BUSINESS MEETING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Business Meeting)
)
_____)

CALIF ENERGY COMMISSION

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CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

WEDNESDAY, JUNE 18, 2008

10:05 A.M.

ORIGINAL

Reported by:
Peter Petty
Contract Number 150-07-001

COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Chairperson

James D. Boyd, Vice Chairperson

Arthur H. Rosenfeld

Jeffrey D. Byron

Karen Douglas

STAFF and CONTRACTORS PRESENT

Melissa Jones, Executive Director

William Chamberlain, Chief Counsel

Marni Weber, Legislative Director

Harriet Kallemeyn, Secretariat

Devorah Eden

Dick Ratliff

Cheryl Raedell

Elizabeth Flores

Payam Narvand

Rob Hudler

Bruce Maeda

Nancy McKeever

Ray Tuvell

McKinley Addy

Bill Pennington

Robert McBride

Sylvia Bender

Glen Sharp

Martha Brook

Sarah Pittiglio

Mike Kane

Golam Kibrya

Adel Suleiman

Valerie Hall

PUBLIC ADVISER

Elena Miller

ALSO PRESENT

Doug Payne (via teleconference)
SolarTech

Anne Premo
California Public Utilities Commission

Erik Emblem, Consultant
California Sheet Metal and Air Conditioning
Contractors National Association

Cynthia Mitchell (via teleconference)
The Utility Reform Network

Dale Gustafson (via teleconference)
Better Building, Inc.

Scott Johnson
Institute of Heating and Air Conditioning
Industries

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1 P R O C E E D I N G S

2 10:05 a.m.

3 CHAIRPERSON PFANNENSTIEL: Good morning.

4 Welcome to the Energy Commission biweekly meeting.

5 Please join me in the Pledge of Allegiance.

6 (Whereupon, the Pledge of Allegiance was

7 recited in unison.)

8 CHAIRPERSON PFANNENSTIEL: This must be

9 the end of fiscal meeting; we have a very long

10 agenda. I don't have any changes to the agenda,

11 so let's start with the consent calendar.

12 COMMISSIONER ROSENFELD: I move the

13 consent calendar.

14 COMMISSIONER BOYD: Second.

15 CHAIRPERSON PFANNENSTIEL: In favor?

16 (Ayes.)

17 CHAIRPERSON PFANNENSTIEL: Consent

18 calendar is approved.

19 Item 2, possible approval of Marin

20 County's adoption and enforcement of a local

21 ordinance for new single family dwellings,

22 additions and substantial remodels requiring at

23 least 15 percent greater energy efficiency than

24 the 2005 building energy efficiency standards.

25 Good morning.

1 MS. EDEN: Good morning, Commissioners.
2 I'm Devorah Eden with the buildings and appliances
3 office.
4 On May 13th Marin County presented their
5 revised application for their local ordinance.
6 This is an amendment to an existing ordinance that
7 was established under prior building standards.
8 And it amends and upgrades it, so it reduces the
9 housing size to 1500 square feet. They're
10 requiring 15 percent above Title 24. And they're
11 continuing with the existing requirements that
12 houses 3500 square feet and above need to meet the
13 energy budget of a 3500 square foot home, no
14 matter how much bigger they get.
15 We reviewed all of their documents. We
16 saw that they provided the required documents and
17 we request that the Commission approve their local
18 ordinance.
19 Do you have any questions?
20 CHAIRPERSON PFANNENSTIEL: Thank you.
21 This is one of our good news stories where the
22 local jurisdictions are coming in and meeting our
23 criteria for being able to offer more stringent
24 energy efficiency.
25 And I thought that the writeup was fine.

1 Any questions?
2 COMMISSIONER ROSENFELD: Yeah, I have a
3 question. Not only is it 15 percent, but as you
4 just said, if you're over 3500 square feet you
5 need to make it up with, I guess, mainly PV?
6 MS. EDEN: Houses above 4500 square feet
7 can then, after they've met the 15 percent
8 requirement, they can then make up some of their
9 generation with photovoltaics.
10 COMMISSIONER ROSENFELD: And is it sunny
11 enough all over Marin to do the trick with PV?
12 MS. EDEN: Well, that has been part of
13 the -- that was there since their original
14 amendment, their original ordinance. And I can
15 find that out for you, but --
16 COMMISSIONER ROSENFELD: Bill Pennington
17 is nodding his head. How does it really work,
18 Bill? Do the --
19 MR. PENNINGTON: I would say absolutely
20 to your question.
21 COMMISSIONER ROSENFELD: It works okay?
22 COMMISSIONER DOUGLAS: It does.
23 MR. PENNINGTON: Yes.
24 COMMISSIONER ROSENFELD: Thank you.
25 CHAIRPERSON PFANNENSTIEL: And they've

had this in effect, this same sort of ordinance for several years now, have they not?

COMMISSIONER ROSENFELD: Yeah.

MS. EDEN: Yes. They originally targeted larger houses. Now they're reducing it to smaller houses.

CHAIRPERSON PFANNENSTIEL: So apparently -- I had not heard that the people in Marin are up in arms over this, it seems to be sufficiently accepted.

COMMISSIONER BYRON: Well, and is this a different approach? Doing the efficiency requirements based upon square footage? Have we seen this before in other cities?

MS. EDEN: I don't believe we've seen this approach before.

CHAIRPERSON PFANNENSTIEL: For residential, I think that's probably --

MS. EDEN: For residential.

CHAIRPERSON PFANNENSTIEL: -- the case.

MS. EDEN: I think the original intention was targeting larger houses. They wanted the larger houses to maintain a tighter energy budget. And that was their intention and their design.

1 But now they're targeting all
2 residences.
3 COMMISSIONER BYRON: Good.
4 CHAIRPERSON PFANNENSTIEL: Is there a
5 motion?
6 COMMISSIONER ROSENFELD: I so move.
7 COMMISSIONER BOYD: Second.
8 CHAIRPERSON PFANNENSTIEL: All in favor?
9 (Ayes.)
10 CHAIRPERSON PFANNENSTIEL: It's
11 approved. Thank you.
12 And then number 3, looking familiar,
13 possible approval of the County of San Mateo's
14 adoption and enforcement of a local ordinance for
15 new construction and substantial remodels of
16 single family, low rise multifamily, commercial
17 and industrial buildings requiring greater energy
18 efficiency than the 2005 building energy
19 efficiency standards, effective July 1, 2008.
20 MS. EDEN: Well, so this ordinance under
21 the same Title 24 section, however the difference
22 is that they are using the green approach, so
23 they're requiring a wider range of requirements
24 for their buildings.
25 We did review the energy components

because LEAD and GreenPoint have energy, as well as other requirements. And we did see that they all meet the requirements of meeting Title 24 or exceeding Title 24.

CHAIRPERSON PFANNENSTIEL: Is this the first time San Mateo has proposed a more stringent standard, or have they had this in the past?

MS. EDEN: I believe this is the first for San Mateo, yes.

CHAIRPERSON PFANNENSTIEL: I don't remember seeing them before.

MS. EDEN: We have seen interest among other cities and counties in adopting green ordinances. So I think we'll see more with this approach, that they're using existing programs and requiring certification under these other programs.

Any other --

CHAIRPERSON PFANNENSTIEL: Other questions?

COMMISSIONER ROSENFELD: I move this one, too.

COMMISSIONER BOYD: Second.

CHAIRPERSON PFANNENSTIEL: All in favor?

(Ayes.)

1 CHAIRPERSON PFANNENSTIEL: Approved.
2 Thank you.
3 MS. EDEN: Thank you.
4 CHAIRPERSON PFANNENSTIEL: Item 4,
5 possible approval of an administrative subpoena
6 directing the California Independent System
7 Operator to provide data needed to evaluate
8 generation and transmission outages, congestion,
9 must-offer waivers, and load to assist Energy
10 Commission Staff in assessing resource adequacy
11 for summer 2009 and beyond. Good morning.
12 MR. RATLIFF: Good morning,
13 Commissioners. Dick Ratliff with the office of
14 counsel.
15 The staff is in the process of preparing
16 to work on the 2009 IEPR. And the administrative
17 subpoena that you have before you is a request to
18 the Cal-ISO for information that will be necessary
19 for that preparation.
20 So, this is something that has become
21 somewhat of an annual process where the Energy
22 Commission goes to the ISO and requests this
23 information, which they've told us they will only
24 release if we provide them with a subpoena.
25 This particular subpoena has been

1 negotiated by Caryn Holmes and Mike Jaske. And it
2 apparently is -- the ISO is in accord with its
3 contents.
4 CHAIRPERSON PFANNENSTIEL: We remember
5 from past exercises of this that it's referred to
6 as a friendly subpoena.
7 MR. RATLIFF: Yes.
8 CHAIRPERSON PFANNENSTIEL: This is the
9 form that they have requested in order to be
10 comfortable providing the information to us. Is
11 that why it's a subpoena?
12 MR. RATLIFF: Yes.
13 CHAIRPERSON PFANNENSTIEL: Other
14 questions?
15 COMMISSIONER BYRON: The Executive
16 Director and I spent a little time this morning
17 talking about confidentiality and data and issues
18 like that. I guess that's another topic.
19 But I had a question with regard to our
20 friendly subpoena. It's a friendly question. One
21 of the pieces of information we're requesting is
22 annual P-max. And I'm afraid I don't know what P-
23 max is. Can you help me?
24 MR. RATLIFF: I'm afraid I can't.
25 (Laughter.)

1 MR. RATLIFF: I'm sure Mr. Jaske could
2 and will if you pursue it with him, but --
3 COMMISSIONER BYRON: All right, I'll
4 pursue my question elsewhere.
5 CHAIRPERSON PFANNENSTIEL: Further
6 questions? Or is there a motion?
7 COMMISSIONER BOYD: I'll move approval.
8 COMMISSIONER BYRON: And we reviewed
9 this in the Electricity and Natural Gas, I'll
10 second it.
11 CHAIRPERSON PFANNENSTIEL: All in favor?
12 (Ayes.)
13 CHAIRPERSON PFANNENSTIEL: Thanks, Dick.
14 Item 5, --
15 CHIEF COUNSEL CHAMBERLAIN: Commissioner
16 Byron, I might speculate that that would be the
17 maximum price of energy.
18 COMMISSIONER BYRON: All right, thank
19 you.
20 CHAIRPERSON PFANNENSTIEL: Good guess,
21 Bill.
22 (Laughter.)
23 CHAIRPERSON PFANNENSTIEL: -- possible
24 approval of contract 200-08-001 for $870,000 with
25 the California Resources Agency to provide three

1 years of services for general policy oversight and
2 climate change support. Good morning.
3 MS. RAEDELL: Good morning,
4 Commissioners. I'm Cheryl Raedell with the
5 contracts office.
6 Before you is an agreement with the
7 California Resources Agency for various services
8 including climate change support for the Resources
9 Agency and the Governor's Office. All the
10 departments underneath the Resources Agency share
11 the cost of these expenses.
12 It's 290 a year for the next three
13 years, amounts for a total of 870,000. So, your
14 approval is requested.
15 CHAIRPERSON PFANNENSTIEL: Are there
16 questions?
17 COMMISSIONER BOYD: Move approval.
18 COMMISSIONER DOUGLAS: Second.
19 CHAIRPERSON PFANNENSTIEL: All in favor?
20 (Ayes.)
21 CHAIRPERSON PFANNENSTIEL: Thank you,
22 Cheryl.
23 MS. RAEDELL: Thank you.
24 CHAIRPERSON PFANNENSTIEL: Item 6,
25 possible approval of contract 140-08-001 for

1 $44,962 with West Publishing Corporation, dba
2 Thomson West, for Westlaw online electronic legal
3 database, research and information services for
4 three years. Ms. Flores, good morning.
5 MS. FLORES: Good morning, I'm Liz
6 Flores of the Chief Counsel's Office.
7 This is a contract for Westlaw, which it
8 is, online service for legal research. Our
9 contract with West Publishing Corp is written on a
10 master services agreement between the California
11 Department of General Services and West.
12 Now, at this time the master service
13 agreement has been signed by West, but has not yet
14 been approved by DGS Legal. So, our contract with
15 West can't be signed till the master agreement is
16 approved.
17 So I am asking for your approval of our
18 contract contingent upon the master agreement
19 being approved. And with that, I ask for approval
20 of the contract.
21 CHAIRPERSON PFANNENSTIEL: Questions?
22 Motion?
23 COMMISSIONER BOYD: Move approval.
24 COMMISSIONER DOUGLAS: Second.
25 CHAIRPERSON PFANNENSTIEL: All in favor?

1 (Ayes.)

2 CHAIRPERSON PFANNENSTIEL: It's

3 approved, thanks.

4 Item 7, possible approval of California

5 multiple award schedule purchase order 07-409.00-

6 024 for $95,000 with Enterprise Networking

7 Solutions, Inc. to provide support services for

8 the new Solar Homes Partnership web-based

9 applications. Good morning.

10 MR. NARVAND: Greetings, Commissioners.

11 My name is Payam Narvand from the renewable energy

12 office.

13 The new Solar Homes Partnership

14 implements the Energy Commission's portion of the

15 California Solar Initiative, and provide financial

16 incentives to encourage installation of eligible

17 solar energy systems on new residential

18 construction.

19 A web-based application has been

20 designed over the last year to improve the

21 processing of NSHP applications. The web-based

22 application provides a uniform platform that

23 streamlines and facilitates the submission and

24 processing of NSHP application by program

25 participants.

1 This agreement would provide support
2 services for the maintenance and enhancement of
3 the new Solar Homes Partnership web-based
4 application.
5 More specifically, the agreement would
6 provide support for the design, coding, system
7 testing and technical writing for the web-based
8 application, and any other database enhancements
9 necessary for the processing of applications.
10 If you have any questions, feel free to
11 ask.
12 CHAIRPERSON PFANNENSTIEL: Payam, I
13 understand that the investor-owned utilities are
14 going to be processing these applications. So do
15 we -- is the system being developed and then will
16 hand over to the utilities for their use?
17 MR. NARVAND: Right. The way it is
18 basically the architectural, the design is we will
19 be the mother of the application in terms of
20 housing, you know, as a server. And then each
21 utility will be able to access their portion and
22 administer and process application, as well.
23 So, PG&E just came onboard officially as
24 of Monday, so all utilities are now administering
25 the program.

1 CHAIRPERSON PFANNENSTIEL: Thank you.
2 Other questions?
3 COMMISSIONER BYRON: Quick question, if
4 I may. I know that contracting within the state
5 is very complicated, particularly when it comes
6 around to computer software applications such as
7 this.
8 Can you give me a sense of how long it
9 took to get this contract in place?
10 MR. NARVAND: Yeah, I mean we started
11 the web-based application about a year and a half
12 ago. And trying to move to online.
13 This is a C-MAS agreement, so California
14 Multiple Schedule Award; it's technically a
15 purchase order. And the duration of it is for 24
16 month. And it took a few months to get this
17 together.
18 And we expect that we will need more
19 support, you know, for the life of the program to
20 do all the database enhancement with changes
21 associated with it.
22 COMMISSIONER BYRON: So, from inception
23 to contract placing is on the order of only a few
24 months then, is that what you said?
25 MR. NARVAND: That's my -- for this

1 current one. But our efforts to move to a web-
2 based application has been in the works for the
3 last almost two years.
4 EXECUTIVE DIRECTOR JONES: So, if I can
5 just respond. When we do a C-MAS contract, then
6 DGS has already done a competitive solicitation.
7 They have a list of contractors that we can go to
8 for services.
9 So we didn't have to go through the
10 competitive bid and solicitation process. That's
11 the most lengthy part associated with IT, is that
12 full solicitation and evaluation.
13 COMMISSIONER BYRON: So this provides
14 for an expedited way to do this?
15 EXECUTIVE DIRECTOR JONES: Yes.
16 COMMISSIONER BYRON: Thank you.
17 COMMISSIONER BOYD: One of those rare
18 instances.
19 COMMISSIONER BYRON: Yeah.
20 COMMISSIONER DOUGLAS: I'll move this
21 item.
22 COMMISSIONER BYRON: Second.
23 CHAIRPERSON PFANNENSTIEL: All in favor?
24 (Ayes.)
25 CHAIRPERSON PFANNENSTIEL: Thanks.

1 MR. NARVAND: Thank you.
2 CHAIRPERSON PFANNENSTIEL: Item 8,
3 possible approval of purchase order 07-409.00-026
4 for $149,995 with EnerComp, Inc. to modify the
5 CALRES reference program, incorporating the forms,
6 rule-sets and other modeling protocols that are
7 required components for the 2008 building energy
8 efficiency standards for residential buildings.
9 Good morning.
10 MR. HUDLER: Good morning,
11 Commissioners. I'm Rob Hudler with the building
12 and appliance standards office.
13 As you stated, the purpose of this
14 contract is to modify the existing reference
15 program which is a tool for development of the
16 standards, and make it into a compliance tool.
17 And to be able to do that, incorporating
18 the forms and other protocols, we would like to
19 get the services of EnerComp to make those
20 modifications to the program.
21 One critical issue is that this was put
22 out for bid. There were over 30 bidders involved
23 in looking at the program. We actually received
24 only one qualified bid from EnerComp.
25 And we expect that the program, in final

1 form, will be delivered by October 1, 2008, which
2 is more than six months prior to the
3 implementation of the 2008 standards.
4 CHAIRPERSON PFANNENSTIEL: Was there any
5 specific or common characteristic that knocked all
6 of the other bidders out?
7 MR. HUDLER: For the most part, it was
8 technical experience. We required that you have
9 extensive background in both development of the
10 residential ACM and the building standards. You
11 need to have that familiarity with that technical
12 level in order to be able to write the program and
13 deal with the details.
14 And so that's what basically knocked out
15 everybody else.
16 CHAIRPERSON PFANNENSTIEL: Further
17 questions?
18 COMMISSIONER ROSENFELD: I move the
19 item.
20 COMMISSIONER BOYD: Second.
21 CHAIRPERSON PFANNENSTIEL: In favor?
22 (Ayes.)
23 CHAIRPERSON PFANNENSTIEL: Thank you.
24 MR. HUDLER: Thank you very much.
25 CHAIRPERSON PFANNENSTIEL: Item 9,

1 possible approval of purchase order 07-409.00-027
2 for $98,500 with EnergySoft, LLC to modify PERFORM
3 2005 and update it to PERFORM 2008, incorporating
4 the forms, rule-sets, and other modeling protocols
5 required by the 2008 building energy efficiency
6 standards for nonresidential building, high-rise
7 residential buildings, hotels and motels. Good
8 morning.
9 MR. MAEDA: Good morning, Commissioners.
10 Bruce Maeda, buildings and appliances office.
11 This is a similar program as the CALRES
12 program, but it's PERFORM 2005 is our current
13 program. And it's for nonresidential buildings as
14 opposed to low-rise residential buildings.
15 And this is an update to an existing
16 program that we already have. And the EnergySoft,
17 LLC is the original author of PERFORM 2005
18 ENERGYPRO software.
19 This was put out for competitive bid,
20 also. We have a relatively short timeline
21 available for bidders to respond. And as it
22 turned out, no one offered a bid. So, we had to
23 offer this under a noncompetitive bid situation,
24 in order to get EnergySoft online.
25 The reason why they didn't offer a bid

1 is because they didn't have sufficient time to do
2 a good faith effort on the DVBE process.
3 COMMISSIONER ROSENFELD: On the what
4 process, Bruce?
5 MR. MAEDA: Pardon?
6 COMMISSIONER ROSENFELD: They didn't
7 have enough time to do something under the what
8 process?
9 MR. MAEDA: DVBE, disabled veterans and
10 something --
11 COMMISSIONER ROSENFELD: Oh, okay.
12 MR. MAEDA: You either have to get a
13 contractor or you have to advertise for a period
14 of time and attempt to get a contractor to show a
15 good faith effort.
16 COMMISSIONER ROSENFELD: I'm ready to
17 move this one, too.
18 COMMISSIONER BOYD: Second.
19 CHAIRPERSON PFANNENSTIEL: In favor?
20 (Ayes.)
21 CHAIRPERSON PFANNENSTIEL: Thank you,
22 Bruce.
23 Item 10, possible approval of contract
24 600-07-007 for $200,000 with Cambridge Systematics
25 to update the 1993 energy award planning guide.

1 Ms. McKeever, good morning.
2 MS. McKEEVER: Good morning,
3 Commissioners. You have before you a contract for
4 possible approval with Cambridge Systematics. And
5 the purpose of the contract is to update this 15-
6 year-old document that was done for local
7 governments -- it was very popular in its day --
8 to help them do better land use and transportation
9 planning, building planning, solid waste and water
10 resource planning in their general plan specific
11 plan zoning codes.
12 And now with what's going on with the
13 climate change requirements that are pending from
14 local and regional governments, there is a need to
15 integrate into it our more recent energy
16 information, case studies. Things like what's
17 going on in Marin and San Mateo County would be
18 good information to share through this document.
19 And also the climate change information
20 as we know it now, and then since it's an internet
21 document, we would be updating it as rules change,
22 data changes, that sort of thing.
23 So, the audience for this document is
24 both the regional governments and the cities and
25 counties in the State of California.

1 CHAIRPERSON PFANNENSTIEL: How long will
2 it take for the consultant to complete their work?
3 MS. McKEEVER: Well, we have a one-year
4 contract to do the work, which is tight, but I
5 think totally feasible.
6 CHAIRPERSON PFANNENSTIEL: Further
7 questions? Yes, Commissioner Byron.
8 COMMISSIONER BYRON: Not being here in
9 1993, does there continue to be a lot of demand
10 for this report? And/or how do we send it out?
11 Do we just mass mail it to all the city and county
12 governments?
13 MS. McKEEVER: Well, the internet was
14 not around when this document was first done, so
15 we did hard copies. Now it's downloadable from
16 our site.
17 And I have not checked the download
18 record on this recently. It was an extremely
19 popular document in this state and lots of other
20 states; and Canada did their own version using our
21 files, and you know, so it has a history of going
22 out broadly.
23 COMMISSIONER BYRON: So how will we make
24 them aware that we're revising it?
25 MS. McKEEVER: We have an opportunity to

1 work with some of the utilities and do workshops
2 around the state. That's not set yet, but it's
3 developing. It's how we did it the first time.
4 PG&E funded 15 workshops around the state. And we
5 went out and talked to local governments.
6 And I generally do things like speak at
7 APA meetings, and lots of, you know, those kinds
8 of outreach opportunities.
9 CHAIRPERSON PFANNENSTIEL: Nancy, didn't
10 I see one of the subcontractors is local
11 government commissions?
12 MS. McKEEVER: Yes, that's true. And
13 that's a whole other --
14 CHAIRPERSON PFANNENSTIEL: So they will,
15 of course, --
16 MS. McKEEVER: You're right, that's a
17 whole other network. There's League of Cities and
18 all those folks, as well. We put the word out and
19 it spreads fast.
20 COMMISSIONER BYRON: It seems as though,
21 Ms. McKeever, this can be a valuable document, and
22 I would just want to make sure that cities and
23 governments are aware that it exists. I hate to
24 see good work go unnoticed.
25 MS. McKEEVER: Originally we used the

1 mailing list that OPR has, as well, and mailed out
2 notices. These days we could just email them, of
3 course, and get the word out. And they could
4 download the document.
5 COMMISSIONER BYRON: Okay.
6 MS. McKEEVER: It's so much nicer.
7 CHAIRPERSON PFANNENSTIEL: Further
8 questions? Discussion?
9 COMMISSIONER BOYD: Move approval. And
10 I would just say that we had a good discussion of
11 this in committee, and as indicated, there's
12 suddenly, thank goodness, renewed interest in this
13 topic.
14 And while I think it's very important,
15 as Commissioner Byron mentioned, that we
16 appropriately advertise, the word is going around
17 already, I've noticed, happening to find myself in
18 several sustainability discussions throughout the
19 state lately.
20 So, people are readily anxious and
21 awaiting some new guidance on this topic. So, I
22 think we're going to see a pretty good payoff for
23 a change.
24 COMMISSIONER DOUGLAS: I'll second this
25 item, and just add that the Energy Commission's

1 technical and policy work in this area has made a
2 difference and is making a difference. I think
3 this is a very important document.
4 And as I said in committee, I hope that
5 given the importance of this topic for our climate
6 energy goals, we're able to maintain this
7 engagement with local governments and other users
8 of this document. And actually keep it more
9 updated than we have in the past.
10 CHAIRPERSON PFANNENSTIEL: You think 15
11 years is probably too long a cycle?
12 (Laughter.)
13 MS. McKEEVER: I think the internet will
14 help.
15 CHAIRPERSON PFANNENSTIEL: Moved and
16 seconded.
17 All in favor?
18 (Ayes.)
19 CHAIRPERSON PFANNENSTIEL: Thank you,
20 Nancy.
21 MS. McKEEVER: Thanks.
22 CHAIRPERSON PFANNENSTIEL: Item 11,
23 possible approval of contract 600-07-006 for
24 $500,000 to Smithers Scientific Services, Inc., to
25 provide specialized technical assistance to

1 develop a fuel efficient tire program for
2 passenger cars and light-duty trucks. Good
3 morning.
4 MR. TUVELL: Good morning,
5 Commissioners. Ray Tuvell with the fuels and
6 transportation division.
7 As mentioned, this contract will provide
8 the necessary specialized expertise and supportive
9 development of the consumer information program,
10 as well as the minimum efficiency standards for
11 our fuel efficient tire program.
12 This proposed contract was the result of
13 a competitive solicitation process. It was
14 reviewed and considered by the Transportation
15 Policy Committee and approved for consideration by
16 the full Commission today. And I recommend
17 approval of this contract at this time.
18 CHAIRPERSON PFANNENSTIEL: Questions?
19 COMMISSIONER BYRON: Yes. Serving on
20 the Transportation Policy Committee last year I
21 recall that there was similar work underway that
22 you were also managing. Could you just help me
23 understand how this work is different from -- and
24 I can't remember who the contractor was.
25 MR. TUVELL: Yes, maybe there's some

1 confusion on that matter. We have not had a
2 contractor working for us under the fuel efficient
3 tire program now for over one year.
4 So, possibly you were referring to
5 discussions we had regarding the results of the
6 work that previous contractors have done.
7 So the specialized expertise we need
8 here includes consideration of such matters as
9 actual tire testing, as well as more detailed
10 analysis of individual tires to assess rolling-
11 resistance capabilities in development of a
12 consumer information program, as well as the
13 follow-on program, which will establish minimum
14 standards.
15 COMMISSIONER BOYD: Ray, this is the --
16 Smithers if the company, if I'm not mistaken, that
17 did the initial original tire testing.
18 MR. TUVELL: That's correct. There --
19 COMMISSIONER BOYD: And this is a
20 follow-on to that --
21 MR. TUVELL: Yes, this will be a follow-
22 on. There are only about three companies in the
23 United States that have the capability of doing
24 this work. So we were pleased that one of them
25 decided to bid and participate in our program.

1 COMMISSIONER BYRON: So, is this scope
2 of work an expansion of that effort that Smithers
3 was doing earlier? Or is it duplication? That's
4 what I'm trying to understand.
5 MR. TUVELL: No, it -- oh, I see. No,
6 it will not be duplication at all. The previous
7 work was principally designed to create a database
8 of actual rolling resistance of tires, which is
9 the most fundamental problem that we face today
10 regarding this whole subject area.
11 This contract will allow us now to focus
12 in on the special issues that we've identified
13 that will need to be addressed in order to develop
14 our consumer information program, as well as the
15 minimum standards.
16 COMMISSIONER BYRON: Okay, thank you.
17 COMMISSIONER ROSENFELD: Ray, can you
18 say, this seems like a very important issue. I
19 think there are a couple of percentage of fuel
20 miles per gallon at stake here.
21 MR. TUVELL: Yes.
22 COMMISSIONER ROSENFELD: Can you say a
23 little bit about what will change in the
24 replacement tire business when all this research
25 is finished?

1 MR. TUVELL: Well, fortunately, I mean
2 we're not talking about the need to do any
3 technology forcing. We think that there are
4 sufficient fuel-efficient tires on the road today
5 if consumers only were aware of it.
6 COMMISSIONER ROSENFELD: Right.
7 MR. TUVELL: So, for a consumer like you
8 or me, if we're driving a fuel-efficient car we
9 could save eight to ten gallons a year in fuel.
10 If we're driving a very inefficient-fuel car, such
11 as -- or a vehicle such as a pickup, 20 gallons a
12 year.
13 So, anywhere from $40 to $80 a year in
14 savings. Statewide, we're talking 250 million
15 gallons at $4 a gallon; a billion dollars in
16 savings, 2.7 million metric tons a year in CO2.
17 And that's a fairly conservative estimate.
18 Extreme examples will grow beyond that.
19 COMMISSIONER BOYD: We've had a tough
20 time with this program, admittedly, since it first
21 was envisioned by --
22 COMMISSIONER ROSENFELD: It seems like
23 years.
24 COMMISSIONER BOYD: -- by legislation.
25 Part of it has been -- and I think there's a

1 recognition that we need to do a lot of educating
2 of the public because, you know, as all the
3 anecdotal stories have been about you go into a
4 tire dealer and ask them to replace your tires
5 with the same tires you had before, you're not
6 getting necessarily the same tire, even though
7 it's labeled the same.
8 And we had, frankly, resistance from the
9 industry in this area. However, I have noted of
10 late one major world tire manufacturer has broken
11 ranks, and is actually advertising this value for
12 its tires. And I think that's a very positive
13 thing to see happening.
14 So, I think finally we're gaining some
15 momentum here. And there's obviously a lot more
16 interest in the topic than there has been in the
17 past. So, hopefully we'll finally get this
18 resolved and out in the hands of the consuming
19 public.
20 So I'll move approval of the item.
21 COMMISSIONER ROSENFELD: Second.
22 CHAIRPERSON PFANNENSTIEL: In favor?
23 (Ayes.)
24 CHAIRPERSON PFANNENSTIEL: Thank you.
25 MR. TUVELL: Thank you very much.

1 CHAIRPERSON PFANNENSTIEL: Item 12,
2 possible approval of contract 600-07-005 for
3 $49,230 with M.Cubed to research and evaluate
4 methods and data sources that best support
5 accurate demand forecasts for marine and off-road
6 transportation fuels.
7 MR. McBRIDE: Thank you, Chairman. Good
8 morning. I'm Robert McBride of the fuels and
9 transportation division.
10 This proposed contract, the contractor
11 M.Cubed will identify forecasting methods and data
12 sources for transportation energy demand for both
13 marine and off-road end-uses, using both
14 conventional and alternative transportation fuels.
15 An evaluation of the work done for the
16 ARB off-road, mobile sources emission program and
17 the ARB off-road model serves as the starting
18 point.
19 M.Cubed will then examine industry data
20 work by other researchers, and report which among
21 them can best contribute to the Energy
22 Commission's efforts.
23 This work with M.Cubed was competitively
24 bid and was approved by the Transportation
25 Committee on May 7th.

CHAIRPERSON PFANNENSTIEL: Questions?

COMMISSIONER BOYD: Move approval.

COMMISSIONER DOUGLAS: Second.

COMMISSIONER ROSENFELD: Second.

CHAIRPERSON PFANNENSTIEL: In favor?

(Ayes.)

CHAIRPERSON PFANNENSTIEL: Thank you.

MR. McBRIDE: Thank you.

CHAIRPERSON PFANNENSTIEL: Item 13 and 14, I understand that we will discuss them jointly and both separately.

But item 13 is possible approval of contract 600-07-009 for $699,760 with Life Cycle Associates, to refine and update the full fuel cycle analysis, emphasizing environmental and emissions performance factors for the transportation fuels identified in AB-1007 alternative fuels plan.

And then item 13 (sic), is possible of contract 600-07-008 for $149,220 with TIAX, LLC, to refine and update the full fuel cycle analysis, emphasizing sustainability factors of the transportation fuels identified in AB-1007 alternative fuels plan.

Good morning.

1 MR. ADDY: Good morning, Commissioners.
2 My name is McKinley Addy, and I'm with the fuels
3 and transportation division.
4 We seek your approval for proposed
5 contingent contract awards to two bidders under a
6 competitive solicitation to update the full fuel
7 cycle analysis.
8 The fuel cycle analysis was first
9 completed under the state alternative fuels plan
10 proceeding. And this work is a followup to that.
11 The first contract award, as you
12 mentioned in item 13 on the agenda is to Life
13 Cycle Associates for the amount of $699,760. The
14 work under this proposed contract will add things
15 like additional fuel pathways. It will also
16 assess indirect emissions for all of the
17 transportation fuels including land use change and
18 indirect land use change emissions.
19 And it will also look at some additional
20 uncertainty analysis as well as updated data in
21 the GREET model. And as you may recall, GREET
22 means greenhouse gases regulated emissions and
23 energy in the transportation model. It's a tool
24 that was developed by Argonne National Lab.
25 I will now address the second contract,

since they are related. The second award proposed, item 14 on the agenda, is to TIAX, LLC, for $149,220.

The work under this proposed contract will develop an analytical framework to evaluate sustainability of transportation fuels on a full fuel cycle basis. The work will cover the transportation fuels evaluated under the AB-1007 plan. And sustainability is an important requirement under AB-118.

This proposed contract will conduct a review of the literature on sustainability, and report on definitions and quantification methodologies. It will identify data gaps and develop information necessary to measure the sustainability of transportation fuels.

Both contracts are proposed to be made on a contingent basis pending the resolution of a protest filed with the Department of General Services by TIAX, LLC. TIAX contends that the RFP, under which these contracts are proposed to be awarded, was unclear about the Commission's intent to award task activities to separate bidders.

COMMISSIONER ROSENFELD: Does that mean

1 that TIAX thinks it should have access to the
2 whole contract, McKinley?
3 MR. ADDY: That would appear to be the
4 case in the protest letter that was submitted.
5 CHAIRPERSON PFANNENSTIEL: Any questions
6 or further discussion?
7 COMMISSIONER BOYD: I'll move approval.
8 We did discuss this lengthily in the Fuels and
9 Transportation Committee. And I would just add,
10 this, of course, as McKinley indicated, is a
11 follow-on to our responsibilities in the
12 alternative fuels plan, which plan was developed
13 by us in working with the Air Resources Board.
14 And this whole issue of full fuel cycle
15 analysis, cradle-to-grave, field-to-wheels,
16 whatever you want to call it, is key to our
17 alternative fuels plan and the whole concept of
18 low carbon fuels in addressing climate change.
19 So, these contracts, and the further
20 work on these models, is very important to both
21 agencies who have now really focused in on the
22 GREET model as the vehicle, pardon the pun, to use
23 for these types of analyses.
24 And I frankly think we're rather
25 disappointed in the protest because it's going to

1 delay action, because an awful lot of -- many
2 decisions and a lot of investment hinge on the
3 outcomes of these types of analysis in this day
4 and age. Because lots of the subjective opinions
5 about various fuel pathways are beginning to
6 change dramatically as we just begin to partially
7 consider the full footprint, so to speak, of some
8 of the pathways.
9 So, this is very urgently needed work.
10 And I just hope we can move with it briskly in the
11 not-too-distant future.
12 CHAIRPERSON PFANNENSTIEL: McKinley,
13 just let me confirm. Our vote here today is, in
14 fact, contingent on this processing through the
15 protest --
16 MR. ADDY: That's correct. .
17 CHAIRPERSON PFANNENSTIEL: -- and coming
18 out the other side the way it has gone in? So, in
19 fact, it may come back to us in a different form
20 if that protest is upheld somehow?
21 MR. ADDY: That is correct. .
22 CHAIRPERSON PFANNENSTIEL: I see.
23 COMMISSIONER ROSENFELD: I second the
24 motion, but I want to emphasize Jim's point. It
25 seems as if there's an awful lot of national

1 investment hinging on the results of this sort of
2 analysis. So, it would sure be nice to work very
3 hard to get the problem fixed.
4 CHAIRPERSON PFANNENSTIEL: Moved and
5 seconded. Any further discussion?
6 All in favor?
7 (Ayes.)
8 CHAIRPERSON PFANNENSTIEL: Thank you.
9 MR. ADDY: Thank you.
10 CHAIRPERSON PFANNENSTIEL: Item 15,
11 possible approval of contract 400-07-032 for up to
12 $4,050,000 in three years with Aspen Environmental
13 Group to provide technical assistance and training
14 to the electricity supply analysis division. Ms.
15 Bender
16 MS. BENDER: Yes. I'm Sylvia Bender in
17 the electricity supply analysis division.
18 This proposed contract was developed as
19 a single RFP as the most efficient vehicle to
20 provide staff assistant in ten separate work areas
21 that support the division's work plans. The
22 contract will support both demand analysis and
23 electricity analysis office work.
24 The contract was competitively bid
25 earlier this spring, and discussed with the

1 Electricity and Natural Gas Committee on several
2 occasions.
3 This would be a three-year contract with
4 a total possible funding authority of $4,050,000.
5 The maximum funding available for the first year
6 is $1,350,000. If future funding is available,
7 the contract could be funded for an additional
8 $1,350,000 in each of the next two years in
9 conjunction with the work-planning process.
10 The term of the contract will run
11 through approximately March 2011.
12 The contract will provide expert
13 technical assistance for projects identified in
14 the 2007 IEPR, and will support work in the next
15 IEPR cycles, as well.
16 For example, the contract could be used
17 to support refining input data for renewable
18 technologies and the cost of generation model, or
19 to develop probablistic demand forecasts. It
20 could also support staff training in risk and
21 uncertainty methods.
22 This is a work authorization contract.
23 All work proposed by staff will be developed
24 through consultation with an approval by the
25 executive office and the appropriate policy

1 committees.
2 Consistent with Commission policy
3 technical support contractors will be used only
4 when work is highly specialized and technical, and
5 such expertise is not available here at the
6 Commission, the work is intermittent in nature, or
7 short-term, and relates to specific work tasks or
8 products, and the Commission's legal office
9 approves the work authorization through the
10 standard review protocol that we have.
11 For these reasons I would urge that you
12 approve this technical support contract.
13 CHAIRPERSON PFANNENSTIEL: Thank you,
14 Sylvia. Was Aspen the prior technical support
15 contractor for your division?
16 MS. BENDER: No. We didn't, we have
17 never had a technical contract in our division.
18 We may have used part of the funding that was
19 available through the siting division. But we
20 have never had one in our division.
21 CHAIRPERSON PFANNENSTIEL: I see, okay,
22 thank you.
23 MS. BENDER: So this is a first for us.
24 CHAIRPERSON PFANNENSTIEL: Other
25 questions?

1 COMMISSIONER ROSENFELD: I move the
2 item.
3 COMMISSIONER BOYD: I'll second it, but
4 just make a comment that it does, while the head
5 emphasis is electricity, as always electricity
6 drags natural gas with it, there is a component in
7 here on natural gas that continued to contribute
8 to building up the expertise, let's just say, of
9 the Energy Commission in the natural gas area.
10 There's occasional debate, and there's
11 been recent debate about natural gas demand,
12 supply and price forecasting. And that's always
13 been a big issue in IEPRs, and it's a real big
14 issue in the last two IEPRs. This agency put a
15 lot of effort into what ended up in the 2007 IEPR.
16 And I know there's been some quote, "criticism",
17 unquote, of the Commission's work.
18 We always acknowledge we can do better.
19 This will help us do better.
20 Quite frankly, when I arrived here there
21 was virtually no gas expertise at this agency.
22 There was huge deference to the PUC as the alleged
23 gas experts in the state. And what we found is
24 that we both lacked a lot of knowledge and
25 expertise.

1 So since then there's been an effort to
2 continue to build that expertise. And this, I
3 think, is just another chapter in that effort.
4 And I know Ms. Jones is very familiar with this
5 topic. She and I have slugged through this for
6 several years together in IEPRs.
7 So, I'm very enthused about this
8 activity, frankly.
9 CHAIRPERSON PFANNENSTIEL: Yes,
10 Commissioner Byron.
11 COMMISSIONER BYRON: I would like to add
12 a comment, as well, before we vote this. We did
13 review this in our Electricity and Natural Gas
14 Committee. This is a rather sizable contract.
15 And what we're trying to do, I think, to
16 a great extent is enhance the capabilities of our
17 staff. The state relies more and more on our
18 analytical capabilities.
19 We have an outstanding staff, but we
20 could always bear improvement. And I hope that
21 this contract can be used very effectively to not
22 only, I suppose to use a freeway analogy, not only
23 to be able to go over the bridge while it's being
24 rebuilt, but that we spend some time improving the
25 bridge. In our case, improving our analytical

capabilities.

So, we're very -- I'm very supportive of this because, as I said, I think these capabilities are extremely important to the state, and this division provides an important role in all the analytical work that we do.

CHAIRPERSON PFANNENSTIEL: Was that a second?

COMMISSIONER BYRON: I believe Commissioner Boyd already seconded it.

CHAIRPERSON PFANNENSTIEL: Okay, moved and seconded.

All in favor?

(Ayes.)

CHAIRPERSON PFANNENSTIEL: Thank you, Sylvia.

MS. BENDER: Thank you.

CHAIRPERSON PFANNENSTIEL: Item 16, possible approval of contract 400-07-031 for $1,599,995 with KEMA, Inc., to conduct the residential appliance saturation survey. Good morning.

MR. SHARP: Good morning; I'm Glen Sharp with the demand analysis office.

This project, this survey is one of the

1 major mechanisms that supports our forecasting,
2 our demand forecasting responsibilities. At a
3 minimum we'll use this to estimate appliance
4 saturations. We use this to estimate end-use
5 consumption levels. And efficiency programs can
6 be analyzed and developed.
7 In the previous RAS, the 2002 RAS, we
8 developed a product; it was a publicly available
9 website which provides a pretty detailed level of
10 appliance saturation information to whoever wants
11 to look at this.
12 In this survey we're going to enhance
13 that website. It will be more user friendly and
14 will offer much more detailed information.
15 This project is BCP money funded through
16 ERPA, and I recommend that it be approved.
17 CHAIRPERSON PFANNENSTIEL: And it's
18 public goods charge money because the --
19 MR. SHARP: No, it historically, it was
20 PGC money, and the previous RAS was funded through
21 the PGC, but now it's ERPA funding.
22 CHAIRPERSON PFANNENSTIEL: The writeup
23 says that it's public goods charge money, so
24 you --
25 MS. BENDER: That's the reference to the

1 historical RAS, the first RAS that we did, we did
2 fund --
3 CHAIRPERSON PFANNENSTIEL: Well, it
4 says, the RAS proposed here will be funded with
5 public goods charge funds. I'm just reading off
6 of the writeup, so --
7 MS. BENDER: It should not, then that is
8 incorrect. The first RAS --
9 COMMISSIONER ROSENFELD: Okay, but could
10 I --
11 MS. BENDER: -- was funded that way, but
12 this one is not.
13 COMMISSIONER ROSENFELD: Sylvia, could I
14 ask if it was funded by public goods charge funds,
15 what changed and why does it have to be moved to
16 ERPA?
17 MS. BENDER: It was a very complicated
18 process to have that money transferred here from
19 the utilities. We had to keep it in separate
20 accounts. If we did not spend every dollar of the
21 money we had to find mechanisms to transfer it
22 back. It lessened the control we had, in some
23 cases, over the survey, itself. So it proved very
24 cumbersome.
25 And the BCP was put into place I think

1 in 2004, actually, to make the Commission sort of
2 self-sufficient in running these surveys and being
3 able to do this.
4 So we have a continuous form of funding
5 now to be able to mount these surveys, both for
6 the CEUS, the commercial end use survey, the
7 industrial survey and the residential survey.
8 COMMISSIONER ROSENFELD: It sounds like
9 you think that's an improvement.
10 MS. BENDER: Yes, we do.
11 COMMISSIONER ROSENFELD: Well, certainly
12 the RAS and the commercial one are very important,
13 so if you're comfortable I'm comfortable.
14 CHAIRPERSON PFANNENSTIEL: So the
15 utilities just get to save the approximately 1.6
16 million they used to spend on this from the public
17 goods charge? And then we're picking up the cost
18 of it through ERPA?
19 MR. SHARP: Yes.
20 EXECUTIVE DIRECTOR JONES: And let me
21 just respond to the incorrect information.
22 Sometimes what happens is staff gives the contract
23 memo to the Secretariat early in the process. And
24 I just need to make sure that they come back, and
25 when they have revisions they are what ends up in

1 your binder. And this was an error.
2 CHAIRPERSON PFANNENSTIEL: Further
3 questions? Is there a motion?
4 COMMISSIONER ROSENFELD: I'll move the
5 item.
6 COMMISSIONER BYRON: I'll second it.
7 CHAIRPERSON PFANNENSTIEL: All in favor?
8 (Ayes.)
9 CHAIRPERSON PFANNENSTIEL: Thank you.
10 MR. SHARP: Thank you.
11 CHAIRPERSON PFANNENSTIEL: Item 17,
12 possible approval of amendment one to contract
13 500-05-016 adding $100,000 in three months to
14 develop an alternative energy consumption
15 benchmark methodology for commercial buildings
16 that meets the eligibility requirements and
17 deadlines of SB-1 and AB-1103. Ms. Brook, good
18 morning.
19 MS. BROOK: Good morning; I'm Martha
20 Brook with the buildings and appliances office.
21 Oak Ridge National Laboratory has been
22 conducting benchmarking-related research during an
23 existing contract for the past two years, focusing
24 on understanding the differences between the
25 distribution of energy use at a national level

through the CBEC survey, and distribution of energy use in commercial buildings in California through the CEUS survey, which Sylvia just mentioned.

In 2007 two new benchmarking-related policies were established in California. First, in the guidelines for California solar electric incentives program, SB-1, there's a requirement for existing commercial buildings to get an energy use benchmark before they can receive a PV system incentive.

Second, AB-1103 was passed which requires, starting in 2010, a nonresidential building owner or operator must disclose an EnergyStart portfolio manager benchmarking rating to a prospective buyer, leasee or lender.

However, through the research the Oak Ridge National Lab has been conducting we have discovered that the majority of California commercial buildings cannot get a benchmark rating using the EnergyStar portfolio manager tool.

The proposed research in this amendment will develop a benchmarking methodology using the California-specific SEUS data that meets the intent of both SB-1 and AB-1103.

1 The Energy Commission Staff is working
2 with the USEPA, California utilities and the
3 building industry on the implementation of 1103 to
4 develop energy use disclosure mechanisms that
5 leverage the EnergyStar program, and also are
6 meaningful for California commercial buildings.
7 This item has been approved by both the
8 Efficiency Committee and the R&D Committee because
9 it will be funded jointly.
10 And I'm here to answer any questions
11 that you have.
12 CHAIRPERSON PFANNENSTIEL: This has been
13 a long process. I remember several years ago
14 trying to make sure we had the tool and had the
15 ability to use the tool in the commercial
16 buildings.
17 So I feel like we're finally getting to
18 where we need to be on this. It's very valuable
19 information. And as we're looking at issues with
20 residential audits or knowledge of residential
21 energy consumption, I think this is -- you need to
22 at least get this where it needs to go.
23 Further questions?
24 COMMISSIONER ROSENFELD: Yeah. Martha,
25 did I hear you say that most California buildings

1 couldn't get a rating under --
2 MS. BROOK: Yeah, that's right. They
3 can't get a rating. Now, they could still get
4 data on, you know, energy use per square foot, but
5 they can't actually get a zero to one -- or one to
6 100 rating.
7 It's like 88 percent of commercial
8 buildings. It's about 59 percent of the square
9 footage and something a little over 50 percent of
10 energy use.
11 California has just an incredibly huge
12 amount of small buildings. And most of the
13 EnergyStar tools limit the low end of the square
14 footage that they build methodology to rate
15 buildings with.
16 So even in the office building where we
17 think our large offices really probably can be
18 rated with the EnergyStar tool, they cut it off at
19 50,000 square feet. And we have just enormous
20 amounts of buildings under that limit.
21 COMMISSIONER ROSENFELD: So it's just
22 that there are no national data for such small
23 buildings?
24 MS. BROOK: The CBEC's data that they
25 used to build --

1 COMMISSIONER ROSENFELD: Cuts off?
2 MS. BROOK: It doesn't have as good a
3 representation as they need, because the
4 EnergyStar brand is so important to USEPA. But
5 they won't build a rating for something that they
6 really don't think they have representative data
7 for.
8 So they're kind of stingy on where
9 they'll allow that rating to be used. And so when
10 they go through the methodology of developing the
11 tools, you know, they can only do it for where
12 they think they have representative data. And
13 it's harder to do for the smaller miscellaneous
14 buildings that we find all over California.
15 COMMISSIONER ROSENFELD: Thanks. I move
16 the item.
17 CHAIRPERSON PFANNENSTIEL: Is there a
18 second?
19 COMMISSIONER BOYD: Second.
20 CHAIRPERSON PFANNENSTIEL: All in favor?
21 (Ayes.)
22 CHAIRPERSON PFANNENSTIEL: Thank you,
23 Martha.
24 MS. BROOK: Thank you.
25 CHAIRPERSON PFANNENSTIEL: Item 18,

1 possible approval of contract 500-07-043 for
2 $504,000 with U.S. Department of Energy, Lawrence
3 Berkeley National Laboratory, to analyze policy
4 impacts on reducing greenhouse gas emissions.
5 Good morning.
6 MS. PITTIGLIO: Good morning,
7 Commissioners. My name is Sarah Pittiglio; I'm
8 with the Public Interest Energy Research program.
9 I'm here today to request your approval
10 for an interagency agreement with the Lawrence
11 Berkeley National Lab. This project will provide
12 technical knowledge and tools for California
13 policymakers to effectively and efficiently
14 implement AB-32 and other greenhouse gas reduction
15 policies.
16 There are four main objectives to this
17 project. The first objective is to use an
18 existing optimization model to study the potential
19 of small combined heat and power technologies to
20 reduce greenhouse gas emissions while minimizing
21 costs in the commercial sector.
22 The study addresses many simplifying
23 assumptions that have been made in previous
24 studies, and it's also the first study to focus on
25 the small commercial sector.

The second objective is to improve the understanding of the role of state energy efficiency programs in moderating California's emerging demand over the past 30 years. And to determine how to expand that role in the future.

Previous studies have only linked energy demand to policy, while this study investigates correlations with a wide variety of historical data.

The third objective is to create new technical tools that will allow regulators and policymakers to understand the costs associated with reducing greenhouse gas emissions in California.

Current models are too complex and are no longer user friendly, so this project will design software that will open up the black box and allow policymakers to understand the drivers behind the costs associated with greenhouse gas abatement policies.

And the fourth and final objective is a social science study that will examine the barriers to the implementation of climate change adaptation strategies.

So, the PIER research program has

already made huge contributions to the development and design of AB-32 and other greenhouse gas reduction policies. And this proposed research will build upon and extend this contribution.

So I respectfully request your approval for this contract with LBNL.

CHAIRPERSON PFANNENSTIEL: Questions? Commissioner Byron.

COMMISSIONER BYRON: Well, I'm not sure if it's a question really. A comment or two. I'm very interested, obviously, in the evaluation of potential small CHP units in the commercial sector. I thought we had that all figured out, but additional information is welcome.

The second one was under the econometric study, several studies mostly in the grey literature. And we were talking earlier about the father of energy efficiency's birthday being this month.

And I was wondering, Commissioner Rosenfeld, is that what they're referring to here in the grey literature?

(Laughter.)

COMMISSIONER ROSENFELD: No.

(Laughter.)

1 COMMISSIONER BYRON: I'd be glad to move
2 the item.
3 COMMISSIONER ROSENFELD: Second.
4 COMMISSIONER DOUGLAS: I have a
5 question. Have we worked with ARB in terms of
6 scoping the research and the topics that we're
7 covering with this to insure that we're producing
8 information that's not duplicative, and useful in
9 the overall climate effort?
10 MS. PITTIGLIO: Yeah, we meet with ARB
11 regularly; we're involved with their groups and
12 the scoping plan. So, I'm confident that this
13 will be useful for the ARB, as well.
14 COMMISSIONER BOYD: I'll just comment
15 that, since it's been moved and seconded, this
16 was, of course, reviewed in the R&D Committee. We
17 had an interesting discussion.
18 It doesn't seem like a lot of money for
19 an incredible amount of work. It almost seems
20 like nirvana when we get to the end. Some people
21 might ask how we made the decisions made to date,
22 if you lack all this help.
23 But I think we need to confess we need
24 all the help we can get. And I see this as a very
25 good thing. I just hope it can deliver as much

1 information as it calls for here, because it's
2 pretty darn ambitious.
3 But, with that, --
4 CHAIRPERSON PFANNENSTIEL: Yeah. I'd
5 like to make an observation along those lines. It
6 does seem to me that a lot of the work that's
7 being done looks like work I thought we had done.
8 And so it feels like they are going back
9 and validating what we are doing or saying or some
10 of our long-held analytical assumptions. And that
11 can be a bad thing, but it does feel like there's
12 very little new here.
13 I suppose if they come back and say
14 we've been wrong on a whole bunch of things, then
15 we can start over. So, can't really doubt it.
16 MS. PITTIGLIO: Yeah, certainly looking
17 to build upon previous research and fill in the
18 gaps that are there.
19 COMMISSIONER BOYD: Well, some of us who
20 had access to a little bit of what the scoping
21 plan says knows that it needs a lot of support and
22 help in the future. So, hopefully, this will
23 indeed contribute to that.
24 CHAIRPERSON PFANNENSTIEL: Moved and
25 seconded.

1 All in favor?
2 (Ayes.)
3 CHAIRPERSON PFANNENSTIEL: Thank you.
4 MS. PITTIGLIO: Thank you.
5 CHAIRPERSON PFANNENSTIEL: I want to go
6 back for a moment. I realize that on items 13 and
7 14, I really needed to take a separate vote on the
8 two. We do have two completely separate contracts
9 there.
10 So, I would wipe out the prior vote,
11 which combined them. And take a separate vote on
12 item 13, as described. Can we get a motion on 13?
13 COMMISSIONER BOYD: Move approval.
14 COMMISSIONER ROSENFELD: Second.
15 CHAIRPERSON PFANNENSTIEL: All in favor?
16 (Ayes.)
17 CHAIRPERSON PFANNENSTIEL: And then item
18 14, as discussed.
19 COMMISSIONER BOYD: Move approval.
20 COMMISSIONER ROSENFELD: Second.
21 CHAIRPERSON PFANNENSTIEL: All in favor?
22 (Ayes.)
23 CHAIRPERSON PFANNENSTIEL: Thank you.
24 COMMISSIONER ROSENFELD: That was pretty
25 neat.

1 COMMISSIONER BOYD: I was going to try
2 one of those legislative things about substitute
3 the previous vote -- but, no --
4 (Laughter.)
5 CHAIRPERSON PFANNENSTIEL: Thank you. I
6 don't think we need another --
7 COMMISSIONER BOYD: I don't understand
8 them anyway, so.
9 CHAIRPERSON PFANNENSTIEL: Moving on
10 then, item 19. Possible approval of two projects
11 totaling $977,930 under the PIER renewables
12 program wind storage enhanced transmission
13 research and development grant solicitation. Good
14 morning.
15 MR. KANE: Good morning. I'm Mike Kane
16 from the research and development division with
17 the energy generation research office.
18 I'm here this morning seeking your
19 approval to award two grants totaling $977,930 for
20 the wind storage enhanced transmission research
21 and development solicitation.
22 This solicitation is based on findings
23 of the PIER-funded integration analysis project
24 that was completed in July 2007. Among its
25 recommendations the study states that California

should consider various storage technologies to accommodate load-shifting and regulation needs that will emerge as intermittent penetration increases.

Consistent with this finding the purpose of this solicitation is to facilitate adoption of electricity storage technologies to address quality and dispatchability issues that arise with expansion of wind generation.

The solicitation is envisioned as a first phase of a multi-phase process, this phase concentrating on feasibility and scoping. Follow-on phases are anticipated to lead to detailed design efforts and one or more demonstration projects.

For storage to be deployed optimally it must be closely tied to the needs of the transmission operator. Additionally, a successful research effort will need to access specific operational data available only to an operator. The solicitation was therefore targeted to guarantee that transmission operators take a leading technical role in the proposed research.

The recommended awardees are Southern California Edison Company and the Electric Power

1 Research Institute. The Edison project will
2 assess the viability of storage at major wind
3 generation areas on the SCE system.
4 The focus will be on mitigating voltage
5 and frequency instability at path congestion in
6 the Tehachapi and Palm Springs areas.
7 The EPRI project encompasses both
8 northern and southern California, and includes
9 close support from both Edison and the Pacific Gas
10 and Electric Company.
11 The project will develop a metrics-based
12 tool for evaluating storage, and will identify at
13 least two California sites where demonstration
14 projects will be feasible.
15 The recommended awards are the result of
16 a competitive solicitation process that began with
17 a public scoping workshop held in October 2007.
18 The public opportunity notice was released in
19 November 2007. And a free proposal workshop was
20 held in December.
21 Two completed application packages were
22 received by the due date of February 13, 2008.
23 Both applications passed the initial
24 administrative screening. And in March were
25 scored and ranked against criteria specified in

1 the PON by a five-person scoring team. Both
2 proposals attained passing scores and were
3 recommended for funding.
4 The Energy Commission funding will be
5 through the PIER electricity account; matched
6 funding totaling $185,000 -- $585,599 will be
7 provided by the applicants.
8 Thank you. I'll do my best at this time
9 to take any questions.
10 CHAIRPERSON PFANNENSTIEL: Are there
11 questions? Valuable subject.
12 COMMISSIONER BYRON: Yes, in fact I
13 think a comment more than a question. You know,
14 we're going to certainly begin to address more the
15 issues around moving towards a renewable future in
16 the next IEPR.
17 And it would seem to me that as we move
18 to a higher level of renewables we'll need to firm
19 them up with something that we can dispatch, or we
20 need to be working on storage in earnest as
21 another complementary way to solve that problem.
22 So I'm very glad to see this work going
23 forward. I think I did have one question, if I
24 may. So I want to emphasize the importance of
25 this work, and another one of those PIER projects

1 that we want the results yesterday.
2 But my question has to do with the
3 proposals and the way they were reviewed. You
4 referred, in the writeup, to a technical advisory
5 committee that reviewed and evaluated and scored
6 these two proposals. Which technical advisory
7 committee was that, do you know?
8 MR. KANE: Technical advisory -- I'm
9 sorry, I'm not clear. This is a previous writeup,
10 I take it. We have a scoring committee.
11 COMMISSIONER BYRON: Yes, and it says
12 then the technical advisory committee, TAC,
13 reviewed, evaluated and scored the two proposals
14 in March of 2007 --
15 MR. KANE: Okay, it was a scoring
16 committee, not a technical advisory committee.
17 COMMISSIONER BYRON: Okay, because I was
18 concerned that I missed this one coming through.
19 MR. KANE: Okay. No.
20 COMMISSIONER BYRON: All right.
21 COMMISSIONER ROSENFELD: This came
22 before the R&D Committee, so I move it.
23 CHAIRPERSON PFANNENSTIEL: We're going
24 to take them, I think, separately. Item a.
25 Southern California Company storage feasibility

1 analysis for wind interconnection points on the
2 SCE system. Motion there, Commissioner Rosenfeld?
3 COMMISSIONER ROSENFELD: Yes, I move
4 item a.
5 COMMISSIONER BOYD: I'll second it.
6 CHAIRPERSON PFANNENSTIEL: All in favor?
7 (Ayes.)
8 CHAIRPERSON PFANNENSTIEL: Item b.,
9 Electric Power Research Institute metrics-based
10 evaluation of storage at wind interconnection
11 points in California.
12 COMMISSIONER ROSENFELD: I move item b.
13 COMMISSIONER BOYD: Second.
14 CHAIRPERSON PFANNENSTIEL: In favor?
15 (Ayes.)
16 CHAIRPERSON PFANNENSTIEL: Thank you.
17 MR. KANE: Thank you.
18 CHAIRPERSON PFANNENSTIEL: Item 20,
19 possible approval of six projects totaling $2
20 million under the PIER 2007/08 solar photovoltaic
21 research, development and demonstration grant
22 solicitation.
23 MR. KIBRYA: Good morning,
24 Commissioners. My name is Golam Kibrya and I'm
25 with the PIER renewables solar program.

1 I'm here to request your approval for
2 six RD&D projects in solar photovoltaics. This
3 projects were selected through a competitive
4 solicitation which was released on October 26,
5 2007.
6 The objective of the solicitation was to
7 address targeted research areas that were
8 identified by a stakeholder-driven process
9 including the California Public Utilities
10 Commission.
11 It is coordinated with the RD&D programs
12 with the Federal Department of Energy and the
13 California Public Utilities Commission.
14 And the goal of the solicitation are to
15 reduce the cost and remote market barriers of PV
16 systems. A total of $2 million was made available
17 for the solicitation.
18 We received 15 proposals requesting a
19 total of about $5.8 million PIER funding, and
20 offering about $3.6 million of cost share. Each
21 proposal was independently reviewed by technical
22 reviewers, both internal and external to the
23 Commission.
24 And then a five-member scoring team
25 scored, ranked and -- reviewed, scored and ranked

1 the proposals. And based on the scores, scoring
2 team recommended the six highest ranking proposals
3 for funding.
4 On May 29, 2008, the RD&D Committee of
5 the Energy Commission approved the notice of
6 proposed awards, and the funding recommendations
7 for this projects. And the notice was posted on
8 the Energy Commission website on the same day.
9 The recommended projects are aimed at
10 reducing the cost of PV systems by developing new,
11 low-cost PV technologies, reducing the costs of
12 system design and installation, integrating energy
13 efficiency with PV, addressing regulatory and
14 market barriers, reducing the cycle time for PV
15 project implementation, and increasing the value
16 of solar PV by integrating energy storage with
17 photovoltaics.
18 Three of the projects, Green Volts,
19 Solar Tech and UC Merced, will directly reduce the
20 design and installation costs of PV systems by
21 developing standardized designs and streamlined
22 installation process.
23 These would minimize the design and
24 installation time, and also the onsite custom
25 engineering work.

These projects would also develop a new alternating current PV modules that would directly produce good quality A/C power. And also would have higher performance.

The Tile Solar project will develop a new solar tracker using alternative material that would reduce the material and verification costs of the tracker, resulting in a lower cost of solar power.

In addition to developing standard design and installation and a new A/C module, the Solar Tech project will also integrate energy efficiency with PV, develop integrated controls and diagnostics, metering device to monitor and record the equivalent CO2 reduction, best practices for system design and installation, and address regulatory and market barriers to reduce the PV project implementation time.

All six proposals will be demonstration projects in California. If successful, this projects will accelerate the growth and market uptake of solar previously -- in California. And, in turn, there will help achieve the state policy goals for renewable energy, especially the California Solar Initiative and the RPS targets.

1 And the Energy Commission IEPR recommendations for
2 net zero energy buildings.
3 Thank you. If you have any questions,
4 I'll be happy to answer them.
5 CHAIRPERSON PFANNENSTIEL: We also have
6 one person on the line who'd like to speak to
7 20.b. But do you have a question first,
8 Commissioner Byron?
9 COMMISSIONER BYRON: No, go ahead with
10 the public comment.
11 CHAIRPERSON PFANNENSTIEL: We have Doug
12 Payne from SolarTech on the line.
13 MR. PANE: Can everybody hear me?
14 CHAIRPERSON PFANNENSTIEL: Yes, we can
15 hear you fine.
16 MR. PANE: Doug Pane from SolarTech.
17 I'm responsible for SolarTech's business
18 operations. I just want to express our
19 appreciation to the Board for the process, and
20 look forward to your decision. I'm available for
21 any questions.
22 CHAIRPERSON PFANNENSTIEL: Thank you,
23 sir.
24 Question, Commissioner Byron.
25 COMMISSIONER BYRON: Thank you. These

are very interesting projects. We continue to search for the holy grail in the photovoltaic area.

I was looking carefully at all of these proposals, and I noted that the sixth one did have a goal to achieve a levelized cost of electricity of 15 cents per kilowatt hour by 2010, and an overall system efficiency of 24 percent.

I think this was, unless I missed it, the only one that had a stated goal such as that, is that correct?

MR. KIBRYA: The other projects also have stated goals. More in terms of cost reduction like what percentage they would reduce a cost of installed system.

For example, the third project, Tilt Solar, their goal is to reduce a total of 45 percent of installed system cost, --

COMMISSIONER BYRON: Okay.

MR. KIBRYA: -- 20 percent through material cost reduction, and 25 percent through installation cost reduction.

So, the other projects also had similar quantitative targets for cost reduction.

COMMISSIONER BYRON: You're right, there

are some things in here that I missed, like reducing structural material costs, okay.

Well, that's good. I'm very glad to see that. And I know that's difficult to do when doing research projects like this, but I think it's extremely important, and I encourage you to monitor their success against these goals very carefully.

MR. KIBRYA: Thank you.

COMMISSIONER BOYD: Commissioner Byron, I would point out that the R&D Committee had two separate sessions on this package of issues. Not because of concerns so much as because, as you really dig into these, there seems to be a lot of places where they, pardon the use of the expression because it's part of this, plug-in together.

Initial blush might seem that there's a little overlap and duplication. We totally satisfied ourselves that that was not the case; that they all are complementary.

And I agree with you, I think we were quite interested in this area because it is so important this day and age to get PV on a level playing field with the other solar applications.

1 So, in any event, the Committee did
2 recommend approval of this package of issues.
3 COMMISSIONER BYRON: Well, and I'll
4 actually be speaking at a photovoltaic summit
5 tomorrow morning, and I will emphasize these
6 projects if we approve them here today.
7 COMMISSIONER ROSENFELD: I move the
8 item.
9 COMMISSIONER BOYD: And I'll second.
10 CHAIRPERSON PFANNENSTIEL: And we'll
11 take that as a group, all six of them.
12 Moved and seconded.
13 All in favor?
14 (Ayes.)
15 CHAIRPERSON PFANNENSTIEL: It's
16 approved, thank you.
17 MR. KIBRYA: Thank you.
18 CHAIRPERSON PFANNENSTIEL: Item 21,
19 possible approval of a $1,445,000 loan to the
20 California Department of Mental Health to install
21 100 kW photovoltaic system and implement multiple
22 energy efficiency projects at Atascadero State
23 Hospital. Good morning.
24 MR. SULEIMAN: Good morning. Thank you,
25 Chairman; good morning, everyone. My name is Adel

1 Suleiman; I'm with the programs office here at the
2 Commission.
3 The Department of Mental Health, DMH,
4 operates five hospitals and two correctional
5 programs in the state. DMH is committed to comply
6 with the Governor's executive order of reducing 20
7 percent of energy consumption by year 2015.
8 In 2004 DMH received two loans totaling
9 $3.2 million from the Energy Commission to finance
10 multiple energy efficiency projects at Napa and
11 Patton State Hospitals. The projects at these two
12 hospitals were completed in 2006, and they are
13 currently in repayment.
14 This loan request before you today would
15 finance energy efficiency lighting and mechanical
16 upgrades, and the installation of 100 kilowatt
17 photovoltaic system to help offset some of the
18 electricity costs at Atascadero State Hospital.
19 The hospital receives power from PG&E
20 and natural gas from Southern California Gas
21 Company. The rebates from both utilities are
22 estimated at $365,000. This project, once
23 completed, will reduce greenhouse gas emissions by
24 an estimated 500 tons of carbon dioxide per year.
25 Energy Commission Staff has evaluated

1 this loan request and determined that it's
2 technically feasible and meets all requirements
3 for a loan under the Energy Conservation
4 Assistance Act fund program. And is consistent
5 with the 2007 Integrated Energy Policy Report.
6 This loan has been approved by the
7 Efficiency Committee and staff is seeking your
8 approval on this item. Thank you.
9 CHAIRPERSON PFANNENSTIEL: Questions?
10 COMMISSIONER BYRON: Yes.
11 CHAIRPERSON PFANNENSTIEL: Yes,
12 Commissioner Byron.
13 COMMISSIONER BYRON: Thank you. Just a
14 possible error or inconsistency that I couldn't
15 figure out. In the summary of the item there's an
16 early sentence that reads: These energy
17 efficiency upgrades resulted in over $380,000 in
18 reduced energy costs."
19 And then later on it said: This will
20 result in an estimated annual savings of
21 $152,666."
22 So I'm just having difficulty
23 reconciling the difference between those two
24 things. I suspect the 152,666 number is correct,
25 because that's the one that's --

1 MR. SULEIMAN: Yes, according to the
2 table I'm looking at here from the item --
3 COMMISSIONER BYRON: Right, it's in the
4 table, and it's in the short agenda summary.
5 EXECUTIVE DIRECTOR JONES: I can -- I
6 think I can clarify. In the summary of the item
7 that was for the two previous loans that were
8 awarded for Napa State Hospital and Patton State
9 Hospital.
10 COMMISSIONER BYRON: I think you're
11 right, thank you.
12 COMMISSIONER BOYD: That's the way I
13 read it, the 380 was the result of $3.2 million
14 previous upgrade.
15 COMMISSIONER BYRON: Okay.
16 COMMISSIONER BOYD: Okay.
17 COMMISSIONER BYRON: So we're doing our
18 calculations correct, then. Thank you very much.
19 CHAIRPERSON PFANNENSTIEL: Other
20 questions?
21 Is there a motion?
22 COMMISSIONER BYRON: I'll move the item.
23 COMMISSIONER ROSENFELD: Second.
24 CHAIRPERSON PFANNENSTIEL: In favor?
25 (Ayes.)

1 CHAIRPERSON PFANNENSTIEL: Thank you.
2 MR. SULEIMAN: Thank you.
3 CHAIRPERSON PFANNENSTIEL: Moving on to
4 item 22, possible approval of a $3 million loan to
5 implement multiple energy efficiency projects at
6 the Pasadena Convention Center.
7 MR. SULEIMAN: Yes, thank you, Chairman.
8 The Pasadena Center Operating Company, PCOC, has
9 requested this loan to implement energy efficiency
10 measures at the Pasadena Convention Center.
11 The PCOC is a nonprofit corporation that
12 manages and operates the Pasadena Convention
13 Center. And all its profits and net revenues are
14 dedicated to the City of Pasadena.
15 Our bond counsel, Sidley Austin Brown
16 and Wood have determined that the PCOC is a
17 governmental entity and eligible for our loans.
18 The Pasadena Convention Center is
19 currently a 120,000 square feet facility that was
20 originally built in 1931. Recently the Center
21 started a $150 million, state-of-the-art
22 remodeling and expansion of the existing center
23 which will double the size of the facility while
24 greatly reducing its energy use.
25 The Pasadena City Council is committed

1 to maximizing energy efficiency and reducing
2 greenhouse gas emissions in their facilities due
3 to their endorsement in September 2006 of the U.S.
4 mayors' climate protection agreement.
5 As a result, the new addition will
6 exceed the 2005 building energy efficiency
7 standards by approximately 20 percent. And 75
8 percent of the demolition materials will be used
9 in the new addition.
10 The PCOC and the City of Pasadena hope
11 for leadership in energy and environmental design
12 rating of silver from the United States Green
13 Building Council.
14 Pasadena Water and Power, the serving
15 electric utility for the Center is contributing
16 $1.4 million in efficiency rebates for the new
17 upgrades of the Center.
18 This project, once completed, will
19 reduce greenhouse gas emissions by an estimated
20 792 tons of carbon dioxide per year.
21 Again, the Energy Commission Staff has
22 evaluated this loan request and determined that
23 it's technically feasible and meets all the
24 requirements for a loan under the Energy
25 Conservation Assistance Act fund program, and is

1 consistent with the 2007 Integrated Energy Policy
2 Report.
3 This loan has been approved by the
4 Efficiency Committee, and staff is seeking your
5 approval on this item. Thank you.
6 CHAIRPERSON PFANNENSTIEL: Thank you. I
7 understand that with this approval we're down to
8 about the end of the ECAA bond fund for this go-
9 round, is that correct?
10 MR. SULEIMAN: Yes. With this approval
11 of this item and the previous item, we started
12 2005 fund with $38 million and now we're down to
13 $1.3 million.
14 CHAIRPERSON PFANNENSTIEL: I think that
15 that's a great success. I know that a lot of
16 public entities, county, city entities are always
17 seeking ways on improving the efficiency of their
18 buildings. And this fund has been well used.
19 I'd like to request the Executive
20 Director to provide us with a report on how that
21 38 million has been used for the beneficiaries.
22 I've not heard word about any defaults, so I'm
23 assuming they're all paying back as they're
24 supposed to.
25 But I think it's important information,

1 and I would like to, at some point, and I think
2 the Efficiency Committee will talk about the next
3 steps and the next rounds of bond funding for
4 these loans.
5 Are there questions on this project,
6 specifically?
7 COMMISSIONER ROSENFELD: Well;, just to
8 make the point that that doesn't mean we're at the
9 end of the road, of course, because we get money
10 back and we continue to circulate it on an annual
11 basis.
12 CHAIRPERSON PFANNENSTIEL: Right.
13 COMMISSIONER ROSENFELD: But we maybe
14 ought to talk about expanding the whole system.
15 CHAIRPERSON PFANNENSTIEL: Sure. We've
16 talked about that a couple times. This may be the
17 moment.
18 Other questions?
19 COMMISSIONER ROSENFELD: I move the
20 item.
21 CHAIRPERSON PFANNENSTIEL: Is there a
22 second?
23 COMMISSIONER BYRON: Second.
24 CHAIRPERSON PFANNENSTIEL: All in favor?
25 (Ayes.)

1 CHAIRPERSON PFANNENSTIEL: Thank you.
2 MR. SULEIMAN: Thank you.
3 CHAIRPERSON PFANNENSTIEL: Item 23,
4 possible approval of recommended strategic plan to
5 transform the existing HVAC industry and achieve
6 additional peak savings, sustainable profitability
7 and increased customer comfort as directed by AB-
8 2021. Ms. Hall.
9 MS. HALL: Good morning, Commissioners.
10 I'm Valerie Hall with the energy efficiency and
11 renewables division.
12 Assembly bill 2021, Levine, 2006,
13 directed the Energy Commission to investigate
14 options and develop a strategic plan to improve
15 the energy efficiency of air conditioning systems,
16 and to decrease their peak electricity demand.
17 Why should we focus on air conditioners?
18 Well, the rapid growth in the installation of
19 central air conditioning systems over the last
20 three decades is the primary cause of the rapid
21 growth in peak energy demand in California during
22 that same timeframe.
23 There's been a dramatic increase in the
24 proportion of new homes built with central air
25 conditioning from about 25 percent in 1976 to more

than 95 percent in 2007.

Also, home size has increased during that same timeframe. And it's increased about 55 percent, resulting in about a sixfold increase in the electricity capacity needed to meet that new load.

Total peak demand attributed to residential air conditioning units has increased from about 5 percent in 1976 to more than 24 percent in 2006.

Unfortunately, much of the benefit from the increase in the efficiency ratings of air conditioners does not actually occur.

The failure to insure quality installation of cooling systems or maintenance of those very systems results in about a 20 to 30 percent increase in the peak electricity of those systems that's needed to provide customers with the cooling and comfort that they would demand on hot summer days.

In response to the legislation, the Energy Commission convened a working group of professionals of the heating, ventilation and air conditioning, or HVAC, industry to discuss ideas that might be appropriate for such a plan.

1 This group was originally sponsored by
2 staff of the Energy Commission and staff of the
3 Public Utilities Commission. Ideas developed by
4 this group in the early part of the year were used
5 to develop the strategic plan.
6 I would note that a core set of those
7 same members of that group continue to work with
8 the investor-owned utilities to help develop ideas
9 to submit to the California Public Utilities
10 Commission's overall strategic plan for energy
11 efficiency for the 2009 to 2011 program cycle and
12 beyond. HVAC is one of several ideas covered in
13 the proposals for that strategic plan.
14 The CPUC has not yet reviewed those
15 ideas, nor have they made obviously any
16 determination of how to proceed with those ideas
17 in those proposals for that plan.
18 As with any plan developed for our
19 purposes or for the CPUC, I fully expect it to
20 undergo further refinements as we gain continuing
21 efforts in that area, and gain experience in these
22 areas.
23 Our strategic plan sets out a vision
24 that a revitalized HVAC industry will contribute
25 to increased energy efficiency and reduced peak

1 electricity use. California's consumers will
2 recognize and demand quality installation and
3 maintenance services of cooling and heating
4 systems that result in lower peak energy use,
5 better comfort, higher reliability and better
6 indoor air quality.
7 This will lead to sustained
8 profitability for the HVAC industry and trade
9 allies, as the business model changes from a
10 commodity to a value-added service business.
11 We feel that if the HVAC industry has
12 the ability to improve itself through these, that
13 they will be looking towards continuing
14 improvements which really help the Energy
15 Commission and help our goals of reducing energy
16 efficiency and reducing peak demand.
17 In general, the plan before you assumes
18 two overall complementary efforts are needed to
19 improve the energy efficiency and to reduce peak
20 demand consequences of air conditioners in
21 California. One is regulatory-based, and the
22 other is market-based.
23 For the regulatory efforts they include
24 things like improving the actual standard for such
25 equipment. And I would note that DOE has just

1 recently opened up a proceeding to take a look at
2 the efficiency standards and metrics for air
3 conditioning systems. And so the Energy
4 Commission, which has long been interested in
5 pursuing that, will obviously be paying attention
6 to that and participating.
7 Also, a regulatory effort is to improve
8 the enforcement of our current Title 24 standards
9 for installing and verifying HVAC systems. I'd
10 also like to note that we were successful about a
11 year or so ago in receiving approval of a budget
12 change proposal which allowed us to increase our
13 staffing by a couple people. And we have some
14 people who are focusing in enforcement of our
15 standards. They are working with building
16 departments directly, and we're seeing some early
17 positive results of that. Those people have
18 recently come onboard.
19 But that's just a start. We need to
20 continue that, and we need to be more aggressive
21 in that area. Also, that the Commission should
22 work with the Contractors State License Board to
23 assist in this very effort.
24 On the market side of things, everyone
25 agrees that the increases in energy efficiency of

1 air conditioners will not yield any significant
2 increase in energy or peak savings unless known
3 quality control problems are addressed.
4 Customers need to be able to ask for and
5 recognize quality installation and maintenance.
6 Right now it's just a box that gets installed.
7 They don't know if it's working properly. They
8 don't know if it's been installed properly.
9 So we need to be seeking ways to make
10 that more obvious by to consumers and more obvious
11 that they can see that it's been done.
12 The development of a brand or label,
13 perhaps even along the likeness of the EnergyStar
14 label, may go a long way in helping customers to
15 be able to recognize that. And education and
16 training of contracts and installers is also
17 critical.
18 The plan recommends ten strategies to
19 achieve these changes. The strategies are
20 targeted at improving the level of quality
21 controls provided at the time of HVAC
22 installation. And the quality of maintenance
23 delivered over the life of the system.
24 And these include things like creating
25 the quality brand I mentioned; increasing customer

1 demand for quality installation through a public
2 education campaign; work with building officials
3 to increase the level of code compliance and
4 quality installations.
5 Increase the number of trained
6 technicians that are qualified to perform these
7 HVAC system installations; obtain a commitment
8 from local governments and state agencies,
9 utilities and local building departments to devote
10 more resources to education customer, building
11 energy inspectors, and to streamlining, perhaps,
12 the permitting process.
13 Also seek regulatory policy changes
14 designed to encourage utilities to achieve larger
15 scale market outcomes when they're pursuing things
16 like education.
17 The remaining four strategies were
18 developed to achieve additional energy and peak
19 savings from new and more peak-efficient cooling
20 systems that would be installed over the next
21 decade.
22 One idea is to support commercialization
23 of onboard or built-in smart diagnostic and fault
24 detection systems. Also the same thing for a
25 portable fault detection system. To develop new

1 energy efficiency indicators to rate the expected
2 performance in energy use of space conditioning
3 systems that would be more appropriate,
4 particularly for the hot, dry climates of the
5 southwest. Again, that will be one of the focus
6 of our efforts with DOE.
7 Accelerate market penetration of new
8 cooling equipment technologies by developing an
9 incubator process that shortens the time between
10 testing of an innovative new cooling concept to
11 its demonstration and widespread market
12 deployment.
13 Create a market environment that
14 encourages builders to experiment and use whole
15 building designs and performance retrofitting to
16 reduce peak demands and overall customer bills.
17 Finally, the Energy Commission and the
18 California Public Utilities Commission and
19 utilities should form an implementation task force
20 that will be responsible for overseeing progress
21 towards each of these HVAC strategies over the
22 next three years, and even beyond.
23 We had a discussion recently, just this
24 last Friday, we met with CPUC Staff about
25 improving coordination of the Energy Commission

1 and CPUC Staff regarding key elements of the
2 efficiency program efforts. And HVAC is one of
3 those key program efforts.
4 And so, with that, I seek your approval
5 of this report, with any editorial changes you
6 wish to include.
7 CHAIRPERSON PFANNENSTIEL: Are there
8 questions?
9 COMMISSIONER ROSENFELD: Valerie, I have
10 a question, just the numbers. During the energy
11 crisis, which is five years ago, I remember the
12 data that on a peak day about 14 percent, to be
13 precise, of demand was residential air
14 conditioning, and 14 percent was commercial.
15 Now you just mentioned something about
16 24 percent. What was the metric that you used?
17 MS. HALL: That was an increase in peak
18 demand from the early years to now. And I'd have
19 to go back and check on that --
20 COMMISSIONER ROSENFELD: Okay.
21 MS. HALL: -- and resolve that with you.
22 COMMISSIONER ROSENFELD: Sounds like
23 Bill Pennington's trying to say something to me.
24 MR. PENNINGTON: Well, I don't
25 necessarily need to take up your time, but just a

1 quick response. This report was focusing on
2 single-zone equipment. And so that's virtually
3 all of the residential equipment. And it's a good
4 chunk, maybe a third, maybe a little bit more than
5 a third of the commercial.
6 So if you add your two numbers together
7 and adjust it that way, you'll get into the 20-
8 plus percent impact.
9 CHAIRPERSON PFANNENSTIEL: There are a
10 couple parties who'd like to speak. Anne Premo
11 from the PUC.
12 MS. PREMO: Good morning.
13 CHAIRPERSON PFANNENSTIEL: Good morning.
14 MS. PREMO: My name is Anne Premo. I
15 was working with the HVAC working group, along
16 with Mike Messenger, who's now retired. And some
17 of the other members of this group are also
18 present here today.
19 What I want to do is ask for your
20 support of this plan. This is a little bit
21 different version from the plan that the PUC
22 received on July -- sorry, June 2nd of this year.
23 But both stem from all of the working
24 group's efforts, and a report that we, as the PUC,
25 gave to PG&E, Edison and Sempra Utilities to work

with to develop further into a plan, as well as what the CEC has in front of it today.

So, the two plans aren't exactly the same. Some pieces are more detailed than others in the plan before you. And the plan that is sitting before the PUC is less detailed. But it's more of a plan and it fits into a larger strategic plan.

This is very important. It connects with the Energy Action Plan; it also connects with reduction of greenhouse gas emissions. We believe that it's important to support this. And we would hope that we could also entice the CEC to participate even more. We just need your support.

CHAIRPERSON PFANNENSTIEL: Thank you. Thank you for being here. I just want to make sure I understand that there are two different plans, although the same -- is it all the same conclusions and recommendations and policy?

MS. PREMO: In general, yes. The plan in front of you has more detail in some respects. The plan in front of the PUC has less detail and more strategies going out further than just three years.

The instructions that we gave the IOUs

1 was to develop something out to 2030 and 2020 for
2 residential and other issues.
3 I believe that the themes are, and the
4 policies are, in general, on the same wave length.
5 They just don't have all the same words in it.
6 CHAIRPERSON PFANNENSTIEL: Okay, but
7 ours is the one, I guess, because we're under
8 legislative requirement to submit to the
9 Legislature --
10 MS. PREMO: Um-hum.
11 CHAIRPERSON PFANNENSTIEL: -- and yours
12 will be used for the PUC strategic plan?
13 MS. PREMO: That is correct.
14 CHAIRPERSON PFANNENSTIEL: Okay, thank
15 you. Any other questions?
16 COMMISSIONER ROSENFELD: Yeah. No,
17 Anne, stay there. Valerie mentioned twice that
18 DOE is now finally addressing this, under court
19 order, is now finally addressing this issue of
20 breaking the country up into three climate zones.
21 MS. PREMO: Yes.
22 COMMISSIONER ROSENFELD: DOE, I was in a
23 two-hour conference call Monday, DOE would like to
24 do nothing because they claim that they're under a
25 time deadline.

1 We, in California, are going to have to
2 submit strong comments by the end of July. The
3 groups that have already said they want to comment
4 are the CEC, of course, and the utilities, all
5 three, --
6 MS. PREMO: Um-hum.
7 COMMISSIONER ROSENFELD: -- and the
8 California Cooling Center --
9 MS. PREMO: Yes.
10 COMMISSIONER ROSENFELD: -- but the PUC
11 hasn't gotten dragged into this shouting match
12 yet. And I'd like to talk to you after this
13 meeting for a minute to see if you also want to
14 consider being a signatory to the proposal which
15 says we need new test procedures, and we really
16 need a new device for the hot, dry west.
17 MS. PREMO: I would agree with that
18 plan. I can certainly be a messenger to my
19 Commission for that. And I believe that they will
20 support it.
21 COMMISSIONER ROSENFELD: Good, so if you
22 could stick around, --
23 MS. PREMO: Sure.
24 COMMISSIONER ROSENFELD: -- I think
25 we're near the end of this meeting, anyway.

1 CHAIRPERSON PFANNENSTIEL: Thank you.
2 COMMISSIONER ROSENFELD: I guess I move
3 for adoption of the report.
4 CHAIRPERSON PFANNENSTIEL: We're not
5 quite finished --
6 COMMISSIONER ROSENFELD: Not ready yet?
7 CHAIRPERSON PFANNENSTIEL: -- we have
8 some other --
9 COMMISSIONER ROSENFELD: Oh, sorry.
10 CHAIRPERSON PFANNENSTIEL: -- other
11 speakers. Eric Emblem from Cal SMACNA and Sheet
12 Metal Workers. Good morning.
13 MR. EMBLEM: Good morning, Madam
14 Chairman, Distinguished Commissioners. I'm Eric
15 Emblem. Again, I'm a private consultant. I'm
16 here today for the California Sheet Metal, Air
17 Conditioning National Association Contractors, and
18 the Sheet Metal Workers International Association,
19 the Union for the California Local Unions.
20 And we're here today to support the
21 report. And to compliment staff for doing a good
22 job. It was a tough job; they had a short amount
23 of time. And in particular, Mike Messenger, we
24 think he did a great job herding the cats, trying
25 to get all the different stakeholders in line.

1 And I think that it's a good job of recapping, and
2 to get the common message out, is that we got a
3 problem and we need to develop some solutions.
4 And in general we support those solutions.
5 I do have some recommendations for
6 consideration, just moving out. It's not really
7 anything to do to modify the report, but just some
8 recommendations for thought.
9 We think that one thing that you should
10 consider moving forward is as this is implemented,
11 both through the PUC's strategic plan and the CEC
12 report, that you start now to develop a matrix for
13 comparative study; a before and after to determine
14 if we're really moving in the right direction, and
15 if we're achieving the goals of both reports.
16 The other thing is in the report it
17 suggests and recommends certification to a
18 particular certification program for technicians.
19 In particular, NATE. And I am very much a
20 proponent of NATE. I sat on that board for
21 several years, so I'm not anti-NATE, but I would
22 like to say that there are other programs out
23 there -- and just in all fairness -- that do
24 deliver quality programs and quality installers
25 and quality installation that should be considered

1 moving forward and maybe not just all inclusive
2 into one certification program as we move forward,
3 to maybe bring them to the table.
4 Again, they have proven, through their
5 methodology, to either meet the NATE level or go
6 beyond it.
7 The other thing is I don't think we
8 talked enough in the reports about career
9 education programs for technicians. We did talk
10 about training. But we have a very very huge need
11 for replacing the baby boom technicians that are
12 retiring, and for bringing new technicians into
13 this field, both the residential and the
14 commercial sector.
15 And that we should look into the
16 apprentice programs that are out there right now,
17 and seeing if there's anything we can do to work
18 with those programs, and expanding them. Work
19 with them in recruiting new people into what we
20 call today the green jobs. Most of these are
21 really -- they've been green for years. And
22 they've been training quality people for years.
23 And they're working with the green movement and
24 the U.S. Green Building Council on at least
25 building awareness within their training of the

1 green building principles and conservation and
2 things that maybe are not taught in the technical
3 skills. And they're working on that now in all
4 the mechanical crafts. Not just the sheet metal,
5 but also in the plumbers, pipefitters and the
6 electricians.
7 We think that perhaps -- in the report
8 there's a reference to the ACCA standards for
9 quality installation. And we compliment them. We
10 think they did a fine job. And that the
11 standards, themselves, are a good move in the
12 right direction.
13 We do want to call the attention that
14 SMACNA has been in the standards and guidelines-
15 setting business for over 50 years. And have used
16 those standards to support the industry, both
17 through ASHRAE and the American Institute of
18 Architects in development of their master specs
19 throughout the country. Actually, throughout the
20 world.
21 The other thing, and finally the last
22 thing, is we'd like to offer our resources to work
23 in collaboration. In the report it suggests that
24 there be a statewide working group that's
25 empowered to work with the Commission in seeing

1 that this is carried out, and assist with
2 implementation.
3 We volunteer and stand up to help you
4 with that. And to make this a success, and to
5 make sure that this report attains the goals that
6 it's meant to do.
7 So, with that, I'll close.
8 CHAIRPERSON PFANNENSTIEL: Thank you,
9 Mr. Emblem. Thank you for being here. Thanks
10 very much for working with us on this report.
11 MR. EMBLEM: You're welcome.
12 CHAIRPERSON PFANNENSTIEL: Cynthia
13 Mitchell is on the phone, a consultant at TURN.
14 Ms. Mitchell.
15 MS. MITCHELL: Yes, can you hear me?
16 CHAIRPERSON PFANNENSTIEL: Yes, fine.
17 MS. MITCHELL: Thank you very much for a
18 couple minutes here to speak. I have a comment,
19 and then a question.
20 And following up on Valerie Hall's
21 recommendation that there be a task force, TURN
22 recommends that the entities and individuals
23 listed on the acknowledgement of the report be
24 invited to sit on this task force. And that
25 sufficient resources be dedicated to this task

1 force that it may carry out its function.
2 Just as an aside, we were all working on
3 this report. It was extremely time-consuming and,
4 a big burden for many of the -- entities involved
5 to try and carve out of their normal jobs
6 sufficient time to delve into this. But we at
7 TURN very much appreciate anything the CEC could
8 do to lever some resources to help with that.
9 And a question back to the comment, the
10 discussion of Anne Premo. And to the extent that
11 the CEC report reflects more detailed specificity
12 as to the first three years, is it reasonable to
13 request or ask that this report be submitted to
14 the CPUC or get appended to the IOUs 09/11 energy
15 efficiency portfolio in any way?
16 CHAIRPERSON PFANNENSTIEL: I don't want
17 to get into a full discussion of this. Ms. Premo,
18 you may come up and just respond to that. I think
19 we need to move our own discussion along.
20 MS. PREMO: Cynthia proposed that this
21 report also be submitted to the CPUC. I would
22 welcome that. And we would also welcome
23 additional participation with the strategic plans
24 that have been presented by the IOUs.
25 CHAIRPERSON PFANNENSTIEL: Thank you.

1 MS. PREMO: Thank you.
2 CHAIRPERSON PFANNENSTIEL: Thank you,
3 Ms. Mitchell, for your comments. We appreciate
4 them.
5 We also have Dale Gustafson from Better
6 Buildings, Inc.
7 MR. GUSTAFSON: Yeah, thank you. Can
8 you hear me?
9 CHAIRPERSON PFANNENSTIEL: Yes.
10 MR. GUSTAFSON: Thank you. I want to
11 make one quick comment (inaudible) is the
12 acknowledgement page of the report, there are a
13 number of other names of people and organizations,
14 particularly those representing the HVAC industry
15 that I believe that inadvertently accidentally
16 have been left off of it.
17 (inaudible) recommendation, with which I
18 agree, that the industry folks who participated in
19 the process be invited. I'm hoping that we can
20 get those names added. I'd be happy to do that.
21 CHAIRPERSON PFANNENSTIEL: Yes, thank
22 you. We would appreciate that. If you could --
23 MR. GUSTAFSON: -- in some cases people
24 flew from, you know, 2000 miles away to
25 participate in the working group, and I'm sure we

1 could add them.
2 CHAIRPERSON PFANNENSTIEL: We would
3 appreciate any contributions you could make in
4 that regard. We'll certainly do an addendum with
5 those additional names. Thank you for bringing
6 that to our attention.
7 Any other comments on this? Yes, please
8 come up.
9 MR. JOHNSON: Hi. My name's Scott
10 Johnson. I'm with the Institute of Heating and
11 Air Conditioning Industries.
12 And we completely support this endeavor.
13 And we're moving forward with training and nailing
14 down exactly everything that you guys are
15 outlining. We're actually putting it into --
16 we're functioning with that, as we speak, building
17 out training programs.
18 We're beyond supporting. As southern
19 California and the HVAC, in general, and the State
20 of California. Thank you.
21 CHAIRPERSON PFANNENSTIEL: Thank you.
22 Thank you for being here. I'm really grateful for
23 that.
24 Clearly, this is a report that has had a
25 large involvement of the industry. And I give

1 staff an awful lot of credit for bringing together
2 all the players.
3 I know it's late, and I've been one of
4 the ones who's been agitating about having a
5 requirement to get something to the Legislature.
6 And then being nearly six months late on that, I
7 think that's been unfortunate.
8 But, I do think that the product seems
9 to have risen to the occasion. I think that
10 getting the input and the valuable contributions
11 of this, many people who were acknowledged, and
12 those whose names were left off, will be given to
13 us.
14 I think really demonstrates that this is
15 a really good faith effort on getting the answer
16 that I believe Assemblymember was seeking in
17 proposing this bill.
18 So, with that, we have something in
19 front of us ready to go to the Legislature, if
20 approved. So, is there a motion for approval.
21 COMMISSIONER ROSENFELD: I move we
22 approve it.
23 COMMISSIONER DOUGLAS: Second.
24 CHAIRPERSON PFANNENSTIEL: All in favor?
25 (Ayes.)

1 CHAIRPERSON PFANNENSTIEL: Thank you,
2 Valerie.
3 MS. HALL: Thank you.
4 CHAIRPERSON PFANNENSTIEL: Thank you
5 all.
6 Okay, we've moved through most of the
7 agenda. We have some to go.
8 Minutes of the June 4th meeting.
9 COMMISSIONER BOYD: I'll abstain from
10 this.
11 COMMISSIONER ROSENFELD: I'll move the
12 minutes.
13 COMMISSIONER BYRON: Second.
14 CHAIRPERSON PFANNENSTIEL: In favor?
15 (Ayes.)
16 CHAIRPERSON PFANNENSTIEL: Minutes are
17 approved.
18 Commission Committee discussion. I
19 think I would like to just note where we are on
20 the AB-32 joint proceeding with the PUC.
21 That's a process that's gone on for some
22 time, but we had some end points in our radar,
23 which are that the PUC is expected to adopt their
24 final what will be a report to the ARB on
25 September 4th. And it will be before the Energy

1 Commission on September 10th.
2 And we intend to do whatever we can to
3 have those be identical reports, that then get
4 sent from both agencies to the Air Resources
5 Board.
6 We have a process that's ongoing as we
7 speak, with comments coming in on the
8 Administrative Law Judge's orders. And there will
9 be a draft decision going out at the end of July
10 with comments coming back in.
11 So we have another round that, I think
12 the important round, that needs to go on. The
13 issues are still out there reviewing the comments
14 and reply comments that are coming in.
15 Most of the parties staked out their
16 positions awhile ago, and there hasn't been a lot
17 of movement off of them. Although I would say
18 that the range of controversy remains, but the
19 number of issues that are controversial has
20 perhaps been reduced somewhat.
21 So, that's going to take up the summer.
22 And by this fall we should have some decision
23 offered.
24 Any other Commission comments or
25 discussion?

1 COMMISSIONER BOYD: I'll mention a
2 couple items, quickly. One, which is climate
3 change oriented. I may have mentioned in the past
4 that the Secretary Adams overseeing the climate
5 action team was interested in creating a research
6 committee. She lobbied me, as did representatives
7 of her office, and the Resources Secretary, to
8 chair that committee. And I reluctantly agreed.
9 So it is going to have its first meeting
10 tomorrow. And one of the goals is to try to
11 establish 0-- well, try to create a chapter for
12 this fall's report of the climate action team and
13 its activities, with specific reference to
14 climate-related research activities. And to
15 demonstrate our coordination, cooperation amongst
16 agencies on that subject.
17 So, that process is about ready to get
18 underway.
19 Secondly, Monday of this week I attended
20 in Denver a meeting of the Western Governors
21 Association policy council that has been created
22 to implement the transportation fuels for the
23 future report.
24 That report, I think I've mentioned
25 several times before, was finished last February.

1 Submitted to the Western Governors Association's
2 winter meeting. They accepted and approved the
3 report. And by resolution, called for the
4 creation of the implementing policy council.
5 As you may recall, I co-chaired the
6 previous advisory committee with the Secretary of
7 Energy from Oklahoma on the creation of the
8 report. I declined the invitation to co-chair the
9 implementation advisory group, but did agree to
10 serve on the council, at least represent the CEC
11 and California on that effort.
12 So, the energy policy advisor to --
13 Diane Nielsen, to the Governor of Utah, and David
14 Fleishaker, who is the energy secretary of
15 Oklahoma, are chairing -- co-chairing that effort.
16 And we'll see. I'm beginning to think
17 my personal involvement is not needed as much as
18 it was the last time around. But that
19 responsibility may fall on some of Melissa's staff
20 in the future. This is getting into a lower level
21 technical implementation discussion.
22 But in any event, we are represented
23 there. As I indicated in my presentation to them,
24 California does travel in a parallel universe with
25 regard to these kinds of activities. So we want

1 to stay plugged in, but we tend to be a lap or two
2 ahead on some many of the activities, and can't
3 totally be -- I didn't use the term subordinated,
4 but anyway, guided --
5 COMMISSIONER ROSENFELD: Restrained.
6 COMMISSIONER BOYD: -- restrained, thank
7 you, by what this policy group puts together.
8 As I mentioned in previous reports on
9 creating this report, it was expected to take nine
10 months. It took 18, as I predicted, because
11 there's coal in them-thar western states. And it
12 is a very contentious issue.
13 The report was unable to reach a
14 consensus on the subject of coal; rather it gave
15 three sets of options and alternatives to the
16 governors. They opted not to choose any of them,
17 but to just accept and approve the report in
18 general. And ask folks to implement. So there
19 will still be interest on the part of some states
20 to develop coal-to-liquids.
21 However, the Defense Department has
22 stepped in, as we recommended, to really pick that
23 issue up and run with it. And we hope that that
24 satisfies the economic needs of those states who
25 have that particular resources.

1 I, for one, am really pushing biomass as
2 something we, in the western states, ought to be
3 interested in. And I think they will do so. So,
4 more to follow on that subject.
5 CHAIRPERSON PFANNENSTIEL: Thanks, Jim.
6 Chief Counsel report.
7 CHIEF COUNSEL CHAMBERLAIN: Thank you,
8 Madam Chairman. I note with both pleasure and
9 regret the appointment of Elena Miller as our new
10 Public Adviser. And I see Elena's here.
11 Perhaps --
12 CHAIRPERSON PFANNENSTIEL: You're
13 stealing my thunder, Bill. I was going to --
14 (Laughter.)
15 CHAIRPERSON PFANNENSTIEL: Why don't we
16 use the moment --
17 CHIEF COUNSEL CHAMBERLAIN: Well, she,
18 as you know, she joined my office in March, and
19 it's been a great pleasure to have her in my
20 office.
21 I note this with pleasure because I
22 consider the Public Adviser position to be a very
23 important one for the Energy Commission. It's a
24 unique position in the unique siting program. And
25 I know Elena will do a great job.

1 In addition, I think some of you may not
2 know, but Fernando de Leon of our office is
3 retiring this summer. And so Arlene Ichien and
4 Jonathan Blees and I are engaged already in the
5 process of interviewing new candidates to fill
6 these two positions.
7 The other thing that I have is I've sent
8 you all a memo that I directed to the Siting
9 Committee on a jurisdictional issue that I believe
10 could lead to litigation. And I believe we need a
11 closed session on that. If it's possible to have
12 that closed session after the noon hour, that
13 would be desirable --
14 CHAIRPERSON PFANNENSTIEL: We have it on
15 schedule; we're scheduled to do that today.
16 CHIEF COUNSEL CHAMBERLAIN: Thanks.
17 CHAIRPERSON PFANNENSTIEL: Thank you.
18 Executive Director report.
19 EXECUTIVE DIRECTOR JONES: Good morning.
20 I have two items to report on.
21 First is the status of the budget.
22 Several of our BCPs are in the conference
23 committee. We did get approval for our BCP for
24 PIER. And that included eight additional PYs,
25 plus 1.427 million. That was reduced from the

1 original request of 2.47 million. But that will
2 be very helpful to the program.
3 The remainder of the items, including
4 the BCP for building and appliance standards, and
5 for the alternative and renewable fuel and vehicle
6 technology program, for the energy and water
7 efficiency program and the waste heat and carbon
8 emission reduction program are being held open in
9 conference as we speak.
10 We did get earlier approval for the PIER
11 natural gas research BCP; and also for the
12 outsourcing of the new Solar Homes Partnership.
13 So we're making some progress there.
14 The second thing I would like to discuss
15 today is each year we do sustained and superior
16 sustained accomplishment awards. So I wanted to
17 go ahead and announce the winners today.
18 This award program is sponsored by the
19 Department of Personnel Administration through
20 their merit award program. It allows us to
21 recognize individuals who have made an important
22 contribution to science, research or development;
23 who showed unequaled personal effort in conducting
24 their duties; and in taking on major tasks or
25 responsibilities that are very time-constrained.

1 I'm pleased today to announce that we
2 gave 23 superior accomplishment awards for 2007.
3 And I'm just going to briefly read off the names,
4 and just give you a little bit of why they were
5 nominated.
6 Suzanne Garfield received the award as
7 the lead writer for the 2007 Integrated Energy
8 Policy Report. Lorraine White was nominated for
9 her work as the project manager for the 2007 IEPR.
10 Michael Heintz was nominated and given
11 an award because of his legal work on WREGIS,
12 which was a rather daunting endeavor.
13 Luke Quiroz has been employing new
14 recruitment and testing strategies for the
15 Commission to help with the recruitment of
16 employees. This involves both continuous testing
17 and more frequent testing so that we have an
18 adequate pool of new positions to hire from, or
19 new people to hire from.
20 In addition, Cheryl Raedell, in our
21 contracts office, has instituted a number of
22 practices to increase the oversight of work
23 authorizations and sole-source contracting.
24 That's a great improvement to the Commission's
25 contracting practices.

1 Gina Tosi-Smith, our personnel officer,
2 has taken on a number of different projects in the
3 last year, including the establishment of the
4 electricity supply analysis division. And several
5 other proposals to deal with our quantifications.
6 Eurline Geiszler has been recognized --
7 she's in the energy efficiency and renewables
8 division -- for her exceptional performance as a
9 supervisor.
10 And Angela Gould has been nominated for
11 her staff role in supporting WREGIS. Donald
12 Kazama has instituted best practices and
13 SaveEnergyNow, which is one of the DOE programs
14 that we're funded to implement.
15 Resa Keanini, who's no longer with us,
16 but who was instrumental in getting WREGIS up and
17 running, was given an award.
18 Mike Jaske for his management of the
19 2007 Integrated Energy Policy Report, the
20 scenarios analysis project. That was a huge
21 undertaking on Mike's part and we're grateful that
22 we was willing to do that.
23 Anitha Redmond, who is no longer with
24 the Commission, also contributed to the cost of
25 generation model. Kristi Chew, who is now a

second advisor, was given an award because of her program in contract management for the demand response research center.

Abul Gashemalati was nominated for his facilitation of the RD&D solicitations under the PIER renewables program. Jesselyn Rosales is part of the PIER Staff. She handles the fiscal management for PIER technical programs. She did a lot of streamlining and very big contributions there.

Michael Siemen has been nominated for his contributions towards advancing PIER's technology research. Diana Schwyzer, who is also a second advisor now, was given an award for her participation and her contribution to the AB-1007 implementation of the state alternative fuels plan. Malachi Weng-Gutierrez was nominated for his exceptional work during the 2007 IEPR for the transportation energy forecasts.

Eileen Allen, who is the manager of the siting program, has been nominated for an award. She has worked on 25 power plant siting cases over the last year, including over 9000 megawatts of new generation. Involved in 36 public/staff workshops and has published 20 major staff

1 environmental assessment and engineering
2 assessments. It's quite an accomplishment.
3 Keith Golden has received an award for
4 his senior-level leadership in the air quality and
5 public unit of the siting division, dealing with a
6 number of challenging power plant applications and
7 compliance investigations.
8 Angela Hockaday has been given an award
9 for her successful hiring, training and
10 supervising of the five project secretaries and
11 the two studies, while successfully completing an
12 extraordinarily high workload of siting cases. We
13 recognize her valuable contribution to that.
14 Matthew Layton was given an award for
15 his senior-level leadership in the air quality and
16 public unit. Again, handling challenging power
17 plant applications and compliance.
18 And Nita McGlothin has been given an
19 award for her administrative support for the
20 environmental office. She has performed a number
21 of special duties, and we acknowledge her
22 participation.
23 We have also given five sustained
24 superior accomplishment awards. This is to
25 recognize efforts over an extended period time.

1 And those awards were given to Barbara Byron for
2 her role as a state and national expert on nuclear
3 energy in the state. Including our assessments in
4 the last two IEPR cycles of nuclear power issues;
5 dealing with transportation of nuclear waste
6 issues; and the Yucca Mountain long-term waste
7 disposal facility.
8 Atlas Hill, who is an assistant manager
9 for customer support and network services; has
10 also contributed sustained efforts. I don't know
11 if you're aware, but Atlas has had some major
12 health challenges. And while he was going through
13 those, he maintained a tremendous level of
14 productivity and contribution to the Energy
15 Commission. We really appreciate his efforts in
16 keeping our computers up and running and our
17 network up and running.
18 Betty Chrisman has been given an award.
19 She is the contract manager for the appliance
20 database, re-engineering. This was a very complex
21 project, and Betty's attention to detail and
22 thoroughness allowed us to get this work done.
23 In addition, we gave an award to David
24 Hungerford for his development and implementation
25 of demand response policies. And trying to

1 address our growing needs to reduce our peak
2 demand in the state.
3 And finally, Joel Klein, who is part of
4 our electricity supply analysis division, was
5 given a superior sustained achievement award for
6 his development of the cost of generation model.
7 These people worked above and beyond the
8 call of duty, and it was my pleasure to give them
9 those awards this year.
10 CHAIRPERSON PFANNENSTIEL: Thank you,
11 Melissa. And I know the hour's late, but I really
12 appreciate your taking the time to acknowledge and
13 to name and to make sure we are aware of this.
14 So, thanks very much.
15 COMMISSIONER ROSENFELD: Melissa, could
16 I ask you, what sort of other recognition, like
17 plaques to go on their wall, or whatever, are
18 these folks getting?
19 EXECUTIVE DIRECTOR JONES: They've got
20 plaques to go on their wall. For the superior
21 accomplishment awards, they were given either $250
22 or $500 awards. And for the sustained superior
23 accomplishment awards there was a $250 award that
24 went along with that.
25 CHAIRPERSON PFANNENSTIEL: Oh, that

1 beats plaques on the wall.

2 EXECUTIVE DIRECTOR JONES: Yes, it does.

3 CHAIRPERSON PFANNENSTIEL: Thank you.

4 COMMISSIONER ROSENFELD: Good.

5 COMMISSIONER BOYD: Buys a little bit of

6 gasoline these days.

7 CHAIRPERSON PFANNENSTIEL: Leg Director

8 report. Marni.

9 LEGISLATIVE DIRECTOR WEBER: Good

10 morning, Chairman and Commissioners. We're

11 approaching another deadline with the legislative

12 process. Next Friday, the 27th, will be the last

13 day for bills to be heard in policy committee. So

14 we move along.

15 And since we last met another initiative

16 has qualified for the November ballot. This one

17 is the California Renewable Energy and Clean

18 Alternative Fuel Act, which would authorize $5

19 billion over ten years to provide incentive

20 payments for purchasers of certain high fuel

21 economy and alternative fuel vehicles, incentives

22 for research, development and production of

23 renewable energy technology and alternative fuel

24 technology, incentives for purchases of renewable

25 energy technology and grants to cities for

education in these technologies. And also grants to colleges to train in these technologies.

If the voters approve this measure in November, the Energy Commission will receive approximately $1.6 billion for programs that would be administered by the Commission.

They will primarily be solar, wind and renewable energy; commercialization of solar, wind, geothermal, wave and tidal currents; with an emphasis on solar.

Also demonstration projects at the local level and education and training and outreach programs will be administered by the Energy Commission.

At this point, the only information I'm able to find for proponents and opponents of this measure is that the major contributor to get this measure on the ballot, and for the committee that's going to be pushing it, is the Clean Energy Fuels Corporation. And according to their website, they note that they are the largest provider of natural gas for transportation in North America. So that's where this one is going.

That's all I have today.

CHAIRPERSON PFANNENSTIEL: Thank you,

1 Marni.
2 Public Adviser report. And I'll ask
3 Elena to come up and let's officially welcome her
4 and meet here. Elena has been, as Bill said, with
5 the Energy Commission in the Counsel's Office for
6 a number of months while the paperwork was
7 processed and reprocessed and reprocessed over at
8 the Governor's Office.
9 But the appointment has come through,
10 and we are delighted to have a Public Adviser of
11 Elena's background and qualifications and energy
12 and enthusiasm and skills and all of that.
13 So, welcome, and do you have a report
14 for us?
15 PUBLIC ADVISER MILLER: Thank you. I
16 don't have a report for you this morning, per the
17 counsel of Nick. I just want to say thank you;
18 this is an honor and I appreciate it.
19 It's been fantastic working in the legal
20 office. I am happy to say I am really impressed
21 with the attorneys that we have here at the
22 Commission. And so it was a pure joy to be
23 working amongst such great attorneys. And it is
24 bittersweet to be leaving them.
25 But I have every reason to think that

this opportunity to be Public Adviser for the Commission is going to be fantastic. And I look forward to working with you and everyone in this building.

CHAIRPERSON PFANNENSTIEL: Well, you'll see us out in the 20-some-odd siting cases around the state and get to know us and the processes in the state quite well.

PUBLIC ADVISER MILLER: I look forward to it. Thank you very much.

CHAIRPERSON PFANNENSTIEL: Thank you, Elena. Glad to have you here.

Any other public comment? Anyone else like to address us? Nobody on the phone?

With that, we're going to adjourn to an executive session on litigation in my office following a short break.

(Whereupon, at 12:11 p.m., the business meeting was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of July, 2008.