret what would have happened at that time. I mean, had the Department of Water and Power known ten years ago that this is what it'd be facing today we would either have not entered into the contract or asked for different terms.

That was not the (indiscernible) --

CHAIRMAN WEISENMILLER: Yeah. You know, although again I would note I was here at the time and Ron Nichols was, obviously, the General Manager of LADWP at the time. And you guys fought for every single kilowatt hour.

You know, you wanted the RECs on the solar you installed on peoples' roofs. Unlike the utilities, you wanted to be counted some systems that David Freeman installed that had no meters. So again it was a very aggressive campaign to get every single kilowatt hour counted.

So again it is no good question of why not these, but it was a very, very aggressive campaign.

MR. BERTET: No, and that's true. Especially if you look at the fact that there are violations associated with not meeting targets and if you're looking at potential
penalties. So of course, you're going to fight for every single ability that you can to count everything that the Department of Water and Power City of Los Angeles engage in, all these programs in their RPS.

What we have here before you today though is simply the Powerex contracts, a very substantial contract, at the time. And we believe that the Commission should count that renewable energy. And you do have the equitable and discretion to count that renewable energy. It is within your authority to do so under Public Resource Code 25218. I know that's supposed to be liberally construed. We believe that you can do that.

MR. HERRERA: So Commissioner McAllister I can't speak to the PPA that LADWP had with Powerex for the BC Hydro facilities. But under the Energy Commission's RPS eligibility rules someone other than the owner, a representative, can apply for certification. And there have been many times, for example, where the utilities have applied for certification on behalf of the facility owners.

Also, to your point about whether the fact that this was an international facility impacted certification. So the Energy Commission's RPS Eligibility Guidebook rules have had requirements that applied both for out-of-state and out-of-country facilities. And those are based on provisions in the statute. So if Powerex or L.A. wanted to
apply for certification of these BC Hydro facilities, they would need to set aside those requirements.

COMMISSIONER MCALLISTER: I mean, it sounds like -- so I'm not inviting you to speculate, but it sounds like that it's not a slam-dunk that they would have qualified if they had applied.

MS. SMITH: Without them actually having applied it's difficult for us to speculate, but there are certain environmental provisions that set a high bar. So it's not a given that they would be eligible if they had certified the facilities.

CHAIRMAN WEISENMILLER: Yeah, good. Okay. I was going to make one observation. Then we'll go into closed session.

I would note for the benefit of the Commissioners there have been several attempts between staff and the Applicant to sort of negotiate issues. And I think that one of the fundamental issues has been the need to have this verification step first. I don't think there -- there was certainly a lot of attempts and I assume after our decision there would be subsequent attempts. But it's just very clearly, let's get to this step first, is there an issue or not, before it can be resolved.

I think it's certainly a good step now to go into Executive Session. We actually have two items for
Executive Session today. And so I'm going to guesstimate that we'll be back at 1:00 o'clock. So basically we'd go through lunch.

And so again assuming there are no other questions from any of the Commissioners or public comment then what I'll say is the Commission will now go into Closed Session as specified in Agenda Items 3 and 15e.

Item 3 provides notice of possible closed session deliberation pursuant to Government Code Section 11126(c)(3) on the Committee Proposed Decision for the LADWP RPS appeal.

Item 15e provides notice that the Commission where adjourned to closed session with its Legal Counsel pursuant to Government Code Section 11126(e) to discuss the Alternative and Renewable Fuel and Vehicle Technology Program grant ARV-14-011 with HyGen Industries.

And as we anticipate we'll return to open session at about 1:00.

(Adjourned for Closed Session at 11:34 a.m.)

(Return to Open Session at 1:14 p.m.)

CHAIRMAN WEISENMILLER: Good afternoon, we're back in session. So let's start with Item 15e and report out from Executive Session.

I would like to announce that the Commission's authorized the Chief Counsel to take all necessary steps to
obtain all funds the Commission is owed under Agreement ARV-14-011 with HyGen Industries including initiating litigation.

So now let's turn attention back to Agenda Item 3. The Commission engaged in deliberations on the Proposed Committee Decision in matters raised this morning by LADWP and Staff. The Commissioners are prepared to vote on this matter, but wanted to first address what we understood as LADWP's request to stay the decision or enforcement of the decision should the Commission approve it.

We've given thoughtful consideration to LADWP's request and declined to grant it. However, we appreciate LADWP's continued efforts to reach amicable resolution, where possible.

Okay, motion?

COMMISSIONER HOCHSCHILD: I would move the Proposed Decision.

MR. GUERRERO: Mr. Chair, is there an opportunity to speak before you?

CHAIRMAN WEISENMILLER: No.

MR. GUERRERO: Thank you.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: The item has been passed
I would like to thank LADWP for its thoughtful engagement in this process. Certainly, we have developed a very deep working relationship, given the Aliso Canyon matters. Indeed, looking at continuing developments or recent developments there I think we're going to have a very, very deep relationship this winter.

And I also appreciate the opportunity to work together going forward, as we move towards reducing California's greenhouse gas emissions. And we appreciate LADWP's activities and forcefulness in pursuing renewables at this stage.

So certainly if you want to make a comment now.

MR. GUERRERO: Thank you, Mr. Chairman. My comment was going to be that prior to the Commission taking the bench, we had discussed with staff that staff was not in disagreement and had no objection to in a stay. And so, I wanted to make that known to the --

CHAIR WEISENMILLER: I'm sorry, but we do not agree with staff on that issue. We discussed it thoroughly, as I said.

We certainly encourage you to work with them promptly on the verification issues and see how far we can get on resolving questions and move forward. But we're certainly not prepared to stay at this time.
MR. GUERRERO: Thank you.

CHAIR WEISEN MILLER: Let's go on to --

MS. VACCARO: Chair Weisenmiller? I always hate to go backwards when we're moving forwards. There was sort of cross-talk at the time, I believe, that Commissioner Hochschild made the motion. I just wasn't clear on what you said and what your motion language was, because there was --

COMMISSIONER HOCHSCHILD: I moved the Proposed Decision.

MS. VACCARO: Okay, thank you.

COMMISSIONER HOCHSCHILD: Yeah.

MS. VACCARO: I just want it to be clear for the record.

CHAIRMAN WEISEN MILLER: Okay, so that's clear.

So let's go on to Item 4.

MR. DODSON: Good afternoon, Commissioners, Commission Staff, stakeholders and members of the public. I'm Geoff Dodson, a staff member with the New Solar Homes Partnership, or NSHP program. I'm joined by Michelle Chester, Energy Commission's Staff Counsel.

In this brief presentation I would like to provide an overview of the updates included in the proposed Eleventh Edition of the NSHP Guidebook.

The NSHP program launched in 2007 and provides
financial incentives for the installation of solar on new, residential construction located in the investor owned utility territories. The NSHP Guidebook describes the eligibility requirements and processes for seeking incentives through the program.

Since then Senate Bill 83 of 2015, and the subsequent CPUC Final Decision, extended the life of the NSHP program and directed the investor owned utilities to collect additional ratepayer funds necessary to achieve the $400 million in program funds originally authorized under SB 1, as the program's primary funding source was underfunded.

SB 83 requires that any funding made available for the continuation of the NSHP be encumbered no later than June 1, 2018, and to be disbursed no later than December 31, 2021. These statutory program deadlines are the primary driver for the adoption of a new guidebook version as we must establish participation deadlines to efficiently close out the program in a thoughtful and transparent way.

In addition to establishing participation deadlines, the proposed Guidebook incorporates several streamlining improvements and program design modifications aimed at easing the application process and maximizing program participation, especially in order to increase
affordable housing participation.

Over the past several months, Energy Commission staff and management have worked diligently with our stakeholders and industry experts to develop these proposed changes, and held a public workshop in August to solicit feedback on our proposed changes. No comments were received during the public comment period.

Staff, with the input and guidance from NSHP Lead Commissioner David Hochschild, is recommending the adoption of the following revisions to the NSHP Guidebook. The first proposed revision is to implement participation deadlines to accommodate legal encumbrance and payment program end dates. This involves establishing a reservation application submittal deadline of April 1, 2018, to accommodate the June 1, 2018 statutory encumbrance deadline, required by Senate Bill 83. And establish a payment claim submittal deadline of August 31, 2021 to accommodate the December 31, 2021 statutory payment disbursal deadline, also required by Senate Bill 83.

In an effort to encourage increased affordable housing participation prior to the encumbrance deadline, we propose to allow a Letter of Intent to be submitted in lieu of an executed installation contract at the reservation stage for affordable housing and multifamily projects.

An executed contract is often the biggest hurdle
for affordable housing and multifamily housing as it is
difficult to determine funding availability in the early
stages of these types of projects. This proposal will
allow these applicants to participate in the program more
easily as our encumbrance deadline nears. An executed
installation contract will be required before final payment
approval.

To address stakeholder concerns and maintain
participation, we proposed to increase program incentive
rates for all claims subject to the 2013 Building -- 2016
Building Energy Efficiency Standards under Title 24, Part
6; also known as the 2016 Energy Standards.

Due to a mechanism in the 2016 Energy Standards
that allows builders to use solar PV systems for code
compliance, and that the program only incentivizes the
portion of the system above and beyond compliance, the
current incentive rate is insufficient to attract program
participation among applicants whose developments are
subject to the 2016 Energy Standards. The proposed higher
rate will mitigate this concern and avoid a substantial
loss in participation.

Our proposed design modifications include
requiring all reservation applications to include Title 24
documentation demonstrating that the Applicant's project is
meeting the 2013 Energy Standards or better. We also
provide clarification that the solar permit must be dated
before the certificate of occupancy, except in limited
circumstances.

Lastly, we propose form revisions and other minor
streamlining changes. These changes are available to
stakeholders of existing applications who may notify us in
writing that they wish to be subject to the processes
identified in this NSHP Guidebook, Eleventh Edition.

If the Commission adopts the proposed Guidebook,
the effective date will be today. Following adoption, NSHP
staff is planning to conduct outreach in part to increase
awareness of upcoming participation deadlines and increase
participation, especially among affordable housing
projects.

NSHP staff has prepared for the online
application web tool to be updated to address changes made
in this guidebook. As a reminder, staff in the Renewables
Call Center are available during business hours to provide
assistance with any questions or concerns regarding these
changes or any other general program questions.

Additionally, existing guidance documents on our
GoSolar webpage will be updated to reflect these changes.

In conclusion, I respectfully request your
approval of the resolution to adopt the proposed New Solar
Homes Partnership Guidebook, Eleventh Edition. And I am
happy to answer any questions.

CHAIRMAN WEISENMILLER: Great. Thank you.

Let's first start with public comment. Bob Raymer?

MR. RAYMER: Thank you Mr. Chair and the Commissioners, Bob Raymer, representing the California Building Industry Association. And we're in strong support of the adoption of the proposed changes today. It's been great working with Commissioner Hochschild and his team on this. This may be one of the most successful incentive programs in getting market penetration of a new a product that I've ever been familiar with.

So, with that, you've had a long morning. I would just like to say we're in strong support and we hope you adopt this. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

CSE, I believe Hanna?

(No audible response.)

Yeah. Okay. Anyone else in the room who wants to comment on this, anyone on the line?

(No audible response.)

Okay. Commissioners?

COMMISSIONER HOCHSCHILD: No further comments to add to what staff said. I would move the item unless there's other comments from staff or Commissioners.
COMMISSIONER MCALLISTER:  I'll second.

CHAIRMAN WEISENMILLER:  All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER:  This passes 5-0.

Let's go on to Item 5.

MR. MONOSMITH:  Good afternoon Chair and Commissioners. My name is Mike Monosmith and I'm a Project Manager for the Mountainview Generating Station, Petition to Amend.

On August 11, 2017 the owner of the Southern California Edison Company filed a petition with the Energy Commission requesting to amend the March 22nd, 2001 Final Decision for the Mountainview Generating Station, or Mountainview. The 1,056-megawatt project was certified on March 21st, 2001 and began commercial operation on January 19th, 2006. The facility is located on a 54-acre parcel in the City of Redlands, in San Bernardino County.

SCE plans to replace the CO catalysts on four generating combustion turbines at Mountainview. The current CO catalyst beds are original to the plant, and nearing the end of their expected service life. Routine replacement is needed to assure the plant continues to meet its air lift permit limits, as specified in the plant's South Coast Air Quality Management District and Environmental Protection Agency Title V permit, and Energy
Commission certification. The project will continue to meet all emissions limits established in the existing permits.

The proposed Petition to Amend would result in a harmonizing of changes to the Energy Commission's Conditions of Certification to mirror the Air District's permit updates and correct a minor error that currently exists in the preamble to the air quality conditions that relates to catalyst size.

Energy Commission staff reviewed the Petition to Amend for conformance with laws, ordinances, regulations and standards and assessed the impacts of this proposal on environmental quality and on public health and safety. Staff has recommended language changes to existing air quality conditions of certification. It is staff's opinion that with the implementation of these proposed changes, the facility would remain in compliance with applicable LORS and that the proposed modifications would not result in significant adverse direct or cumulative impacts to the environment.

With staff's proposed changes, we recommend that the Energy Commission approve the Petition to Amend. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Anything from the Applicant? Please, come on up
and introduce yourself.

MR. WARE: Yeah, go up there?

CHAIRMAN WEISENMILLER: Yeah.

MR. WARE: My name is Tom Ware. I'm a Manager with Edison with the Generation Department. I manage the Operation Support Services Division.

And I just wanted to come and first just thank Mike for his hard work and Nancy, in particular, and the rest of the staff that did this analysis for with -- helping us with this on a very short turnaround and just wanted to provide a brief update on the Mountainview plant to you.

The last time we were here was a few years ago. And at that time, you approved us to install some upgraded internal components in those combustion turbines. And that was to allow us to ramp the megawatt output of our plant at a more rapid rate up and down, and also to get to lower loads when additional output from the plant wasn't needed. So those upgrades have proven very successful. And that's helped Mountainview to be a real workhorse to integrate the additional solar that's coming on to the grid. So I just wanted to thank you for that.

And now, this is a routine replacement of our CO catalysts so we can keep doing that. So, it's kind of odd to think of an upgrade, but because of the upgrade we're
actually burning less fuel, emitting less, because we're ramping down and helping to integrate the renewals. So I wanted to take the opportunity to give you a brief update while we were here today.

So if there's any questions I'll try to answer them. If not, just thank you.

CHAIRMAN WEISENMILLER: Great. And thank you. Thanks for being here. Could you give the court reporter your card?

Any other public comment from anyone in the room? Anyone on the line?

(No audible response.)

Commissioner?

COMMISSIONER DOUGLAS: No, no comment. I'll move approval of this item.

COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 5-0.

Thank you.

Let's go on to Item 6, Al?

MR. PITTARD: Good afternoon, Chair and Commissioners.

UNIDENTIFIED SPEAKER: Your microphone.

MR. PITTARD: There we go, so good afternoon. My
name is Shawn Pittard. I'm Deputy Director for the Siting, Transmission and Environmental Protection Division here at the Energy Commission. And with me is Mr. Simon Baker, Deputy Director of the Energy Division with the California Public Utilities Commission.

The Business Meeting agenda item is a proposed resolution approving an interagency agreement between the CPUC and the Energy Commission. The agencies negotiated this agreement, serving as a pilot program, for the Energy Commission to provide consulting services to the CPUC. Under this agreement the Energy Commission staff will provide technical support to the CPUC to prepare California Environmental Quality Act documents and transmission planning analysis needed as part of the CPUC's formal review of electric infrastructure regulatory applications.

The Energy Commission has exclusive jurisdiction over the licensing of thermal generating facilities 50 megawatts or greater, as well as the appurtenant transmission lines to the first point of interconnection with the Grid.

Energy Commission staff, therefore, has the technical skills to conduct the necessary environmental review of transmission systems and to conduct transmission system evaluations and modeling simulations to analyze the reliability implications of proposed infrastructure
The CPUC typically contracts technical services to consultants, so this interagency agreement represents a shift of technical work to existing civil service employees.

The term of the agreement runs from October this year to March 31, 2021 but the effective date begins with the approval of the Department of General Services.

The CPUC Executive Director approved the interagency agreement on September 28, 2017. The CPUC will reimburse the staff costs to the Energy Commission up to a maximum amount of $5 million through the term of the agreement.

The CPUC staff indicated that there is a transmission re-conductering (phonetic) project expected to apply for permits to build next month, with more project expected in the next several years.

The Energy Commission is prepared to take on the necessary analysis to support this Interagency Agreement.

And with that, I would like to turn to Mr. Baker, to ask if he would like to make comments regarding this agreement.

MR. BAKER: I would. Thank you, Mr. Pittard.

Good afternoon Mr. Chairman, members of this Commission. I'm happy to be here on behalf of our agency,
the California Public Utilities Commission.

Our Executive Director, Tim Sullivan, regrets that he was unable to be here himself, but he's asked me to convey his strong commitment to making this partnership work on behalf of our agency.

The goal of this collaboration is to leverage state resources and expertise of our sister agency. And in so doing, reduce the PUC's reliance on consultants doing some of this work now, to the extent possible with our own expertise in permitting linear gas and electric projects and the CEC's equal expertise in permitting power plants and the associated inner ties.

This new partnership has tremendous potential. We now have the opportunity to capitalize on each other's technical skills and knowledge, including GIS databases, power flow analysis and CEQA work.

Very recently, the Energy Commission staff provided us some ad hoc assistance on a power flow modeling issue in a pending transmission permitting case. And the Energy Commission's modeling work helped us to resolve a protested issue in a contested case. So there's good reason for optimism, going forward.

Our respective legal and technical staffs work diligently to put a framework in place to ensure that the PUC continues to fulfill its mandate in the environmental
review and permitting of transmission projects, while
making best use of state's resources and talents.

As Mr. Pittard noted we've already identified a
project, which will be our first test case. And we'll be
moving forward on that expeditiously as possible. Just
last week our joint staffs held a kickoff meeting to
identify the opportunities and the implementation issues
that need to be worked through as we embark on this effort.

In the initial phase we expect significant
management attention. And staff attention will be required
to establish new procedures and concretize working
relationships. But the PUC remains committed to that
process.

We look forward to this partnership yielding
positive results as it unfolds. And I thank you for this
opportunity today.

CHAIRMAN WEISENMILLER: Yeah, thank you for being
here. You got to see, probably more of our proceeding
than you expected, but anyway thanks. Thanks again.
And comments from anyone in the room or on the
phone?
(No audible response.)

CHAIRMAN WEISENMILLER: Let's transition to the
Commissioners.

I'll just kick it off by saying that the prior
President of the PUC noted there were years where the
President of the PUC and the Chair of the Energy Commission
never spoke. It was probably a symbolism of the --
obviously we've had a much better relationship in recent
years. And this came out of President Picker asking me
awhile back for if we could give them some assistance in
this area. And I think maybe we're getting there, we're
looking forward to helping the PUC deal with some of these
complicated issues.

And then certainly, I think getting working teams
together. As you said, I think we're both going to learn
as we move forward.

COMMISSIONER DOUGLAS: And I'll just add I
appreciate the staffs of all the agencies working together
for many months to pull this together and to come up with a
framework for working together and making this interagency
agreement work. And I think there is tremendous potential
here for our agencies to support each other. And in
particular, in the case of this interagency agreement, for
siting staff to provide various kinds of analysis; as you
mentioned CEQA, power flow and other kinds of analysis that
can support PUC decisions.

So I'm in strong support. I just want to thank
you all for your work. And also President Picker's Office
and the Chair's Office for their leadership on this.
I'll go ahead and move approval of this item.

COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 5-0.

Thanks. Thanks again.

Let's go on to Item 7.

MR. JENSEN: Good afternoon, Commissioners. My name is Erik Jensen. I'm in the Existing Buildings and Compliance Office. And I'm here today to request adoption of regulations implementing the whole-building data access, benchmarking, and public disclosure provisions of Assembly Bill 802 of 2015. And I have a brief presentation. Next slide please.

There are a number of measures, a number of provisions in AB 802. Only two of them are relevant to these regulations.

First, utilities are required to provide building-level energy use data to a building owner, owner's agent, or operator upon request. We refer to this as the data access provision, and this went into effect January 1st, 2017.

Second, AB 802 directed the Energy Commission to create regulations to benchmark and publicly disclose energy use for certain buildings. And the data provided
through the data access provision is what makes this possible. Next slide, please.

This slide shows the relationship between the groups of buildings that are affected by the two provisions I just mentioned. On the left we have buildings with no residential utility accounts, which I'll refer to as, commercial buildings. On the right we have buildings with one or more residential utility accounts, which I'll refer to as residential buildings.

Any commercial building receiving energy from a utility is a covered building, which means that it -- means that it's one for which utilities are required to provide energy use data on request.

A covered commercial building that's larger than 50,000 square feet is also a disclosable building, which means it's one for which the owner will be required to provide building characteristic and energy use information to the Energy Commission annually. And one for which certain information will be publicly disclosed.

Moving over to the residential side, buildings with fewer than five utility accounts are not covered, so utilities are not required to provide data for those buildings. A residential building with five or more utility accounts is a covered building. And a residential building with 17 or more residential utility accounts and

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more than 50,000 square feet of floor area is a disclosable building. Next slide, please.

Here's a brief history of how we got to where we are today. So in 2015 and 2016 staff held three pre-rulemaking workshops to receive stakeholder input. We used that input to create initial rulemaking language, which we posted in February for a 45-day comment period.

Due to the comments we received during that period as well as internal staff deliberation, we created revised regulations, which we posted in September for a 15-day comment period. That period ended on September 29th and we don't feel that any of the comments we've received require further revision to the regulatory language. Next slide, please.

Here's a tentative timeline going forward. If the regulations are adopted today, they'll go into effect either in the first quarter or at the beginning of the second quarter of 2018. They would require the owners of commercial disclosable buildings to report building characteristic and energy use information to the Energy Commission by June 1st, 2018 and annually thereafter. And the owners of residential disclosable buildings to do the same by June 1st, 2019 and annually thereafter.

The Energy Commission will not publicly disclose a building level information received in the first year for
either of those groups, to give the owners an opportunity
to become familiar with the reporting process and to
improve the performance of their buildings if they wish to
do so.

For information received in the second reporting
year for each of those groups the Energy Commission will
disclose certain building level energy performance
information on a public website, so that building owners,
prospective buyers and tenants, researchers, energy
services companies and the general public can better
understand the buildings in which we live and work. Next
slide, please.

Here's information on subscribing to the
benchmarking mailing list in case you'd like information on
the rulemaking process or the implementation of the
regulations, as well as my contact information in case
you've got questions on either of those things.

And with that I'd like to request adoption of
these regulations. And I'm happy to take any questions.

CHAIRMAN WEISENMILLER: Thank you.

Let's start with public comment for those in the
room. Bob Raymer?

MR. RAYMER: Thank you Mr. Chairman,
Commissioners. I'm Bob Raymer, representing the California
Building Industry Association and also representing the
Building Owners and Managers Association and the California Business Properties Association.

And I'm pleased to say that both the residential and the commercial building industries are in strong support of the adoption of these regulations. Not to belabor the point, but I've been privy to some of the opposition that was referenced over the last year or year and a half, mostly related to the legislative process and the administrative process. We tried our best to understand those concerns.

I have to tell you this process was very open. Commissioner McAllister and his team did a fantastic job of responding to any concerns that popped up. It was a very open proceeding. And to that you've got a very solid set of regulations. We need access to this data to make informed decisions. And what you're passing hopefully today, helps get us get to that end.

So with that we support adoption. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Anyone else in the room? Please.

MS. GRENE: Hi. Good afternoon Commissioners, thank you so much for the opportunity to provide comment today on the Item Number 7 -- I dashed over here -- whole building data access and statewide benchmarking.

My name is Hanna Grene and I'm here on behalf of CALIFORNIA REPORTING, LLC

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the Center for Sustainable Energy. I'm also speaking on behalf of the California Benchmarking Collaborative, which is a diverse group of local governments, building owners and representatives, as well as environmental groups and policy organizations such as ours, who have worked to support this initiative.

We uh -- whew!

COMMISSIONER MCALLISTER: Yeah, you can catch your breath if you need to. (Laughter.)

MS. GRENE: Thank you. I didn't know I could still do a flat mile that fast, but apparently I can't do it and then talk. Thank you.

So we have been exceptionally pleased with the way that this regulation and rulemaking process has gone. And want to thank the Commission for your support in helping further data access standards. And to create streamlined, statewide guidelines for that data access for building owners and operators. We also want to speak in support of the statewide benchmarking program and collaboration that's been taking place with local governments, who have been leaders in this policy measure.

We hope through implementation, to see continued collaboration with local governments. We see them as being the front line really for training, outreach and reaching building owners and operators on the ground. As well as
working with their local utilities to ensure that that data transfer is going smoothly and that we have really the wheels of data to building owner and operator -- owner/operator -- providing that data forward to you for compliance in motion, and really seamless in time.

So we look forward to being partners with you on that effort. And thank you for your leadership and support, your vote today. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

Anyone else in the room? Anyone on the phone?

Go ahead, Valerie.

MS. WINN: -- the utilities and with the regulations for --

CHAIRMAN WEISENMILLER: Could you start again?

Could you just --

MS. WINN: Oh, I'm sorry.

CHAIRMAN WEISENMILLER: That's fine, just for some reason you just started sort of mid-sentence, so if you'll just start at the very beginning we're set.

MS. WINN: Certainly, Valerie Winn, with Pacific Gas and Electric Company. And I wanted to add our support for the adoption of this regulation. And I would note that PG&E and our other utilities in California, Southern California Edison and San Diego Gas and Electric, have also been working very closely with the CEC in developing these
regulations. And I really wanted to voice our appreciation for the engagement from the CEC team and the collaborative nature of this process and their willingness to have discussions with us continuously throughout the development of the regulations.

So, with that again, just wanted to support the adoption of this. And we look forward to continuing to work with the CEC as we implement this and start that benchmarking process. Thank you.

CHAIRMAN WEISENMILLER: Great. Thank you.

Anyone else on the line?

(No audible response.)

CHAIRMAN WEISENMILLER: Okay, we'll transition to Commissioner McAllister.

COMMISSIONER MCALLISTER: Well, great. So I want to just first thank Erik and staff. I mean, this has been a long process. It has been very interactive I think as the speakers have also said. And that's by design. I mean, these regs, I think energy efficiency in particular has the quality that we just have so many stakeholders. And we really do depend on them to act out there in the world.

And our regulations have to respect to where they're at. And getting them right really depends on having a conversation that's based in their reality. And
so I think there's a lot of ways, there are a lot of
moments and ways that the translation between statute and
regs can go wrong. And I think that we've really engaged
in a process that catches those possibilities and really
fixes them and corrects.

But with the utilities, with the local
governments, all the stakeholders -- and I just want to
thank all the stakeholders, the collaborative, and
certainly CSE for your facilitation. And CBIA has been at
the table at every moment. And I just -- and the leading
local governments: San Francisco and L.A. and many others.
Really, your input has been critical to get where we are.

So I am so excited about this, because I feel
like it's developing the infrastructure for getting data to
flow around to the right places at the right moments so
that better decisions can be taken. And that's not just at
the policy level. We're excited, because we'll know more
about the building stock and that is good for us. But
also, out there in the world where people who are making
decisions about which buildings to be in, which ones they
want to rent, which investments they want to make if they
own a building, can be just better informed. And that's
just good for the economy, generally, and certainly good
for our reaching our energy goals in the state of
California.
We built on a lot of experience across the country in various cities. And that was the first large state -- first statewide program, actually. And so we're definitely a big chunk of the nation's benchmarking program now.

The beautiful thing about this also is that it covers a lot of square feet. Okay, we're starting with the 50,000-square foot and up for disclosure and require benchmarking, time certain, and the disclosure much, much beyond that for just data availability. But this is a lot of coverage.

And actually assuming everything goes well, and I'm confident it will in the implementation, the possibilities are kind of obvious I think going forward, for expanding and maybe lowering the square-footage threshold and things like that. All within reason and all to follow some kind of a conversation like the one we've been having to get to where we are now.

So I'm very excited to kind of -- this is an iterative process, the getting data to flow around is something that you start where you are and then you just get better over time. And that's a necessary step, iterative process that will follow.

So once we get any sort of kinks out of the process and make sure everything's functioning well then,
we'll to be able to have a further conversation here in
this building and also with the Legislature. Because I
think we're all going to be pleasantly -- well, not
surprised -- we're all going to see the value I think, at
each step of having the kind of openness that we're looking
for in terms of understanding our building stock.

So again, I want to just thank staff. And just
look very optimistically towards the future in doing better
efficiency policy, more targeted programs, more informed
policy decision making. And it's all for the good to help
us double efficiency. Which, as we all know, is a big, big
ask. And so this is going to be a really fundamental
building clock for showing what can be done and for just
moving forward at a very proactive and, I think positive
and collaborative way.

COMMISSIONER DOUGLAS: And I'll just step in
briefly and say that I'm really pleased to have gotten to
this point with this program and thank Commissioner
McAllister. I know that it was not easy to get here. And
data is so critical and it's so important to make this
information available to people to make decisions at
various levels of the economy. And that better information
will lead in many cases, to better decisions and support
our state goals. And so I'm pleased to see it.

It's also not simple. And it's far from simple
and so I know it was a lot of work to get here.

COMMISSIONER MCALLISTER: I definitely like the graphics that you put up, Erik. They're really nice to show the world which buildings are covered and how they're covered, so I really appreciate that.

COMMISSIONER DOUGLAS: You've got Commissioner Scott.

COMMISSIONER SCOTT: Yeah, just wanted to say a thank you to Bob and to Hanna and to Valerie for taking a few minutes in their public comments to us to compliment the open and transparent public process. As the Public Member on the Commission I'm always cheered to hear about that.

And also to say thank you so much to Commissioner McAllister and his whole team for always having such a robust public process. It really matters, especially on things as complex and important as this. So, thank you.

COMMISSIONER MCALLISTER: All right. So, I will move this item.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This passes 5-0.

Thank you.

MR. JENSEN: Thank you.
CHAIRMAN WEISENMILLER: Let's go on to Item 8, City of Lancaster.

MS. NEUMANN: Good morning Chair Weisenmiller and Commissioners. My name is Ingrid Neumann from the Building Standards Office. I'm here to present Item 8, the City of Lancaster.

Local governmental agencies wishing to enforce their locally adopted energy standards are required to apply to the Energy Commission for a finding that the local energy standards will require buildings to be designed to consume no more energy than permitted by the adopted statewide Energy Standards found in Title 24, Part 6.

This finding can be made by the Commission once a complete application has been received. The complete application is posted for a 60-day public comment period. And the Executive Director issues a written recommendation on the application.

A complete application consists of the following items: 1) The proposed energy standards, 2) The local governmental agencies findings and supporting analyses on the energy savings and cost effectiveness of the proposed energy standards, 3) A statement or finding by the local government agency that the local energy standards will require buildings to be designed to save energy when compared to energy consumption levels permitted by Title
24, Part 6 and 4) Any findings, determinations, declarations or reports required pursuant to the California Environmental Quality Act.

Staff has reviewed the City of Lancaster's application and has found that the application was complete as of July 27th of 2017, consisting of Items 1 through 4, mentioned previously.

No public comments have been received by the Energy Commission during the 60-day comment period, which ended on September 29th of this year.

Subsequently, the Executive Director issued a written recommendation in which he recommended approval of this item.

On January 24th of 2017 Lancaster City Council approved the adoption of Ordinance 1020, requiring installation of solar photovoltaics and newly constructed single-family homes, with the alternative of paying a solar mitigation fee that will contribute to city-managed renewable resources.

Two watts of PV are to be installed per square foot of each newly constructed single-family residence. This amount of PV is more than the Energy Commission anticipates requiring in the 2019 Standards, because current state policy is to limit grid interaction.

The City of Lancaster's utility, however, is a
community choice aggregator, Lancaster Choice Energy, and may be subject to unique local utility rates and conditions. The City of Lancaster and Lancaster Choice Energy work closely with energy solution staff to develop the cost effectiveness study that was submitted with the city's completed application.

The City of Lancaster determined that the addition of PV system, as described in Ordinance 1020, provided a cost benefit ratio of 1.74 to 3.00 dependent on the option chosen by the builder and the size of the home. The cost effectiveness study was heard and approved by Lancaster City Council on July 25th of this year.

Staff found the application to be complete and confirmed a reduction of energy consumption required by the local ordinance. Staff therefore recommends the findings be approved and the Energy Commission Resolution be signed.

I am available to answer any questions you may have, as are Patti Garibay and/or Warren Bennett with the city of Lancaster, who are on the phone. Thank you.

CHAIRMAN WEISENMILLER: Great. Thank you.

First, is there anyone in the room who has any comment on this? On the phone? Do you want to say anything or just answer questions?

(No audible response.)

CHAIRMAN WEISENMILLER: Okay. Let's transition
to the Commissioners. Mr. McAllister?

COMMISSIONER McALLISTER: So thanks for that Ingrid. This is another in the long line of a growing line, I guess. And it's not across the state quite yet, but Lancaster is really a nice city to have in a leadership position here. And I really give them kudos for all the great work they're doing on their built environment and really promoting things that are completely aligned with the state's goals.

And so local governments have a lot of flexibility with how they influence their local building stock. And that's as it should be, right? They have the building department and they have the local leadership and they have the vision and they're in touch with their populations. And so I think Lancaster is just a really great example of that kind of leadership.

And we take that at the Energy Commission and we look across the state and learn from each and every one of these jurisdictions to figure out what's doable on a statewide level within our statutory constraints. And we're going to do that here as well, to really determine with all the climate zones and all the diversity we have across the state, what is -- what really ought to be the most aggressive -- what's the most aggressive, kind of least common uniform requirements, that we can put in place.
across the state.

So we've got a few examples that are really pushing the envelope in local governments and it's great. It's all for the good, because we learn a lot from that and we take lessons that we can apply to everyone. So thanks for all the work, both by you Ingrid, and also just the Building Standards Office and Christopher and his team for vetting these proposals. And bringing up good issues about sort of what statewide goals are best met with the different components of what a local government might be doing. I think that's not always easy to do, because goals vary across the state.

So anyway, I'll stop there, I think. Thanks to Lancaster and early kudos for all the great work you're doing.

COMMISSIONER DOUGLAS: I'll just add too Lancaster has been showing a lot of leadership for a number of years. And this is another step in that. It's very good to see and be able to support today.

COMMISSIONER MCALLISTER: All right, so I'll move Item 8.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor of Item 8?

(Ayes.)
CHAIRMAN WEISENMILLER: Item 8 passes 5-0.

Thank you.

Let's go on to Item 9.

MR. MICHEL: Good afternoon Chair and Commissioners, my name is David Michel with the Local Assistance and Finance Office within the Efficiency Division.

This afternoon I am respectfully requesting an approval of an Energy Conservation Assistant Act, also known as ECAA. The loan is to Soledad Unified School District in Monterey County. The application is for a $3 million ECCA-Ed funded loan to construct five parking lot canopy photovoltaic structures, and one structure on a playground in one of the campuses.

The installed PV systems will total 675 kilowatts of direct current at five campuses, including the District Office, generating an estimated 1,023,654-kilowatt hour of electricity annually.

The District will save approximately $196,480 in electric utility costs and reduce 353 tons of greenhouse gas emissions each year.

The Energy Commission staff has determined that this loan is technically justified. And based on the loan amount in calculated simple payback is approximated as 15.3 years for this loan, well within the 20-year payback period.
requirement under the loan program and within the 20-year Effective Useful Life of the solar photovoltaic performance.

I request your approval of this item for the Soledad Unified School District. I'm happy to answer any questions. Thank you.

CHAIRMAN WEISENMILLER: No. Thank you.

Is there anyone in the room who wants to comment on this item? Anyone on the line?

(No audible response.)

CHAIRMAN WEISENMILLER: Then let's transition to the Commissioners. Commissioner McAllister?

COMMISSIONER MCALLISTER: Yeah. So thanks Dave for the presentation. I don't really have any deep comments on this one. But it's really good to see the robust participation of ECAA-Ed and good that that program actually is going to continue and get a guidelines update.

So with that, I'll move this item.

COMMISSIONER DOUGLAS: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: Okay. This item passes 5-0.

Thank you.

MR. MICHEL: Thank you.
CHAIRMAN WEISENMILLER: Let's go on to Item 10.

MR. SERRATO: Hello Chair and Commissioners. My name is Sebastian Serrato. I work in the Fuels and Transportation Division. I'm here today presenting the possible approval of an interagency agreement with the Governor's Office of Business and Economic Development, or GO-Biz, to fund a portion of the Zero Emission Vehicle Infrastructure Unit.

The amount of the Agreement is $150,000 to reimburse the cost of work done on behalf of the Energy Commission, by the Zero Emission Vehicle Infrastructure Unit at GO-Biz, for a maximum of one year.

Under this agreement, representatives from GO-Biz will work with local, state and federal government agencies, hydrogen station developers, planners and installers in addition to the automobile manufacturers to facilitate and accelerate the permitting and establishment of the hydrogen refueling and electric vehicle charging infrastructure.

Representatives from GO-Biz will convene a high-level governmental working group dedicated to the hydrogen refueling infrastructure throughout California. They will also develop and implement strategies to remove barriers and expedite hydrogen refueling station equipment installation and to plan for and install electric vehicle
charging infrastructure.

The fuel cell and all electric vehicles will be addressed through the GO-Biz activities with the goal of resolving barriers related to deployment.

It will also include construction of 100 hydrogen refueling stations, including streamlining permitting, expediting site utility connections and optimizing electricity rates, analyzing supply chain efficiencies and financial opportunities. And working toward growing ZEV deployments outside of California.

The GO-Biz representatives will monitor the progress of implementing the 2016 Zero-Emission Vehicle Action Plan, promulgated by the Governor's Interagency Working Group on ZEVs, which highlights new actions and priorities agencies may take in pursuit of the milestones in the Governor's Executive Order B-16-2012. The actions include raising consumer awareness and education about ZEVs, ensuring ZEVs are accessible to a broad range of Californians, making ZEV technologies commercially viable in different sectors aside from light duty applications, and aiding ZEV market growth outside of California.

Automobile manufacturers have initiated the rollout of hydrogen fuel cell vehicles with over 1,600 DMV registrations as of April 2017 and others reporting 2,699 vehicles. California's share of the U.S. market for plug-
in electric vehicles currently stands at nearly 47 percent.

The California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program has funded the expansion of the network to 31 open retail hydrogen stations and 29 funded and planned.

California is committed to commercializing zero-emission vehicles, including those that use hydrogen as fuel and electric vehicles that use chargers in homes, workplaces and public spaces.

Representatives from the Governor's Office of Business and Economic Development, the California Air Resources Board, and the California Fuel Cell Partnership and others are here or on the phone today and would like to make a comment.

We are happy to answer any questions you may have. Thank you.

CHAIRMAN WEISENMILLER: No. Thank you.

Let's start with Tyson, please.

MR. ECKERLE: Well, thank you very much. It's an honor to be here. It's hard to believe it's been three-and-a-half years that we've been working on this project. I think we've accomplished an awful lot together, but we also have a very long way to go. I think that it's an incredibly exciting in the ZEV market and we're really eager to keep this work going. And very grateful and
thankful for the opportunity to work with the Energy 
Commission, and have been appreciative of the support so 
far.

And so I'll just keep it short for that, but 
happy to go into any questions then.

CHAIRMAN WEISENMILLER: Yeah, thanks for being 
here.

Let's -- ARB, please?

MR. ACHTELIK: Good afternoon Chair and 
Commissioners. I'm Gerhard Achtelik, the Manager of the 
Zero Emission Vehicle Infrastructure Section at the 
California Air Resources Board. And I'm here to express my 
support of the proposed resolution for continued co-funding 
of the Zero Emission Infrastructure Unit within the 
Governor's Office of Business and Economic Development.

And GO-Biz plays an important role in 
facilitating and expediting both hydrogen and plug-in 
electric vehicle infrastructure. GO-Biz also facilitates 
the interactions of various government entities in 
industry, including helping make coordinating efforts in 
response to a federal effort, such as the request for the 
And leading efforts to share California's learnings with 
other states, which is important to help with the success 
of zero emission vehicle deployment. Because California
has learned it the most in the USA or worldwide, and is sharing that information to help the success, to see this success replicated otherwise.

And then ARB is co-funding GO-Biz and is planning to renew this agreement by early next year. And I think our -- contractually, we're just on a different timeline.

And I want to also state that I appreciate this opportunity to express my support and I appreciate the great working relationship my team has with Jean (phonetic) and her team. And we're doing all of this work to help California its achieve its Ambient Air Quality Standards.

Thank you.

CHAIRMAN WEISENMILLER: Thank you. Thanks for being here.

MR. ACHTELIK: Thank you.

CHAIRMAN WEISENMILLER: Fuel Cell Partnership?

MR. ELRICK: Thank you Chair, thank you Commissioners.

I just want to state our extreme gratitude and appreciation for this support. It, the collaboration, the coordination, the leadership that Tyson and the staff and the team that has been developed out of this across government and industry stakeholders, has just been tremendous.

Whether it's been the outreach at the local
levels with some of CEC's own staff that have helped get stations constructed and up and open faster, whether it's the ZEV Action Plan and really all the guidance and direction and actions that come out of that, where now we're starting to see this beyond California reach. Because we know it's a necessity not just to succeed here, but to help the others' follow us.

And so looking at that, looking at maybe what's next of really the nexus between electricity and hydrogen and how all this needs to come together, we couldn't put more support behind this. And thank you very much.

CHAIRMAN WEISENMILLER: No, thank you. Thanks for being here.

Anyone else in the room? How about on the phone line?

MR. MCCLORY: This is Matt McClory with Toyota. Can you hear me?

CHAIRMAN WEISENMILLER: Yes, we can.

MR. MCCLORY: Hi. So first I want to thank the Chair, Commissioners and staff for preparation of this item. On behalf of Toyota we sincerely appreciate the activity of the GO-Biz Zero Emission Vehicle Infrastructure Unit.

Since the inception of this program function GO-Biz has provided a critical role to coordinate solutions to
barriers to infrastructure development in California.

As one small example, as it relates to hydrogen refueling for FCEVs, there have been numerous cases where the role of GO-Biz was instrumental in resolving stalled and delayed hydrogen refueling station projects across the state due to issues that were occurring at the local community level. And so this was a very big advantage in being able to have this type of support from the state.

In addition, the role as a communication liaison between the Governor's Office, state agencies, automakers, fuel and electricity providers and other key stakeholders have been fundamental, we believe in addressing the challenges towards our collective zero emission future.

We fully support the proposed funding to continue this role of GO-Biz. And appreciate the opportunity to provide comment. Thank you very much.

CHAIRMAN WEISENMILLER: Thank you.

Anyone else on the phone?

(No audible response.)

CHAIRMAN WEISENMILLER: Then let's transition to the Commissioners. Before, as I hand off to Commissioner Scott, I was going to point out this relationship started as a favor from Mike Rossi to me. It was clear we needed help in this area and the question was where and whom? And Mike said, "Yeah, if you insist, we're doing GO-Biz." So
anyway and obviously, the -- we've had a very good relationship with GO-Biz all along, but certainly this has been part of that.

COMMISSIONER McALLISTER: And then he went to Hawaii.

CHAIRMAN WEISENMILLER: Yeah. And then he went to Hawaii, but anyway,

COMMISSIONER SCOTT: Well, I would just highlight that you are hearing a lot of enthusiasm for hydrogen. That may be a carryover from Sunday, which was World Hydrogen Day, which is 1008, which is the atomic weight of hydrogen -- 1.008. So just in case you didn't know that's what's taken place this week. We're all excited about that.

I just wanted to really state also my strong support for the partnership that we've had there. Some real-world benefits that you have heard on the other speakers and commenters talk about. Just an anecdote from an event that I was at the other day where someone who -- some folks who were new into this space said they were really surprised to know how many jurisdictions already know what hydrogen is, that the fire marshals have already been talked to, that the City Councils are ready to go, where the various permitters kind of have the information they need on hydrogen already.
And that's due to the fantastic work that Tyson has done, that Jean Baronas on our staff and our team have done just literally going all around the state, meeting with the City Councils, county supervisors, other folks who play a role. So this has just been invaluable.

And I'd also just like to say thanks for the good collaboration to our sister agencies and to all of the stakeholders who have been working with us on hydrogen.

So unless you have questions I will move approval of Item 10.

COMMISSIONER HOCHSCHILD: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: This item passes 5-0.

Thanks. Thanks for being here.

Let's go on to 11.

MS. BARKALOW: Hello, Chair and Commissioners. My name is Gina Barkalow with the Research and Development Division. I'm requesting approval of an applied research and development project recommended for award under the EPIC Bioenergy Competitive Solicitation.

The remaining projects under this solicitation will be presented at future business meetings.

This project, with All Power Labs, Incorporated, is designed to develop a forest biomass-to-electricity
The project will develop what is planned to be called the Powertainer+, an innovative and improved biomass gasification power system based on All Power Lab's mobile, containerized Powertainer.

The Powertainer+ will include a combined heat-and-power module, increase the power capacity from 150 kilowatts to between 210-250 kilowatts, and increase the forestry waste processing capacity to up to 2,200 bone-dry tons per year.

The Powertainer+ will also boost biochar production capacity and maintain with a -- mobility with a shipping-container enclosure in a net energy metering pilot project at a Shasta County mill site.

The fuel source will be byproducts of sustainable forest management as defined by the CPUC BioMAT program. And the mill site is now receiving over 80 percent of their materials from CAL FIRE designated High Fire Hazard Zones.

The technology will provide non-weather dependent, renewable energy and can be used to provide local capacity and improved grid reliability in hard-to-serve rural areas, while also reducing peak demand charges for rural businesses.

Staff from All Power Labs is on the phone to answer any questions. And I ask for your approval of this project. Thank you.
CHAIRMAN WEISENMILLER: Great. Thank you.

First, is there anyone in the room who has comments on this?

(No audible response.)

Then let's switch to the gentleman on the phone.

MR. ARMIN-HOLLAND: Hi. Yeah, I'm not sure if you can hear me. My name is Joel Armin-Holland and I'm with--

CHAIRMAN WEISENMILLER: We can. We can hear you.

MR. ARMIN-HOLLAND: Okay, thanks. Yeah, I'm with All Power Labs and I'm just here -- I think Gina summarized the project really well. I think it's a really important project that will significantly increase the value of distributed scale biomass gasification to support the statutory energy goals of California. And help us contend with the unprecedented tree mortality goals that we've been seeing, while also creating really important economic development in our rural areas, which have been really hurt by tree mortality fire risk and also a decline of the timber industry.

And this enables a really positive way to allow forestry resources to support local economies, while not really being an extracted economy that is environmentally destructive.

One important characteristic that I think is
important to highlight is the fact that it will produce a substantial amount of biochar, making the entire process a carbon-negative process. So it actually enables carbon dioxide removal when paired with sustainable forest management. And it enables carbon dioxide removal, not just zero emission, like solar or wind. And this is a really important technology for California to pioneer.

And we really appreciate the support. And I'm here if you have any questions. I'm happy to answer them.

CHAIRMAN WEISENMILLER: Yeah, we really appreciate your hard work on this area. I mean, obviously, this can be tough at times, making and putting all the pieces together. And this could be an important part of really helping the economy in that area and help us deal with some of the tree mortality issues.

I'm looking at -- I was just trying to figure out if there's a CEQA issue here or not.

MS. VACCARO: No, you don't have one. In fact, the backup materials always anticipate for these types of agreements, whether or not there's something in particular that must be done with respect to CEQA. So we always do the analysis and you'll find that the backup materials identify that there are exemptions that apply in this instance to this particular project.

CHAIRMAN WEISENMILLER: Okay. Great, that's on
top of it, Gina.

MS. BARKALOW: Okay. Thank you.

CHAIRMAN WEISENMILLER: Thank you.

MS. BARKALOW: Thank you.

CHAIRMAN WEISENMILLER: Yeah. Yeah. So we --

hold on, we need to vote on this. So I need a motion.

COMMISSIONER SCOTT: I'll move approval of Item

11.

COMMISSIONER HOCHSCHILD: I'll second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: So this passes 5-0.

Thank you.

Let's go on to 12.

MR. SOKOL: All right. Good afternoon Chair and

Commissioners. Michael Sokol, and today I'll provide an

update on the Energy Commission's implementation of Senate

Bill 350.

With all the difficult headlines in the news

lately, I thought today would be a good chance to reflect

on some of the significant, positive accomplishments that

have been achieved and the forward momentum that has been

generated by the Energy Commission's SB 350 implementation

efforts.

It's hard to believe, but it's already been just
over two years since SB 350 was signed by the Governor, so
the timing seems right to revisit the major milestones that
have been achieved during that time. Next slide, please.

The transformational energy policies codified by
SB 350 started out with strong California leadership,
beginning at the top with the Governor. Governor Jerry
Brown initially laid out his vision for doubling down and
expanding California's clean energy future in his 2015
Inaugural Address, where he highlighted the major energy
goals for his administration.

Senate pro Tem Kevin de Leon then continued the
state's strong leadership by spearheading the development
and passage of Senate Bill 350, the Clean Energy and
Pollution Reduction Act of 2015.

Finally, on October 7th, 2015 Governor Brown
signed SB 350 into law, officially memorializing the
numerous clean energy and pollution reduction mandates and
sparking implementation efforts by the numerous entities
impacted by the bill, including the Energy Commission.

Next slide.

So to quickly recap the major points of the
legislation, SB 350 included the following high level
goals. An increase in the amount of renewable energy that
must be procured by utilities to 50 percent by 2030, a
doubling of energy efficiency savings and electricity and
natural gas end uses by 2030, transportation

electrification and supporting infrastructure to be
encouraged across the utility service territories, a shift
to integrated resource planning for the state's largest
utilities to reduce greenhouse gas emissions at least costs
while balancing a number of other state and local
priorities, and a strong priority for enabling benefits for
low-income customers and disadvantaged communities across
energy and transportation programs.

To date, over 40 publicly noticed workshops,
meetings, requests for comments, and other public
engagement opportunities have been posted by the Energy
Commission to facilitate implementation of these goals and
development of the products required by SB 350. Note that
this number does not include the countless informal
conversations and meetings that have been conducted by
staff and Commissioners throughout the past two years,
related to these efforts.

In total well over 20 papers, reports, including
drafts, technical appendices and other deliverables have
been published thus far, with more to come. All in all
this accounts for thousands of hours of staff work,
countless headaches and potentially even some tears along
the way. But all in all it should leave the Energy
Commission family with a sense of pride in the way that
we've been able to mobilize our efforts in pursuit of the important goals of SB 350. And that doesn't even account for the numerous other agencies that have also put forth monumental efforts to implement the bill. Next slide.

On the renewable energy front SB 350 augmented the renewable portfolio standard requirements from 33 percent by 2020, to 50 percent by 2030, including a series of interim renewable energy procurement targets.

The bill also required a number of other revisions to be made to the RPS program including new compliance requirements, a move towards more long term contracting, and allowing more flexibility to retail sellers and publicly owned utilities in meeting the RPS targets.

To enact these changes the Energy Commission adopted a set of changes to the RPS Eligibility Guidebook, Ninth Edition, in January of this year.

And staff is also working to implement changes to the RPS enforcement regulations for POUs and is currently in the pre-rule making phase of this effort.

While the full extent of RPS revisions required by SB 350 are still being implemented on track with the schedule, the good news is the state continues to make great progress towards the 50 percent renewable energy goal. Our latest tracking progress numbers show that at
the end of 2016 the state was at approximately 29 percent renewable energy. And all signs indicate that we're on track, if not ahead of schedule, towards achieving the 50 percent goal by 2030. Next slide.

SB 350 required the Energy Commission to establish targets that achieve a statewide doubling of electricity and natural gas end use energy savings by 2030. Staff has been working diligently in coordination with the Public Utilities Commission, the publicly owned utilities and a number of other stakeholders to establish these targets by the November deadline given by the Legislature. Commissioners can expect to see a Commission final report on the agenda for the November 8th business meeting for consideration of adoption.

As the charts on this slide show, on the left is for the electricity and on the right is for the natural gas. And I should note that these are from the staff Commission draft report that was published in September. The analysis shows that the state can get close to achieving the 2030 doubling target with hard work from both rate-payer funded and non-rate payer funded programs. But there's still a small gap to be filled.

Recommendations to address this gap include expanding funding for and refining existing programs, exploring the development of potential new programs that
meet the criteria laid out in SB 350, and better use of
detailed data and verification to improve existing program
design and reporting.

To support the energy efficiency doubling SB 350 also requires the Energy Commission to regularly update the Existing Building Energy Efficiency Action Plan, which outlines a number of strategies to increase energy efficiency savings in California's fleet of existing buildings. The first such update was adopted by the Energy Commission in December of 2016.

Lastly, earlier today the Commission heard consideration of the proposed regulations implementing the Assembly Bill 802 Building Energy Use, Benchmarking and Disclosure Program. This program is seen as a key strategy for driving additional opportunities for future energy efficiency savings to support the doubling goal, beginning with the state's largest commercial and multifamily buildings. Next slide.

SB 350 also encourages wide-spread transportation electrification across California's utility territories. And the Energy Commission is charged with working with the publically owned utilities to support development of plans that consider deployment of electric vehicle charging infrastructure to reduce GHG emissions, while supporting grid reliability and minimizing adverse ratepayer impacts.
The primary vehicle for the Energy Commission to address transportation electrification with the publicly owned utilities is through the development of integrated resource planning guidelines for the publicly owned utilities. But Energy Commission staff has also been working closely with the Public Utilities Commission in developing transportation electrification plans, for the state's investor owned utilities as well.

A series of workshops were held by the Energy Commission to encourage collaboration and holistic thinking across utilities on strategies to increase electrification across light, medium and heavy-duty transportation sectors. Next slide.

SB 350 required that specified publicly owned utilities adopt and submit integrated resource plans to the Energy Commission by early 2019 that are intended to minimize greenhouse gas emissions in line with the 40 percent statewide reduction by 2030. The publicly owned utility integrated resource plans must also meet a number of other requirements as specified in SB 350. And address a diverse portfolio of resources while balancing rate impacts and local priorities.

Similarly, the CPUC is charged with overseeing development of integrated resource plans for the state's load serving entities, including the investor owned
utilities.

To govern this emission and review of the public owned utility IRPs, SB 350 allowed the Energy Commission to develop guidelines to govern this process. These guidelines were developed in a public process in coordination with publicly owned utilities and other stakeholders, and were ultimately adopted at the Energy Commission business meeting in July of this year.

As required by SB 350, the Energy Commission is also working closely with the California Air Resources Board and the Public Utilities Commission to determine appropriate methodologies for establishing entity-specific GHG emission reduction planning targets for use in integrated resource planning that are consistent with the 40 percent sector-wide reduction, by 2030. Next slide.

SB 350 also requires the Energy Commission to complete a study on the barriers faced by low-income customers in accessing energy efficiency, weatherization and renewable energy, as well as the contracting barriers faced by small businesses located in disadvantaged communities. In parallel, the California Air Resources Board was tasked with developing a companion study on the barriers faced in accessing clean transportation options.

The Energy Commission's Barrier Study was adopted in December 2016 after an extensive development effort,
including literature review of over 100 articles and papers, a series of community engagement meetings in disadvantaged communities across the state, several technical workshops to discuss identified barriers and propose solutions with key experts, multiple open comment periods to solicit public feedback and a thorough review process of the report itself. An outreach campaign was also conducted in multiple languages to be as inclusive as possible and ensure widespread circulation of the report results.

Ultimately the Barrier Study identified a range of common barriers faced by low-income customers and culminated in 12 crosscutting recommendations and actions for agencies to take to begin addressing them.

Similarly, the Air Resources Board Transportation Study posted in April, 2017, identifies an extensive list of potential action items that agencies should take to address the identified barriers.

Since both studies were posted, the Energy Commission and the Air Resources Board have been working closely with the Governor's Office and other impacted agencies to coordinate detailed plans for the implementation of the recommendations under the vehicle of a multiagency task force.

As articulated by the Governor's Office, the
intent of this taskforce is to ensure that all relevant agencies incorporate guidelines and best practices discerned from the barrier studies, to cement a long-term priority for benefitting low-income customers in disadvantaged communities in clean energy and transportation programs. As such, these implementation efforts will continue into the next year and beyond. Next slide.

So SB 350 also laid out the groundwork for the California independent system operator to become a regional organization, to promote greater sharing of energy resources across the western states. Over the past two years the Energy Commission has facilitated and participated in a number of workshops and stakeholder meetings to discuss the proposed details of this regional grid operator. Public discussions have focused on potential modifications to California independent system operators governance model that would be needed to facilitate the transition to a regional organization, while protecting California's environmental and energy policies.

Given the complexities with transitioning to a regional governance model, stakeholder discussions are still ongoing involving the Governor's Office, the Legislature and leaders from the energy agencies across the western states.
Specific legislative proposals were put on hold for 2017, to allow for additional time for these discussions to take place, into the next year. Next slide.

One of the outstanding items from SB 350 is for the Public Utilities Commission and the Energy Commission to establish a Disadvantaged Community Advisory Group to review programs developed under SB 350 and provide recommendations to improve benefits for California's most burdened communities.

A staff draft paper, outlining the proposed framework for this group was published on August 1st and a number of comments were received from interested parties. Staff from both Commissions are now working to finalize a charger for this group and solicitation for applications, both of which will be released in the near future.

As envisioned, the advisory group would consist of 11 members representing California's diverse regions and interests, each with a connection to a local disadvantaged community across the state as defined by CalEnviroScreen.

Once applications are received, ten members will be jointly selected by representatives of the Energy Commission and the Public Utilities Commission and the eleventh member would be selected by the Governor's Tribal Liaison to represent the interests of the tribal communities across the state.
Additional details on the scope, purpose and ideal candidates for participation in this group will be included in the charter and solicitation letter once they're published. And the next and last slide, please?

So there are several other items that are still outstanding for SB 350 requirements, but there are efforts to move these forward. So starting with a review of some of the technology incentive research and various programs, to ensure that they're providing benefits to disadvantaged communities consistent with recommendations, looking at establishing a publicly available tracking system to provide up to date information on the progress of SB 350 implementation and that's an ongoing conversation, but various pieces are coming into play.

And lastly, looking at adopting and implementing and enforcing responsible contractor policies for use across ratepayer funded efficiency programs and some consumer protection energy efficiency guidelines to go along with that.

So moving forward, there's lasting implications for all the various new programs I have just described, as well as some of these outstanding action items here. And, of course there's new legislation, not only this past year but in the future cycles that of course have impact for some of the programs described previously.
There's a big effort to report out an additional detail on SB 350 implementation in the 2017 Integrated Energy Policy Report, which will be coming soon. And then there's ongoing reporting for some of the key pieces in future IEPR cycles, starting in 2019. So next slide please.

And with that I'll go ahead and leave it there and ask if there's any questions or comments from Commissioners.

COMMISSIONER SCOTT: Well, this is a fantastic summary. It's like, oh this is why we've been so busy this year. So I just want to say thank you so much for this. It really is -- we have gotten a lot done in a year if you think about this. This has got a lot of key components for the state, how we're going to meet our greenhouse gas goals. Just the energy efficiency, we've got the Renewable Portfolio Standard. It's got the energy efficiency, making sure that we bring our disadvantaged and low income communities along with us.

There have been key deadlines, for example getting our IRP Guidelines out by August. The publicly owned utilities asked us to get those them about 18 months before they needed to start and we got that done. So this is a fantastic summary, a lot of great work.

I don't have any questions for you. But I would
just note that yeah, this is why we've been so busy. Thank you so much for your great work in herding all the cats and to Alana and all of the folks who have kind of rolled up their sleeves and helped us get going.

And then as you mentioned with the Barrier Study, for example, we've identified the 12 potential solutions. We're working hard to figure out how to get some of those, or hopefully all of them, but in place and start making progress on those as well.

So there's a lot left to do, but we've actually done quite a bit since the Governor signed this. So thanks for the year update.

COMMISSIONER MCALLISTER: Yeah. I guess since it's been two years and I agree, it's kind of time to take stock I'm continually impressed with 350 and just the foresight that went into its development. And it integrated a lot of things, some of which we were doing anyway, but it kind of tied it all together in a way that I think got our attention, got the other agencies attention, and sort of made sure that we were focused on the right things.

And we've been at it for a couple of years. There's a lot left to do, but I think we're on the right track and it's a big lift. It's a really big lift. So I think a lot of us have gotten -- it has put some wind in
our sails in a way that I think only legislation sometimes
can do. So I appreciate that resource and certainly the
Governor's leadership and the Legislature's backing for all
of what we're trying to accomplish as a state.

So thanks for the update, Mike.

CHAIRMAN WEISENMILLER: I was just going to
basically say, I think the one thing in looking at the
process questions, we've done a lot. I mean there's a lot
to do. It's one of those one small steps for the -- one
giant step for the Energy Commission, one small step for
California, in some respects. But having said that I think
again it's been a lot of work, a lot of progress made here,
a lot more to do.

I think the one thing we may need to think about
some more, this is a unique approach we've taken just given
that 350 was designed to cut across our silos. And so
we've approached it in a very integrative fashion. And at
some point -- so I think going forward I'm sort of leaning
towards continuing this sort of integrated approach.
Realizing at some point that some of these activities might
be able to just sort of move off in their own direction.
But at least, I'm going to say for the next year or two, my
guess is we'll continue this sort of collective approach.

But yeah, certainly we welcome --

COMMISSIONER SCOTT: I very much like the
collaborative approach.

CHAIRMAN WEISENMILLER: -- now or later, you know when we get into more obviously a new session we can talk about it, but again looking for people to also think about how this has worked or not worked and how we can do better, going forward.

Okay. Thanks, Michael. Thanks again for your hard work on this.

So let's go to the Minutes, Item 13.

COMMISSIONER SCOTT: Move approval on the minutes.

COMMISSIONER HOCHSCHILD: Second.

CHAIRMAN WEISENMILLER: All those in favor?

(Ayes.)

CHAIRMAN WEISENMILLER: The Minutes pass 5-0.

Thanks.

Lead Commissioner Reports, Commissioner Scott?

COMMISSIONER SCOTT: Okay. I am supposed to be in two places right now, so I'm going to make mine short for you all.

But I did want to highlight that on Monday I was at the Torrance hydrogen station ribbon cutting. That's hydrogen station number 30 for California. It was great to get to go there and celebrate. Senator Bradford was there as well as Assemblymember Muratsuchi, so it was a nice
chance to talk a little bit about the program, the Alternative and Renewable Fuel and Vehicle Technology Program, and some of the progress that we have made. So yeah that was great, joined by the Mayor of the City of Torrance and so that was quite fun.

On Tuesday, John Kato went to the San Ramon ribbon cutting, so yet another hydrogen station opened, also very exciting. Number 31 in the state, so 31 open retail stations. That's pretty exciting, because you can drive up with your fuel cell electric vehicle, run your credit card through, fuel up and just keep on going. And that's pretty neat. And we're headed, as you all know, towards 100, and we've funded 60 so far. So we're getting there.

I had a great chance to meet with the MPOs over at the SACOG building a couple of weeks ago and just talk a little bit about what the Energy Commission is doing in the transportation space. And really talk about electric charging infrastructure, which is something they're very interested in. Because in some instances, they have planning dollars from the Energy Commission where they've been able to kind lay out where they'd like to see the infrastructure. And in other cases some of the MPOs have done that on their own, but they're really interested in seeing how do you take those plans and turn them into
chargers on the ground? And I am also interested in seeing how you take those plans and turn them into chargers on the ground. So it was a nice change to get to go and trade notes and information.

I also had a chance to go visit our Vandenberg Air Force Base, which is really neat. It's out near Lompoc. And I had no idea it's just like Cape Canaveral, except here on the West Coast, so they launch all types of rockets and other things from Vandenberg. They have a solar array out there, which they took us to see they're very proud of. It's in different spots along the base. And they're working on that.

They're also interested in figuring out how to save water and many of the things that the Commission and Department of Air Force overlap together on. So it was great to get to see that. We almost saw a launch, but it got postponed until after we left. So that's a good reason to try and get back and visit Vandenberg again. But they were wonderful hosts; put together a great visit for us.

And then I would like to say welcome to Drew. I'm very much looking forward to working with you in your new role as the Executive Director. Congratulations. I'm very excited about that and that's all I'll say for now.

COMMISSIONER MCALLISTER: All right, quickly. Let's see, so I really just am making -- well I've made few
brief sort of lightning trips just a round, just reporting
on those quickly.

NASEO's annual meeting was in the New Orleans a
few weeks ago, so it's always a good event. And I'm always
astonished that in spite of what we read in the news at the
top level every day, the states are doing stuff to get it
done. They really are just very practical and they --
increasingly I think we're talking at the state level
across all the states about how to better engage with the
local government. And that comes up at every business
meeting for us. And increasingly there's an appreciation
for that at the state energy office level. So that's all
good to see. And other than that it's sort of fighting
retrenchment at the federal level and sort of locking arms
or taking a knee or whatever at the state level to try to
keep it positive on the developments at the budget level at
the federal government.

And then from there it went directly to the VERGE
Conference. I think Commissioner Hochschild was there as
well and I'm not sure who others were there. But it's
always a good one. It's got this sort of Silicon Valley
innovation sheen to it and remains substantive, but it's
really sort of a quick, high velocity kind of event. So
they keep it interesting. It's not just sitting there at a
conference and just listening. It's really active with
everybody, so they're talking about the right things.

I was on a policy panel that ACEEE put together. And it was the whole morning with ECOB, NRV, DOE and CEC, so innovative companies doing wonderful things on behavior, on customer engagement. So there's just a lot of really innovation there. It's exciting.

Then a couple of weeks ago, I went to the -- I kind of was the Commissioner at the IP meeting, so up in Fallen Leaf. So it's always a good engagement just to keep plugged in to what they were doing and obviously they're a bunch of key stakeholders for us. So it's good to engage. And they were interested in the energy efficiency world and 350, as we heard just a moment ago.

And then finally went to the -- well almost finally -- went to the National Governor's Association meeting in Denver, where they had a sort of energy day. It mostly turned out to be an electricity day, which is okay. And I was on a panel about data and cyber on the one hand, the protection and security piece of it, but also on an innovation piece of it. So I think they understand that there's a lot of upside to facilitating the development of this eco system in various forms, but also are trying to do it right. And so it's a good engagement there.

And so really I felt like California was good to have there, to kind of socialize about what we're working
on, and make it seem that the other states could do it too. So that was kind of the way I approached that.

And then finally, I keynoted the North American Passive House Conference in Oakland, last week. And it was just a beautiful bunch of stakeholders, really. They are focused on building excellent, well performing, beautiful, comfortable, elegant buildings and so one of these sorts of communities that really I kind of think can help us achieve our goals, certainly in new construction. But also there's a lot of thinking about how to do good retrofits. And I think also provides another kind of third party approach to getting good buildings done, which I think if we play our cards right, we can use to our advantage in the Building Code and help provide pathways for compliance as well. So we're starting to talk about that.

But on the same panel with Mayor Schaaf in Oakland, and then also the Building's Representative from the UN who was over from Paris. So there's kind of a global movement that has a lot of common themes in it. And again, people are looking to California for leadership in that, so really good stuff.

So finally, I just have to thank my staff. I have been leaning on them inordinately I think, for the last really many months, but particularly the last four to six months. And I am happy that -- you know I'm talking
about Donna. I'm talking about Bryan and Martha. And Donna has kept all the trains running on time just incredibly well, with a smile. And Brian and Martha, I am so happy to give them professional development opportunities so they can -- I think lately, Martha's been to Irvine and Phoenix, on my behalf. And they've done a spectacular job, and Brian to Mexico and to Monterey. Well, Mexico City and then Monterey, California. But just I couldn't have really kept the plate spinning without them engaged and really carrying a lot of water that probably is beyond what they expected to do when they started in my office. And so I just want to thank them profusely. And then I also wanted to reiterate congratulations to Drew for stepping into that role, big shoes to fill, metaphorically. And I'm sure he'll do great, but we definitely want to collaborate in any way we can. So certainly I do, so welcome.

And then finally, I wanted to just announce that we're -- let's see on the 17th, which is this coming Tuesday if I'm not mistaken, Amory Lovins is going to give a talk over at the Secretary of State's office, 1:00 o'clock. And he's going to be in town for a couple of different events: the Behavior Conference that ACEEE does in Sacramento, periodically and a couple of other things. But we wanted to take advantage to get a public lecture on
the books for him.

And he's going to talk about energy efficiency.

I think this is his original topic that he made his career on early on and now I think has a much broader and integrated perspective on things, as many of us do. But energy efficiency still has a cornerstone of California climate policy. So he's going to talk about the energy efficiency potential and so again over just a block or two away from here at the Secretary of State's auditorium at 1:00 on next Tuesday, the 17th. Thanks.

COMMISSIONER DOUGLAS: I think I will pass on any reports, but join in welcoming Drew. Thank you.

COMMISSIONER HOCHSCHILD: Yeah, so did the VERGE Conference with Commissioner McAllister, the Carlyle Group Investors Symposium. I'm speaking of ACORE tomorrow in San Francisco and then the Sustainable Investors Forum in San Diego after that.

One thing I wanted to share. I was very, very impressed -- and I told him so -- with the ISO Vision Document, which I think is honestly the boldest document that agency has ever produced. And it talks about regionalization, electrification, electric vehicles, distributed generation. And it's, I just think, a very bold and visionary thing. And I thanked Steve Berberich and the team there, Tom Doughty and the rest of the members
of the Board of Governors for putting that out there. And I think it also asked a number of the key questions that we got to address. So I was really glad to see that.

One other highlight I want to share. I did a site visit last week, to Proterra. And we give away a lot of grant money and not all of it home runs. This company I was thoroughly impressed with. They have bus contracts, now in 40 states: states like Arkansas, North Carolina, Oklahoma, Texas. They just completed their -- I don't know if you saw the news there -- test. They fully charged their new bus and they drove it at 15 miles an hour, which is the most efficient speed, it went 1,100 miles. So I mean, it was really a new milestone and just great to see that taking off.

And one interesting thing in their business plan, after municipal fleets, the next area of focus is in the school buses. And the reason we should be excited about that actually is the match with renewables integrating in the Grid is perfect, because these vehicles are in use in the morning and then late in the afternoon, but they're plugged in, in the middle of the day. And I think there's a big nexus there that's really exciting.

Final update, I just wanted to share was I just learned last night that that UC Davis, so we'll doing an event there, is starting an URG program equivalent to
Berkley's. They have 16 --

UNIDENTIFIED SPEAKER: Not equivalent, but --

COMMISSIONER HOCHSCHILD: -- not equivalent.

Their ambition is going to be equivalent, but --

CHAIRMAN WEISENMILLER: Minor league, minor leaguer.

COMMISSIONER HOCHSCHILD: It is a minor league, yes so far, but big, big ambitions. And it's, I think 16 students enrolled, and are eager to partner with us. So we should be looking for opportunities to do that do that request. And that's it for me.

COMMISSIONER MCALLISTER: I wanted to just comment quickly, so the Proterra event Janea couldn't make it, so I went down to the Proterra, like a ribbon-cutting event, a new facility. And it wasn't that long ago, it was maybe a few months ago and the Governor gave this rabble or just incredible speech. And Jennifer Granholm, the former Governor of Michigan was also there and she's very involved in this space now and it was just an incredible event.

I'm not as daily involved in the transportation side as some of you are and it was really uplifting. I mean, it was just such a positive energy and a very clear business plan, very clear value proposition and just all cylinders firing, as it were. So anyway, I'm glad to hear that momentum going forward.
CHAIRMAN WEISENMILLER: Just a couple of things, really. I went back to DC for their -- I am the Safety Liaison with the NRC, for the State of California. There's about 37 of us in the country and so every two years they have a couple-day session and go through what the NRC is up to at a given time and in terms of regulatory proceedings or internal stuff.

Like we had a really fascinating conversation about what the NRC does to deal with cyber security in its facilities. And one of the things in the past year, we've actually had a nuclear plant that was hacked in the U.S.. But this was again, I presume that's bad, but if you could really get into the NRC it would be even more so. Basically trying to understand what they do as state of the art on cyber and certainly and certainly, we need to step up our game some in that area, is the bottom line.

But it was -- I mean obviously the NRC has never been great. There are more people coming, which will probably make it -- and we will be focused on the -- the study and proceeding on decommissioning will be focused on participating in that. It sort of -- you don't see a policy on that. It's been a little ad hoc in a sense that when you come up to decommissioning they remove the licensing conditions, which only apply to operating plants, which makes sense. But they don't have a -- this is what
we want to decommission, what to do when you're
decommissioning. It's just this is what you don't have to
do now that you are basically not operating. So anyway
they can do a little better. We'll try there.

And while I was there, I went with Dan Carroll to
talk to the people at DOE and FERC on the White House,
basic on the infrastructure question. It was -- I mean,
obviously the Trump people are different than we are. So
these were not sort of enthusiastic meetings, where -- but
we're certainly trying to find where we have common
interests. And infrastructure is probably one of those
areas, so we'll keep the pushing on that.

I think most people know that Secretary Perry
sent a request or a directive to the FERC to look at
basically how the (indiscernible) fuel supply and
resilience. Obviously, California is going to respond to
that and working with Governor's Office, the PUC, and
actually the ISO, the ARB.

Going back to the '80s, there was an MOU worked
out between the PUC and the Energy Commission that
basically says the PUC represents the state before FERC.
And that was at a period where we and the PUC did dueling
filings at FERC on some gas issues, so we are sort of
harmonizing things better. So anyway we're working on this
together on this, but they're certainly going to take the
lead as will the ISO on their specifics.

I think that's all I have. So let's go to Chief
Counsel's Report.

COMMISSIONER HOCHSCHILD: Sorry, did you go to
China, or are you still --

CHAIRMAN WEISENMILLER: I'm going to go to China
on the 28th --

COMMISSIONER HOCHSCHILD: Of this month.

CHAIRMAN WEISENMILLER: -- and will be back on
the 4th.

MS. VACCARO: Well, I know it's been a long day,
but I have one introduction I'd like to make. Chief
Counsel's Office really tries to do its part to attract
talent to the agency. And we've had an opportunity to
bring on board an attorney who had other offers, but was
very interested in the mission and the work in Energy
Commission. So from the State Lands Commission, we now
have Senior Attorney Kathryn Colson, who's joined us. And
she's joining us in the Transactions Unit. That's really
her area of expertise.

And I think it's timely, given that we now have
some new mandates and a lot more money to pass through.
That to keep bringing in really experienced talented folks
to the Transactions Unit is going to continue to be
important. So I'm just really pleased that she's joined
our team and is committed to the Energy Commission's mission.

CHAIRMAN WEISENMILLER: Welcome aboard. That's great.

How about Executive Director Report, and congratulations.

MR. BOHAN: Thank you. I just want to take a brief moment to say thank you very much for your confidence in me. This is an incredible honor to serve the California Energy Commission, as its Executive Director and to serve each of you as you try to carry out the Governor's very ambitious goals. And as we all know, from working on them, some of them are really, really hard.

But the good news is we've got nearly 700 staff who are extremely committed. And Kourtney and I didn't plan this, but I'm excited to hear Kathryn from State Lands is joining us. We've got a lot of people like her, who come to work every day and feel really committed to our mission. A lot of organizations have staff that have jobs, and they come to work and they do them and they leave. We have a lot of people who are really, really committed and that's why you see the results that Mike Sokol showed in the 802 program coming to fruition, finally. That's not by accident. It's really the folks that we have working here.

I wanted to also just say Rob is an extremely
tough act to follow. Shoes may not be the issue, but he
really, I think is a tremendously dedicated public servant
and he served this organization very well.

You have my pledge. I look forward to the
challenge. I'll give you 100 percent every day. And again
I just wanted to say thank you very much.

CHAIRMAN WEISENMILLER: Again, thanks.

Alana?

MS. MATHEWS: Good afternoon. So I have a couple
of things that I want to share. The first is that I had
the opportunity to be the guest speaker at LAHEAF's
(phonetic) quarterly meeting. So I think it's important to
note that in addition to the other agencies and
stakeholders we have service providers who are really
interested in partnering in how they can help implement the
recommendations. So there are some community -- they just
wanted to know a little bit more about it and how their
organizations would be able to partner with the Energy
Commission to help those implementing the recommendations.

Also, we had a follow-up community meeting with
the tribal leaders. You may remember during the Barrier
Study, we had a meeting in Redwood. And Michael Sokol was
actually able to go in my place and represent and to share
on how we can continue to work together in improving
California's clean energy and transportation goals. And
ARB was also at that meeting.

I also wanted to share that we are happy to announce that we're kind of rolling out two important resources in our diversity efforts and commitment. The first is an internal database, which is a resource that will help us track our diversity outreach efforts, which we are engaged in to increase participation in our funding programs.

As well as we'll be beginning to launch a new pilot of a new clearing house. And that is an external resource and platform to help the Commission reach its ABA 65 mandate to establish an outreach program to increase participation of diverse business enterprises, such as woman owned, disabled veteran, minority and LGBT-owned businesses and funding opportunities.

And then lastly, this is sort of in the public participation world, it's not a big deal with the Energy Commission, but we were highlighted. And I had the opportunity to participate in a discussion with the Brookings Institute about how we have been so successful in our public participation engagement and efforts.

Then lastly, following up with Commissioner Scott today is International Day of the Girl. And so I also wanted to share that as a Board Member and national delegate for the Girl Scouts of the United States of...
America I had an opportunity to represent the Energy Commission. And talk about how girls and women can have opportunities and careers in energy in our STEM and STEAM focus. That's it.

CHAIRMAN WEISENMILLER: Nice.

Public Comment?

(No audible response.)

Okay. The meeting is adjourned.

(Adjourned the Business Meeting at 2:58 p.m.)
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 October, 2017.

[Signature]

PETER PETTY
CER**D-493
Notary Public
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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 October, 2017.

Myra Severtson
Certified Transcriber
AAERT No. CET**D-852