BUSINESS MEETING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

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CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

WEDNESDAY, DECEMBER 3, 2008

10:00 A.M.

ORIGINAL

Reported by:
Ramona Cota
Contract Number: 150-07-001

COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Chairperson

James D. Boyd, Vice Chair

Jeffrey D. Byron

Karen Douglas

Arthur H. Rosenfeld

STAFF PRESENT

William Chamberlain, Chief Counsel

Claudia Chandler

Guido Franco

Angela Gould

Lynette Green

Christine Hammond

Gabe Herrera

Mark Hutchison

Harriet Kallemeyn, Secretariat

Laura Lawson

Alicia Macias

Chris Marxen

Robin McCall

Melinda Merritt

Bill Pennington

Sarah Pittiglio

William Staack

Peter Strait

PUBLIC ADVISER

Elena Miller

ALSO PRESENT

DeVon Walton, APX (via telephone)

Gary Fernstrom, Pacific Gas and Electric Company

Tom Harding, Venture Lighting
representing National Electronics Manufacturers
Association, Lighting Systems Division

Trent Smith, California Alarm Association

Samantha Omey, Honeywell International
representing Security Industry Association

Terry Snow,
Independent Pool and Spa Service Association

Amanda Stevens, Energy Solutions

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

2 10:06 a.m.

3 CHAIRPERSON PFANNENSTIEL: Good morning,

4 this is the Energy Commission Business Meeting.

5 Please join me in the Pledge of Allegiance.

6 (Whereupon the Pledge of Allegiance was

7 recited in unison.)

8 CHAIRPERSON PFANNENSTIEL: We have one

9 change to the published agenda today. Item 6 has

10 been taken off and will be moved to the next, the

11 December 17 Business meeting.

12 With that, the Consent Calendar. Is

13 there a motion to approve the Consent Calendar?

14 COMMISSIONER ROSENFELD: I move the

15 consent calendar.

16 VICE CHAIRMAN BOYD: Second.

17 CHAIRPERSON PFANNENSTIEL: In favor?

18 (Ayes.)

19 CHAIRPERSON PFANNENSTIEL: The Consent

20 Calendar is approved.

21 Item number 2, possible approval of

22 Contract 600-08-003 for $50,000 with CALSTART to

23 co-sponsor the target 2030: Meeting the California

24 Transportation Energy and Climate Challenges

25 Conference January 14 and 15, 2009, in Sacramento.

1 Good morning.
2 MS. MACIAS: I don't look like Mike
3 Trujillo, do I?
4 (Laughter)
5 CHAIRPERSON PFANNENSTIEL: You do not.
6 MS. MACIAS: Good morning, Chairman and
7 Commissioners. My name is Alicia Macias. I am
8 representing the fuels and transportation
9 division.
10 As you read this is a $50,000 co-
11 sponsorship that we are proposing with CALSTART.
12 The conference itself will be held at the Hyatt in
13 Sacramento. And it is timely as we are having a
14 new administration, a new two year legislative
15 session and we are expecting the finalization of
16 the AB 32 Scoping Plan. ARB is also co-sponsoring
17 the event and CALSTART is pursuing additional co-
18 sponsorships at this time with industry.
19 The Commission staff has worked with
20 CALSTART on the agenda and CALSTART is in the
21 process of confirming speakers. The Commission is
22 also taking this as an opportunity to host a 2009
23 IEPR workshop on biofuels on January 13.
24 Thank you and I am available to respond
25 to any questions.

1 CHAIRPERSON PFANNENSTIEL: Thank you.
2 Are there questions? Is there a motion then?
3 VICE CHAIRMAN BOYD: I'll move approval.
4 It came through the Transportation Committee.
5 COMMISSIONER BYRON: And I will second
6 it with regrets that I cannot attend this
7 conference.
8 CHAIRPERSON PFANNENSTIEL: What a shame.
9 All in favor?
10 (Ayes.)
11 CHAIRPERSON PFANNENSTIEL: It's
12 approved. Thank you, Ms. Macias.
13 Item 3, possible approval of contract
14 600-08-004 for $98,347 with ICF Consulting, LLC,
15 to provide vehicle technology data for CALCARS
16 forecasts of transportation energy demand. Good
17 morning.
18 MS. LAWSON: Good morning, Chairman and
19 Commissioners. I am Laura Lawson with the fuels
20 and transportation division.
21 As you have read this is a $98,347
22 contract with ICF Consulting in order to provide
23 updated light duty vehicle attribute forecasts in
24 preparation for the 2009 IEPR. The updates will
25 include updated economic conditions, updated fuel

1 prices as well as updated regulatory conditions,
2 including the 2007 Energy Information and Security
3 Act fuel economy standards as well as a scenario
4 that includes the AB 1493 Pavley standards.
5 The expanded range of alternative fuel
6 vehicles includes gasoline, gasoline/electric
7 hybrid, diesel, plug-in hybrid electric vehicles,
8 flex fuel compressed natural gas, full electric
9 and hydrogen.
10 This contract was awarded via a
11 competitive RFO. It was offered to -- It was
12 submitted to ten approved CMAS vendors. ICF was
13 the sole bidder and ICF also performed the same
14 work for us in 2005 and 2007. The contract's term
15 is January 2 to June 3. We do expect to have all
16 work done by April 30 in time for the 2009 IEPR
17 report.
18 Thank you very much and I am available
19 for questions.
20 CHAIRPERSON PFANNENSTIEL: Thank you.
21 Are there questions of Ms. Lawson? No questions.
22 VICE CHAIRMAN BOYD: If not I'll move
23 approval. Again, this item came through the
24 Transportation Committee.
25 COMMISSIONER DOUGLAS: And I'll second.

1 CHAIRPERSON PFANNENSTIEL: All in favor?
2 (Ayes.)
3 CHAIRPERSON PFANNENSTIEL: It's
4 approved, thank you.
5 MS. LAWSON: Thanks.
6 CHAIRPERSON PFANNENSTIEL: Item 4,
7 possible approval of competitive Grant Agreement
8 PIR-08-004, awarding $499,960 to the Regents of
9 the University of California, Davis to conduct
10 field data collection and analysis of nitrous
11 oxide emissions from the application of
12 fertilizers in agricultural soils to improve N20
13 emissions estimates. Good morning.
14 MR. FRANCO: Good morning,
15 Commissioners. My name is Guido Franco. I am
16 with the Public Interest Energy Research Program.
17 In March of this year the Research and
18 Development Committee approved the release of
19 requests for proposals for research projects on
20 climate change. The R&D Committee approved six
21 research topics with a total funding of about $2.9
22 million.
23 We received 35 proposals. A review team
24 recommended to the R&D Committee the approval of
25 ten research proposals. The R&D Committee

1 tentatively approved the ten grant proposals and a
2 Notice of Proposal was issued several weeks ago.
3 This and the next item on the agenda
4 will cover two of the ten research projects for
5 which we are seeking and will seek your final
6 approval. So now I am going to be addressing the
7 specific items on the agenda.
8 In 2004 the Commission road map of
9 research and inventory method, that road map of
10 research identified high uncertainties in the
11 emission estimates for nitrous oxide from the use
12 of fertilizer. We believe that the emission
13 estimates could be off by a factor of two, more or
14 less 50 percent or more it could be off.
15 We tried to address this problem with a
16 prior research where we asked the researchers to
17 calibrate existing models used to estimate nitrous
18 oxide emissions with existing data that we have in
19 California, having collected in the past. While
20 the results were encouraging it became obvious
21 that there is a lack of proper data to really do a
22 good job in calibrating existing models.
23 So UC Davis will be collecting for this
24 project, that they will be measuring nitrous oxide
25 emissions in both experimental plots and actual

1 farms. Some of the most economic and important
2 crop systems in California will be covered
3 including alfalfa, tomatoes, vegetables, orchards
4 and vineyards.
5 The R&D Committee approved this
6 potential grant and authorized us to bring this
7 proposed grant before the full Commission for your
8 consideration. I am now ready to answer any
9 questions that you may have.
10 CHAIRPERSON PFANNENSTIEL: Thank you,
11 Mr. Franco. Are there questions?
12 VICE CHAIRMAN BOYD: I'll move approval
13 as a representative of the Research Committee.
14 I'll just comment that I am very familiar with
15 this subject. Half of California's farming
16 community contacted me with much concern about
17 this. But the staff has taken care of those
18 folks' concerns, created an advisory committee
19 with the farming industry. And as indicated this
20 came through the R&D Committee and we approved the
21 item. So as I say, a long motion to approve.
22 COMMISSIONER ROSENFELD: I second.
23 CHAIRPERSON PFANNENSTIEL: All in favor?
24 (Ayes.)
25 CHAIRPERSON PFANNENSTIEL: Thank you.

1 And then the next, possible approval of
2 competitive Grant Agreement PIR-08-005, awarding
3 $199,737 to the University of California, Irvine
4 to conduct a case study to estimate water usage
5 and future water demand from urban landscaping.
6 MR. FRANCO: Yes. This is, again, one
7 of the ten solicitations that have been
8 tentatively approved. UC Irvine submitted a
9 proposal designed to estimate how urban landscapes
10 could be used as a tool to adapt to climate change
11 by reducing overall water consumption. Currently
12 about 60 percent of the water used in a household
13 in Southern California is used for outdoor
14 landscape.
15 At the same time mitigation adaptation
16 programs such as the programs that Los Angeles has
17 of planting one million trees, with the goal of
18 increasing the carbon content -- the trees of the
19 urban forest and also reducing ambient
20 temperatures may also increase the water demand in
21 Southern California.
22 At the same time regional climate models
23 that have been used for the last few years are now
24 suggesting that precipitation levels in California
25 will go down. So on one hand planting more trees

1 decrease carbon but it would also increase water
2 demand and we will have less water in the future.
3 Under this program the University of
4 California, Irvine will implement an extensive
5 field campaign to measure the amount of water
6 consumed by different native species that could
7 replace traditional landscapes in Southern
8 California.
9 They will combine the field data that
10 they are going to be collecting with data that
11 they have already collected for urban trees. They
12 did that under funding from the National Science
13 Foundation. And they will use the data to
14 calibrate a model to estimate water consumption in
15 urban landscape.
16 Finally, UC Irvine will use the climate
17 changes in areas that we have developed with the
18 PIER program to estimate water and energy
19 implications of different landscapes in Southern
20 California. Literally landscape strategies.
21 UC Irvine will work very closely with
22 the Metropolitan Water District to ensure the
23 usefulness of the research progress. I am now
24 ready to answer any questions that you may have.
25 CHAIRPERSON PFANNENSTIEL: Thank you. I

1 assume that the Metropolitan Water District will
2 just make this available to all customers. The
3 PIER research stops at collecting the data and
4 providing it to the water agency, I take it, and
5 then they take care of distributing it.
6 MR. FRANCO: Yes. But one part of the
7 project involves creating educational materials
8 that the Metropolitan Water District will use.
9 But the Metropolitan Water District will be in
10 charge of disseminating the information.
11 CHAIRPERSON PFANNENSTIEL: I see. But
12 we will help create the materials?
13 MR. FRANCO: Yes, yes.
14 COMMISSIONER ROSENFELD: Guido, I am
15 inclined to make one point. There is a -- I got
16 interested in trees versus grass for the Eon
17 Project years ago and was surprised to read a
18 paper by Arthur Winer who said, it's pretty
19 strange but if you plant a tree so that it shades
20 the lawn the tree has deep roots and it lasts on
21 water from rain once it gets started but the grass
22 has shallow roots and needs to be watered every
23 day. And it turns out that it is more important
24 what you shade than how much the tree takes water.
25 And that you actually save water if you plant a

1 tree to shade the lawn.
2 MR. FRANCO: Very interesting. We will
3 make sure to have the researchers take that into
4 account.
5 VICE CHAIRMAN BOYD: I wish my lawn
6 would take that into account.
7 CHAIRPERSON PFANNENSTIEL: Plant trees.
8 VICE CHAIRMAN BOYD: I will move
9 approval of this item as a member of the Research
10 Committee. This did come through the Research
11 Committee. And being quite cognizant of the fact
12 that 20 percent of our electricity goes to deal
13 with water movement somewhere in California,
14 besides us being really concerned about climate
15 change we are interested in the energy consumption
16 involved with water. So this is something that
17 will help us in all arenas.
18 COMMISSIONER ROSENFELD: I second it.
19 CHAIRPERSON PFANNENSTIEL: Any further
20 questions? In favor?
21 (Ayes.)
22 CHAIRPERSON PFANNENSTIEL: Number 7,
23 possible approval of Contract 500-08-020 for
24 $300,000 with the Regents of the University of
25 California, Santa Barbara to use a BioMove model

1 created under a previous PIER contract to refine
2 and enhance projections of changes in geographical
3 distribution of vegetative species due to climate
4 change. Good morning.
5 MS. PITTIGLIO: Good morning,
6 Commissioners. My name is Sarah Pittiglio, I am
7 with the Public Interest Energy Research program.
8 This is an inter-agency agreement with UC Santa
9 Barbara.
10 In a previous contract with UC Santa
11 Barbara researchers created the BioMove model.
12 The BioMove model predicts the geographical
13 distribution of vegetative species under climate
14 change up to 2100.
15 After successfully creating the model it
16 was used in four initial case studies on Blue Oak,
17 Joshua Tree, Sugar Pine and Red Broom. These case
18 studies used 50 kilometer resolution in 50 year
19 time frames, which is very coarse and not ideal
20 for looking at biological processes.
21 So under this proposed contract the
22 researchers plan to downscale the model to smaller
23 temporal and spatial scales. These downscaled
24 projections will be prepared for numerous species.
25 They will be suitable for planning for adaptation

to climate change in California by identifying ecological hotspots that should be set aside for conservation of important species. These hot spots will include areas where certain species or pseudo-species may not currently exist but will be suitable for those species in the future.

Downscaling will also provide more productive research pathways for collaboration with climatologists who now work at scales of ten kilometers and days.

The ultimate objective of the PIER climate change program is to develop the next generation of climate models that will be coupled, atmospheric and terrestrial models, so these integrated climate projections will incorporate terrestrial inputs from models such as this.

I am happy to answer any questions you may have.

CHAIRPERSON PFANNENSTIEL: Questions? None.

VICE CHAIRMAN BOYD: Move approval.

COMMISSIONER ROSENFELD: Second.

CHAIRPERSON PFANNENSTIEL: All in favor?

(Ayes.)

CHAIRPERSON PFANNENSTIEL: Thank you.

1 Item 8, possible adoption of the Joint
2 Commission Staff Report on Tracking System
3 Operational Determination. Senate Bill 107
4 granted the California Public Utilities Commission
5 the ability to authorize the use of renewable
6 energy credits towards Renewable Portfolio
7 Standard obligations.
8 But before authorizing tradable RECs,
9 the Energy Commission and the PUC must agree that
10 a tracking system is operational, is capable of
11 independently verifying that all renewable energy
12 used for the RPS compliance is generated by an
13 eligible facility and delivered to the retail
14 seller, and can ensure that the RECs are not
15 double counted. The Joint Commission report
16 proposes criteria and evaluation methods that will
17 be used to make these determinations and concludes
18 that the tracking system meets these requirements.
19 Good morning.
20 MS. GOULD: Good morning, Chairman and
21 Commissioners. My name is Angie Gould and I am
22 with the renewable energy office. And before I go
23 into detail on the report itself I am going to
24 give some history.
25 Senate Bill 1078 of 2002 created the

1 California Renewable Portfolio Standard, or RPS,
2 and it required the Energy Commission to do two
3 things. The first was to certify eligible
4 renewable energy resources and the second was to
5 design and implement a tracking and accounting
6 system to verify compliance with the California
7 RPS, and to ensure that renewable energy is not
8 double counted.
9 So to meet that second part of the
10 legislative mandate the Energy Commission
11 developed the Western Renewable Energy Generation
12 Information System or WREGIS, and WREGIS has two
13 parts. The first is the software developed and
14 operated by APEX, Incorporated. The second is the
15 administration, which is run by four dedicated
16 staff members at the Western Electricity
17 Coordinating Council or WECC.
18 Senate Bill 107 of 2006 gave the CPUC
19 the ability to authorize the use of tradable RECs
20 to satisfy the requirements of the RPS if the CPUC
21 and the Energy Commission conclude that the
22 tracking system meets the necessary conditions.
23 And I will go over those conditions in detail in a
24 moment.
25 The purpose of this joint Commission

1 staff report is to develop the methodology to
2 evaluate the conditions of the tracking system
3 that is required by SB 107, to determine whether
4 the conditions have been satisfied, and also to
5 provide a means for the two commissions to
6 document the conclusion of the tracking system as
7 managed in the legislative mandates, thus allowing
8 the CPUC to authorize tradable RECs if the CPUC
9 finds that prudent.
10 The Energy Commission and the CPUC
11 jointly evaluated the functionality of WREGIS,
12 proposed interim conclusions and developed the
13 draft report. The Energy Commission held a
14 committee workshop on the draft report in March of
15 this year. The CPUC issued a draft resolution
16 approving the revised draft report in September of
17 2008 and the CPUC adopted their final report on
18 November 21, 2008. The staff is seeking Energy
19 Commission approval of this report today.
20 The three conditions that the tracking
21 system has to meet: First is that the tracking
22 system is operational. The second, that it is
23 capable of independently verifying renewable
24 energy generation and delivery. And a third is
25 that it protects against double counting of

1 renewable energy.
2 Because the first condition, that it is
3 operational, is not very well defined the joint
4 staffs developed five criteria that we believed if
5 they were met would satisfy this condition. The
6 first is that WREGIS has been launched and the
7 software meets the specifications of the contract.
8 WREGIS was launched June 25, 2007 and all required
9 functionalities are in the system and working
10 correctly. And final acceptance of WREGIS
11 software occurred on October 5, demonstrating that
12 this criterion has been met.
13 The second criterion is that entities
14 participating in California's RPS are registered
15 with WREGIS. WREGIS currently has 197 account
16 holders and 804 registered generators. The three
17 large IOUs are all registered with WREGIS. They
18 did so by May 1, 2008. And the California
19 Independent System Operator registered on WREGIS
20 September 3, 2008.
21 We believe that WREGIS will be able to
22 track the majority of RPS-eligible energy procured
23 for compliance with California's RPS because most
24 of the key entities are registered with WREGIS and
25 the level of participation is sufficiently robust.

1 So this criterion has also been satisfied.
2 The third criterion is that the Energy
3 Commission has established processes to verify the
4 RPS eligibility of the generating units registered
5 with WREGIS. The RPS staff uploads a file with
6 the generator eligibility information to WREGIS
7 each month and the WREGIS administrator then
8 checks these for verification. If the
9 certificates are issued before the eligibility
10 data is uploaded the certificates will not contain
11 that eligibility data. We believe that this
12 process results in timely and accurate
13 verification of eligibility and this criterion has
14 been met.
15 The fourth is that WREGIS certificates
16 have been created. The first certificates were
17 crated on January 30, 2008. The WREGIS
18 administrator confirmed that the information
19 contained on these certificates was accurate. And
20 since that first certificate creation cycle all
21 subsequent monthly creation cycles have also
22 occurred successfully. This criterion has been
23 met.
24 And the fifth and final criterion for
25 the first condition is that the final WREGIS

1 operating rules do not preclude any reasonably
2 foreseeable CPUC REC trading rules. The joint
3 agencies used the CPUC's October 2007 straw
4 proposal on REC trading rules to evaluate this.
5 The straw proposal identified six categories of
6 compliance rules that may govern a REC trading
7 regime. And the CPUC and Energy Commission staff
8 concluded that WREGIS will not prevent the
9 implementation of any of these six categories of
10 the post-compliance rules so this criterion has
11 also been met.
12 Now as to the second condition that the
13 tracking system is capable of independently
14 verifying renewable energy generation and
15 delivery. Qualified reporting agencies in WREGIS
16 who upload data to WREGIS every month, they have
17 to meet a specific set of guidelines to ensure
18 that their data is independent.
19 And Energy Commission RPS staff
20 currently uses an interim system to verify
21 delivery. But this delivery functionality is
22 being added to WREGIS and is expected to be on-
23 line by the end of this month. So we believe that
24 generation is independently verified and that
25 WREGIS will soon be capable of tracking delivery

1 from out-of-state generation so this condition has
2 been met.
3 And the last condition that the tracking
4 system protects against, the double counting of
5 renewable energy in WECC. Each WREGIS certificate
6 has a unique serial number. One megawatt hour of
7 renewable energy creates only one certificate. In
8 addition each certificate can only be retired or
9 reserved for one renewable energy program. WREGIS
10 ensures no double counting of WREGIS certificates.
11 And this conclusion is further supported by WECC's
12 right to audit an account holder's submitted
13 information so we believe that this condition has
14 been met.
15 So because staff has found that the
16 tracking meets all of the conditions required by
17 SB 107 we ask that the Commission adopt this
18 report.
19 CHAIRPERSON PFANNENSTIEL: Thank you,
20 Angie, very good. I would just say that the
21 Renewables Committee has followed this creation of
22 WREGIS since its first conception all the way
23 through this report, which is the report that will
24 allow REC trading to happen and we have had a
25 great deal of discussion about it. Are there

1 questions of the Committee? I have somebody on-
2 line too but go ahead, Commissioner Byron.
3 COMMISSIONER BYRON: I am so glad that
4 the Renewables Committee has been handling this.
5 There is an extraordinary amount of work that has
6 been done. I had the benefit of being briefed
7 yesterday by Ms. Gould and others. And I raised
8 an issue that I was hoping maybe that you all
9 could elaborate on a little bit more.
10 Maybe it is my devious mind thinking
11 about how people could, you know, defeat or beat
12 the system. I was reminded of an example with the
13 Department of Conservation that handles the
14 recycling for the state and how they allow self-
15 reporting of the recycled bottles and cans, et
16 cetera. There were organizations that were
17 discovered to be let's say doubling up on their
18 reporting. And I note that on page 33 of the
19 report the Energy Commission also uses self-
20 reporting data submitted from owners. That is
21 correct isn't it, that hasn't changed?
22 MS. GOULD: For generators that are
23 under 360 kilowatts.
24 COMMISSIONER BYRON: Okay. And I don't
25 know if that is a large number or not of folks

that are going to be in that category. But I think you mentioned audits will be conducted, correct?

MS. GOULD: Right. Staff has the ability to conduct audits at any time they choose. There are also constant spot-checks that are done by WREGIS and there is a feasibility estimate that is done for all generation that is submitted. So if it is above what is technically feasible for that generator that information is red flagged and it has to be reviewed by WREGIS staff.

Also all account holders have to submit paperwork to attest that everything that they submit to WREGIS is going to be accurate and complete. And if we find that certificates have been created in error, if there is inaccurate information, those certificates can be forcibly retired, a freeze can be put on an account.

COMMISSIONER BYRON: Good.

MS. GOULD: And also an account holder, if things get very bad, can be removed from WREGIS.

COMMISSIONER BYRON: That's a very good answer. Is there a possibility that there would be prosecution here as well?

1 MS. GOULD: Yes, there is a possibility.
2 COMMISSIONER BYRON: Well.
3 MR. HUTCHISON: And this is Mark
4 Hutchison.
5 COMMISSIONER BYRON: Please.
6 MR. HUTCHISON: I just wanted to verify
7 that the bulk of the generation that is reported
8 does go through a independent, third party,
9 whether it is a balancing authority or some type
10 of qualified reporting entity. It's just the real
11 small ones that would self-report, a very small
12 piece of the pie.
13 COMMISSIONER BYRON: Okay. Well I
14 certainly encourage audits. I think because there
15 is money on the table I think we always have to be
16 a little bit suspect that there will be those that
17 will take advantage of it. But I was very
18 impressed with the work that has been done here.
19 I think I will forego any further questions.
20 Thank you for the briefing yesterday.
21 MS. GOULD: You're welcome.
22 COMMISSIONER DOUGLAS: I will make a
23 comment but let's hear the public comment first.
24 CHAIRPERSON PFANNENSTIEL: Yes, we have
25 somebody, DeVon Walton from APX would like to

1 speak to this item.

2 MR. WALTON: I don't. Actually I was on

3 just in case I need to answer any questions from

4 the Commission, by request from Angela.

5 CHAIRPERSON PFANNENSTIEL: Thank you.

6 Yes, Commissioner Douglas.

7 COMMISSIONER DOUGLAS: Very well then.

8 I just wanted to briefly acknowledge the

9 importance of this achievement in getting the

10 WREGIS system operational and up and running.

11 I think the joint Energy Commission/PUC

12 report demonstrates that the system is

13 operational, that it is capable of verifying that

14 RECs are not double counted, that energy is

15 delivered in accordance with our requirements, or

16 at least enables the PUC to further verify to the

17 extent that they need to do that. And it really

18 lays the foundation for REC trading to be part of

19 our RPS compliance. So Energy Commission and PUC

20 action on this is a very important step forward

21 for our renewable energy work in the state.

22 RECs have been considered as part of any

23 system moving forward to a 33 percent requirement

24 as well as being something that is in front of the

25 PUC tomorrow, in fact, for their consideration for

1 our current RPS requirements so this
2 accomplishment is also very timely.
3 And I would like to congratulate and
4 thank the staff at both Commissions who put so
5 much hard work into this in the past years and
6 working with our western regional partners to
7 bring WREGIS along. We obviously work within an
8 interconnected system across the west and so
9 creating a system that works not only for us but
10 also for our western partners is also a very
11 important achievement.
12 Obviously I think Commissioner Byron's
13 questions should very much be foremost in our
14 minds as we move forward now and we implement the
15 system. We should be very vigilant to ensure that
16 it is working as intended. I am very pleased to
17 have reached this point and I would like to move
18 this item.
19 VICE CHAIRMAN BOYD: Madame Chair, if I
20 might make a comment before there is a second.
21 CHAIRPERSON PFANNENSTIEL: Of course,
22 Commissioner Boyd.
23 VICE CHAIRMAN BOYD: Hearing all these
24 plaudits and being one of the old-timers on this
25 Commission now. I remember when Commissioner

1 Geesman and I were the Renewables Committee and
2 participated in the birthing or really the
3 conception of the idea for WREGIS.
4 The issue of the role of RECs has been
5 an issue that has been put in front of us
6 continuously since that time. I am just sitting
7 here realizing, this is a very significant day
8 when we have finally moved this into that arena.
9 And probably to the satisfaction of a whole lot of
10 people out there who were interested in the role
11 of RECs in the whole RPS arena. And with the
12 movement to 33 I am sure even more anxious.
13 I do appreciate Commissioner Byron's
14 concern about always looking to the dark side of
15 proposals before we launch them because I have
16 said often, I think that is what was wrong with
17 one of California's great experiments in the
18 electricity arena. So a very good question and I
19 am glad that staff has built in necessary checks
20 and balances. So I too am pleased and
21 congratulate everybody on the work that has been
22 done.
23 CHAIRPERSON PFANNENSTIEL: Further
24 questions or discussion?
25 COMMISSIONER BYRON: If I may, one

1 additional comment. Commissioner Douglas and I
2 did have opportunity to meet with Commissioner
3 Grueneich yesterday and discussed this issue at
4 length. I believe, however, they may be holding
5 the item, if I recall.
6 COMMISSIONER DOUGLAS: That's right.
7 COMMISSIONER BYRON: So it may not be
8 getting done tomorrow.
9 COMMISSIONER DOUGLAS: That's right.
10 COMMISSIONER BYRON: But it should be on
11 their next meeting agenda.
12 CHAIRPERSON PFANNENSTIEL: Do we have a
13 second for this item?
14 COMMISSIONER BYRON: I'll --
15 VICE CHAIRMAN BOYD: I'll -- Go ahead.
16 COMMISSIONER BYRON: No Commissioner, I
17 think you should since you have worked on this
18 five years now.
19 VICE CHAIRMAN BOYD: The old-timer. I
20 would be glad to second, thank you.
21 CHAIRPERSON PFANNENSTIEL: Further
22 discussion?
23 All in favor?
24 (Ayes.)
25 CHAIRPERSON PFANNENSTIEL: Thank you

very much and congratulations, get effort.

MS. GOULD: Thank you.

CHAIRPERSON PFANNENSTIEL: Item number 9, possible certification of the Final Environmental Impact Report for the proposed Part Amendments to the Appliance Efficiency Regulations under the California Environmental Quality Act. Part A includes new lighting efficiency standards for general purpose lighting for portable lighting fixtures. Mr. Strait and Mr. Staack.

MR. STAACK: First off -- Excuse me. Good morning, Commissioners. My name is Bill Staack, of the legal office of the Energy Commission. I would like to give you a road map for the next three items, which are Item 9, number 10 and 11. And that is because they all relate to appliance efficiency standards that we are proposing to adopt today.

Item 9 will concern the Final EIR that staff prepared. And that will consist of two motions and two votes. One motion and vote would be for the certification of the Final EIR and the other motion and vote would be for adopting the findings of fact and Statement of Overriding Considerations for that Final EIR.

1 Item number 10 will be the adoption of
2 the negative declaration for Part B of our
3 regulations. And that will be one motion and one
4 vote for that.
5 And then finally Item number 11 will be
6 the proposed adoptions for both Part A and Part B,
7 which are separate, so that would be two motions
8 and two votes. Are there any questions on that?
9 CHAIRPERSON PFANNENSTIEL: No questions
10 from me. I just want to make sure then that we
11 are clear here. That we are adopting appliance
12 efficiency standards but we are doing so in two
13 pieces, the Part A and the Part B. And I think it
14 is pretty clear in the materials but I just want
15 to make sure that that is how everybody is
16 thinking about it. And so we did the two
17 Environmental Impact Studies, one on Part A and
18 one on Part B.
19 MR. STAACK: Correct.
20 CHAIRPERSON PFANNENSTIEL: That's where
21 we are. Given that, Peter, do you want to
22 introduce Item 9 then?
23 MR. STRAIT: Thank you and good morning,
24 Commissioners. Item 9, as Bill Staack mentioned,
25 is the Environmental Impact Report. This is for

1 Part A of the rulemaking. I will be introducing
2 this now and then later I will also be discussing
3 the Negative Declaration for Part B, which is
4 under Item 10. Staff will be requesting that the
5 Energy Commission certify the Final EIR that we
6 have prepared.
7 And in addition, because the EIR has
8 identified potential impacts due to mercury
9 contamination from spent fluorescent lamps, and
10 because the California Environmental Quality Act
11 or CEQA, requires that findings of facts be made,
12 staff will requesting that the Energy Commission
13 adopt a document called Findings of Fact and
14 Statement of Overriding Considerations.
15 This document, which is a companion
16 document to the Final EIR that we will be
17 discussing, is required to be adopted under CEQA
18 because the Final EIR identified potential
19 environmental impacts related to mercury. The
20 proposed lighting standards cannot be adopted with
21 an EIR that identifies potential impacts unless a
22 Statement of Overriding Considerations and
23 findings of fact are made and both are contained
24 in this document.
25 The EIR itself addresses the current

1 status, potential impacts and available mitigation
2 path to follow if California adopts energy
3 efficiency standards for general service lamps and
4 portable lighting fixtures, and more specifically,
5 as they relate to the use of mercury-containing
6 fluorescent lamps. The proposed adoption
7 constitutes a project under CEQA and CEQA requires
8 public agencies to identify and consider the
9 potential environmental effects of their projects.
10 And when feasible, to mitigate any related adverse
11 environmental consequences.
12 In short, following passage of the
13 Energy Independence and Security Act of 2007, or
14 EISA, new federal lighting standards are scheduled
15 to go into effect nationwide beginning in 2012.
16 Within EISA California has been given an
17 opportunity to implement these lighting standards
18 ahead of the federal implementation dates.
19 The California Energy Commission has
20 additionally been expressly required in California
21 Assembly Bill 1109 to adopt lighting standards by
22 December of this year. Acceleration of the
23 federal lighting standards is expected to
24 contribute to significant energy savings within
25 the state of California, in part through

1 encouraging an increase in the use of energy
2 efficient compact fluorescent lamps, or CFLs, and
3 energy efficient fluorescent lamp tubes.
4 Staff found that the lighting efficiency
5 standards developed for this rulemaking will
6 provide numerous beneficial impacts to the state
7 of California, all associated with lowering energy
8 demand. The proposed lighting standards will
9 provide the following benefits: First, an
10 estimated annual energy savings in electricity of
11 3,640 gigawatt hours per year.
12 Second, a reduction in the growth of
13 energy demand in California, thus avoiding the
14 cost of potential environmental impacts of
15 building additional power plants for electricity
16 generation.
17 Third, a reduction in the use of fossil
18 fuels burned in California power plants.
19 Fourth, a reduction in emissions of
20 criteria air pollutants in California by 2,331
21 metric tons per year. Criteria air pollutants are
22 ozone, carbon monoxide, nitrous oxides, sulfur
23 dioxide and PM10 and PM2.5 particulate matter--
24 that refers to the size of the particles--as well
25 as lead.

A reduction in energy emissions in California of 957,498 metric tons of carbon dioxide.

And lastly, a positive cost impact to the consumer because the proposed lighting efficiency standards are require to be cost-effective. By making lighting more efficient people will have lower energy bills.

To summarize the contents of the EIR: Staff found that its proposed lighting standards would increase the use of mercury-containing CFLs and fluorescent lamp tubes in California. Staff incorporated by reference California's Department of Toxic Substance Control, or DTSC's finding that any release of mercury or mercury compounds presents a human health and environmental risk.

Staff further incorporated as mitigation measures DTSC's regulations for mercury-containing fluorescent lamps, including CFLs and fluorescent tubes, which are classified as an N003 listed universal waste. These regulations have specific requirements for the handling and recycling of N003 universal wastes, which the staff finds to be sufficient for mitigating the environmental impacts associated with mercury-containing lamps.

1 Although staff found that these
2 mitigation measures would result in less-than-
3 significant impacts for the proposed lighting
4 standards the records show that the majority of
5 mercury-containing fluorescent lamps are currently
6 being illegally disposed of in municipal
7 landfills.
8 According to DTSC, the existing
9 recycling capacity for end-of-life CFLs and
10 fluorescent lamp tubes has not been utilized
11 because there lacks an infrastructure for
12 convenient collection and recycling of lamps. And
13 as such approximately 90 percent of the spent
14 lamps are being illegally disposed of in municipal
15 landfills.
16 Because of these facts staff made a
17 determination in the EIR that there is a potential
18 for significant negative impacts due to mercury
19 contamination. Aside from this issue no other
20 potentially significant negative impacts were
21 identified in the Environmental Impact Report.
22 The public comment period for the Draft
23 Environmental Impact Report was from August 15 to
24 October 6. DTSC is the only organization that
25 provided public comments on the Draft EIR.

1 Their comments did not require
2 substantive changes to the EIR and staff made a
3 determination that there was no basis under the
4 CEQA guidelines to require recirculation of the
5 draft because changes to the draft merely
6 clarified or amplified existing language and
7 otherwise made insignificant modifications to what
8 determined was an adequate EIR.
9 So if the Commission has any questions
10 we would be happy to answer them now ahead of the
11 questions -- motions.
12 CHAIRPERSON PFANNENSTIEL: Yes, I just
13 want to clarify. So DTSC found that while there
14 are recycling capabilities in the state they are
15 not being used because of the infrastructure.
16 Therefore staff needed to find that, in fact,
17 there was a potential for some mercury
18 contamination from this standard. Is that
19 correct?
20 MR. STRAIT: That's correct.
21 CHAIRPERSON PFANNENSTIEL: Now is DTSC
22 planning to build that infrastructure? I
23 understood that they had plans afoot to create
24 something that would, in fact, enable recycling of
25 compact fluorescents.

1 MR. STRAIT: Our understanding is that
2 DTSC is working actively to build out that
3 infrastructure and help connect the actual
4 recycling facilities that are currently in place.
5 The capacity to heed disposal of these lamps.
6 CHAIRPERSON PFANNENSTIEL: But because
7 that is not in place we couldn't assume that that
8 will be in place in our finding?
9 MR. STRAIT: That is correct. Under we
10 cannot assume action in the future.
11 CHAIRPERSON PFANNENSTIEL: Got it.
12 COMMISSIONER ROSENFELD: Comment. I
13 think the good news, Peter, if I am right, is that
14 there will both be recycling facilities and the
15 retailers are going to start taking recycled lamps
16 back, just the way you can turn in your bags at
17 Safeway. In fact, I know Wal-Mart is already
18 taking lamps.
19 CHAIRPERSON PFANNENSTIEL: And they do
20 that in Europe. I think they are required to.
21 COMMISSIONER ROSENFELD: Required to in
22 Europe.
23 CHAIRPERSON PFANNENSTIEL: Further
24 questions? Further discussion.
25 Okay, let's have a motion for the Final

1 Environmental Impact Report on Part A. Is there a
2 motion?
3 MR. STRAIT: If I could read this real
4 quick just for formality's sake:
5 Staff having considered the Draft
6 Environmental Impact Report and public comment
7 hereby requests, first, that the Energy Commission
8 certify the Final Environmental Report on the
9 basis that it, one, has been completed in
10 compliance with CEQA; two, that staff reviewed and
11 considered the information contained in the EIR
12 prior to approval of the lighting efficiency
13 standards; and three, that the Final EIR reflects
14 the staff's independent judgment and analysis.
15 COMMISSIONER ROSENFELD: I am ready to
16 move the item that he just mentioned.
17 COMMISSIONER DOUGLAS: I'd second.
18 CHAIRPERSON PFANNENSTIEL: All in favor?
19 (Ayes.)
20 CHAIRPERSON PFANNENSTIEL: Thank you.
21 And then for the findings of fact.
22 MR. STRAIT: Yes.
23 CHAIRPERSON PFANNENSTIEL: We need a
24 separate motion.
25 MR. STRAIT: Yes. And I have a

1 statement that I can read relative to that.
2 CHAIRPERSON PFANNENSTIEL: Thank you.
3 MR. STRAIT: Now staff requests that the
4 Energy Commission consider adoption of the
5 Findings of Fact and the Statement of Overriding
6 Considerations for the Final EIR because the EIR
7 identified that a potentially significant impact
8 exists for the proposed lighting standards.
9 Staff prepared under the CEQA guidelines
10 this document entitled Findings of Fact and
11 Statement of Overriding Considerations. The
12 Findings of Fact and Statement of Overriding
13 Considerations are required in order to approve
14 the proposed lighting standards because the Final
15 EIR identified potential significant environmental
16 impacts due to mercury contamination.
17 Staff has found that the beneficial
18 impacts derived from the proposed lighting
19 efficiency standards as found in the Final
20 Findings of Fact and Statement of Overriding
21 Considerations outweigh the unavoidable adverse
22 impacts due to mercury contamination.
23 The staff now requests that the Energy
24 Commission adopt this document. And in doing so
25 find that in light of these benefits that the

1 adverse environmental impacts for the proposed
2 lighting standards are acceptable.
3 CHAIRPERSON PFANNENSTIEL: Thank you.
4 Is there a motion for the Findings of Fact?
5 COMMISSIONER ROSENFELD: I move that we
6 adopt the Findings of Fact and the Statement of
7 Overriding Considerations.
8 CHAIRPERSON PFANNENSTIEL: Do we have a
9 second?
10 VICE CHAIRMAN BOYD: Second.
11 CHAIRPERSON PFANNENSTIEL: All in favor?
12 (Ayes.)
13 CHAIRPERSON PFANNENSTIEL: Thank you,
14 Peter.
15 Moving on then to Item 10, possible
16 adoption of the proposed Negative Declaration,
17 including a Finding of No Significant Impact under
18 the California Environmental Quality Act, for the
19 proposed Part B amendments to the Appliance
20 Efficiency Regulations. I'll stop at that.
21 Peter.
22 MR. STRAIT: Certainly. I promise that
23 this one will be a little bit shorter and simpler.
24 For Part B of the rulemaking an initial
25 study was prepared under the California

1 Environmental Quality Act. And this initial study
2 showed that the actions that comprised Part B will
3 have no significant negative impact on the
4 environment.
5 Part B is comprised of five specific
6 actions. One, establishing new regulations for
7 metal halide luminaires.
8 Two, revising the regulations related to
9 residential pool pumps and pool pump motors.
10 Three, revising the test method for
11 portable electric spas.
12 Four, proposing a test method for
13 battery charging systems.
14 And five, aligning our regulations t the
15 recent changes in federal law.
16 Of these only the first two have the
17 potential to affect the environment. The proposed
18 metal halide luminaire and pool pump standards are
19 achievable without changes to current
20 manufacturing processes or unit designs. The
21 proposed standards will result in reduced energy
22 use and as well result only in positive
23 environmental impacts that stem from the reduced
24 energy consumption.
25 The Negative Declaration was published

1 for public commentary on October 25 of this year
2 and the public comment period was closed on
3 November 24. No comments on this document were
4 received by the California Energy Commission. In
5 addition of the public comments received relating
6 to the rulemaking itself, none have voiced any
7 environmental concerns.
8 For these reasons the Negative
9 Declaration is considered by staff to be non-
10 controversial. If the Commission has any
11 questions we will be happy to answer them.
12 CHAIRPERSON PFANNENSTIEL: Thank you,
13 Peter. Are there questions on the Neg Dec?
14 COMMISSIONER ROSENFELD: This one indeed
15 seems much simpler and I move the Negative
16 Declaration, that we adopt it.
17 COMMISSIONER BYRON: Yes, I second a
18 positive vote on the Negative Declaration.
19 (Laughter)
20 CHAIRPERSON PFANNENSTIEL: All in favor?
21 (Ayes.)
22 CHAIRPERSON PFANNENSTIEL: Thank you.
23 MR. STRAIT: Thank you, Commissioners.
24 CHAIRPERSON PFANNENSTIEL: Gary
25 Fernstrom, your card said you wanted to speak on

1 Item 10. I'm sorry, I didn't know whether -- It
2 said 10 and 11. I assume that you are really here
3 for Item 11. I'm sorry, that's a false assumption
4 maybe.
5 MR. FERNSTROM: Thank you, Madame
6 Chairperson. I have no comment on the
7 Environmental Impact Report but would like to say
8 something about the standards adoption themselves
9 after the staff report.
10 CHAIRPERSON PFANNENSTIEL: Yes, thank
11 you.
12 Item 11, Possible adoption of proposed
13 amendments to the Appliance Efficiency Regulations
14 in Title 20 of the California Code of Regulations.
15 Part A includes lighting efficiency standards for
16 general purpose lighting and portable lighting
17 fixtures. Part B includes revised standards for
18 metal halide fixtures; a new voluntary test
19 procedure for battery charger systems;
20 clarification of current regulations for
21 residential pool pumps, including standards for
22 replacement of pool pump motors; clarification of
23 the current test method for portable electric
24 spas; and updates and revisions to the Appliance
25 Efficiency Regulations necessary for consistency

1 with federal law. Melinda and Mr. Pennington.
2 MS. MERRITT: Good morning, Chairman and
3 Commissioners. I am Melinda Merritt with the
4 Buildings and Appliances Office, Appliance
5 Efficiency Program. I am joined by Bill Staack,
6 our legal counsel, and Bill Pennington of our
7 Buildings and Appliances Office. Given the
8 variety and the complexity of the subjects that
9 are being considered today we also have technical
10 staff in the audience available to answer any
11 specific questions that may arise.
12 The 2008 appliance efficiency rulemaking
13 was initiated in December 2007 with oversight by
14 the Efficiency Policy Committee. In April of this
15 year the Committee divided Phase 1 of this
16 proceeding into three parts. I think at this
17 point everyone is probably aware of the list of
18 topics but those being considered for Part A and
19 Part B are as follows:
20 In Part A the Commission is considering
21 lighting efficiency standards for general purpose
22 lamps and portable lighting fixtures or
23 luminaires. The proposed standards call for the
24 early adoption of new federal standards for
25 general service incandescent lamps beginning in

1 2011 and for all general service lamps beginning
2 in 2018. The new standards for portable
3 luminaires include five compliance options for
4 meeting efficiency requirements.
5 In Part B the Commission is considering
6 revised standards for metal halide luminaires that
7 require a minimum ballast efficiency of 90 percent
8 for luminaires rated for 150 to 500 watts
9 beginning in January of 2010. There are several
10 compliance options also included for this
11 standard.
12 The Commission is considering adoption
13 of a voluntary test procedure for battery charger
14 systems that includes energy use in the active
15 mode that was developed initially by Ecos
16 Consulting and the Electric Power Research
17 Institute and funded by the Energy Commission's
18 PIER program and PG&E.
19 In this proceeding with stakeholder
20 consensus a test procedure for large battery
21 charger systems has been developed by, it was
22 developed by Southern California Edison and San
23 Diego Gas and Electric Companies. And that has
24 been added to the Ecos test procedure. The
25 proposed test procedure is the energy efficient

1 battery charger system test procedure Version 2.2
2 currently posted on the efficient products
3 website.
4 Also there are proposed revisions to the
5 Energy Commission's existing standards for
6 residential pool pumps that expand the scope to
7 include pool pump and motor combinations and
8 replacement pool pump motors. Also adding
9 requirements for replacement pool pump motors.
10 There are also necessary clarifications
11 to the test method for portable electric spas that
12 have been proposed.
13 And finally, broad updates and revisions
14 that are necessary for consistency with federal
15 law and other non-substantive changes.
16 The 2008 appliance efficiency rulemaking
17 has focused on multiple topics but the primary
18 purpose is to carry out the mandates established
19 in Assembly Bill 1109 enacted in 2007 that
20 requires the Energy Commission to set new
21 efficiency standards for general purpose lighting
22 by December 31, 2008. Under AB 1109 the
23 Commission is required to reduce statewide
24 electrical energy consumption from 2007 levels by
25 2018 in an order of magnitude not less than 50

1 percent for indoor residential lighting and 25
2 percent for indoor commercial and outdoor
3 lighting. These are very ambitious requirements.
4 Toward this end lighting efficiency
5 standards have been proposed for three appliance
6 types that are expected to yield significant
7 energy savings, at the same time contributing to
8 greenhouse gas emission reduction. In Part A the
9 expected savings --
10 COMPUTER ON DESK: Your battery is now
11 fully charged.
12 (Laughter)
13 MR. PENNINGTON: That's good to know.
14 MS. CHANDLER: Good to know.
15 MS. MERRITT: That's good to know. I
16 hope that means I am fully charged too.
17 Back to Part A. The expected saving
18 from the early adoption of the federal standards
19 for general service lamps amounts to over 4500
20 gigawatt hours just for the years of the early
21 adoption. For the new standards for portable
22 lighting fixtures the expected savings over a 15
23 year regulatory life calculation amounts to over
24 24,000 gigawatt hours. Additional savings of
25 5,500 gigawatt hours are expected from the

1 revisions to California's existing standards for
2 metal halide luminaires.
3 Also now the passage of the federal
4 Energy Independence and Security Act late in 2007
5 and combined with current rulemaking proceedings
6 at the US Department of Energy have created
7 opportunities and the necessity for California to
8 amend its appliance efficiency regulations. Not
9 only to increase energy savings in California but
10 also requiring a major updating for alignment with
11 federal law.
12 The DOE has actively participated in our
13 process with respect to the battery charger system
14 test procedure and is considering adding an active
15 mode energy consumption measurement to the federal
16 test method in its current rulemaking regarding
17 battery chargers and external power supplies.
18 Just to close this up. The Notice of
19 Proposed Action and Express Terms for Part A and B
20 were published on August 29, 2008, beginning a 45
21 day public review period. The Committee held a
22 public hearing on September 15 and received
23 written comments on all topics. The NOPA stated
24 that the full Commission would consider adoption
25 of the proposed regulations at a public hearing on

1 October 22, 2008.
2 In response to the comments received on
3 the 45 day language the Energy Commission on
4 October 22 decided not to adopt the proposed
5 amendments at that time and to issue revised or 15
6 day language for both Parts A and B. The 15 day
7 language was published on November 14, 2008 with
8 the Notice of Adoption Hearing scheduled for
9 today, December 3. The final date for written
10 comments was yesterday, December 2.
11 At this time the staff is recommending
12 the Commission's consideration and adoption of the
13 15 day language for Parts A and B. Based on the
14 written comments we have received it appears there
15 will be a need for some necessary and appropriate,
16 non-substantive changes in finalizing these
17 documents before they are submitted to the Office
18 of Administrative Law. And that concludes my
19 remarks.
20 CHAIRPERSON PFANNENSTIEL: Thank you,
21 Melinda. Just a couple of questions in context.
22 The overall savings. Can you tell me what we
23 expect the annual savings in electricity to be
24 from the adoption of Part A? Do you have the
25 total in front of you?

1 MS. MERRITT: Part A, the total savings,
2 and this is kind of a combination of the fact that
3 we have one year of savings from the first year of
4 the federal standards in general purpose lighting,
5 two years for the Tier 2 standards and that we
6 have an extended life span for the portable
7 lighting. But a value that we have come up with
8 for Part A is over 33,000 gigawatt hours.
9 CHAIRPERSON PFANNENSTIEL: I think it is
10 important that we keep in mind that this is a very
11 fundamental part of how California meets its
12 climate goals ultimately, its efficiency targets.
13 Our appliance efficiency standards, we need to go
14 through this incredible process, year-long process
15 that we go through because we need to get them
16 right. They need to be technically feasible and
17 they need to be cost effective. But the result is
18 that if we can adopt something that meets those
19 criteria we make enormous savings in California.
20 COMMISSIONER ROSENFELD: Just to make
21 that more graphic. The same figures that Melinda
22 is quoting say that the annual rate of savings
23 will be up to 3.6 billion kilowatt hours per year.
24 That's the average output of a 750 megawatt
25 combined-cycle power plant. Which I can -- That's

1 a big thing that doesn't fit in this room.
2 CHAIRPERSON PFANNENSTIEL: That's right.
3 And that is for the action we are considering
4 taking today and there are others. Now my other
5 question was the next, there is another phase of
6 what we were calling the 2008 appliance standards
7 revision, is there not? Are we not going to
8 consider other appliances? And I am thinking
9 specifically of televisions. That is coming up?
10 MS. MERRITT: Yes. A second phase was
11 anticipated in the original scoping order that the
12 Committee issued in April. We have had
13 discussions with some of the stakeholders and the
14 Committee as to what topics will be picked up next
15 and we are currently engaged in what we call the
16 pre-rulemaking process for new standards for
17 televisions, possible new standards for
18 televisions.
19 There are some constraints there with
20 respect to the preemption of the test procedure at
21 the federal level, which we are trying to work on
22 and remedy. We do have a workshop scheduled for
23 December 15 on televisions to entertain possible
24 draft regulations.
25 As far as the topics that may be added

in Phase 2. I can only offer some probably logical suggestions for that. It will remain for the Committee to evaluate and decide what those will be. Given that we are hopeful we will have a new test procedure for battery chargers there is hope that we can start to move on actual standards for battery charger systems. There are additional lighting efficiency standards that were identified early on in the scoping process for this proceeding that are candidates for new standards as well.

CHAIRPERSON PFANNENSTIEL: Thank you. I wanted the point and you made it well, I appreciate that. This is an ongoing process that we need to keep vigilant on what are the opportunities here for saving some appliances.

I have a number of cards requesting public comment but are there Commissioner questions before I go to them? Yes, Commissioner Byron.

COMMISSIONER BYRON: Just one clarification please, Ms. Merritt. I think I heard Commissioner Rosenfeld say 3.6 billion kilowatt hour savings and I believe I heard you say 33,000 gigawatt hour savings.

1 COMMISSIONER ROSENFELD: That's the
2 same.
3 MS. MERRITT: Correct.
4 CHAIRPERSON PFANNENSTIEL: It's the
5 same. It's the conversion. Art talks gigawatts.
6 COMMISSIONER ROSENFELD: We are agreeing
7 except for the second significant figure.
8 COMMISSIONER BYRON: Well my concern is
9 that in the findings of fact that we just approved
10 there was an estimated annual energy savings of
11 3,640 gigawatt hours.
12 COMMISSIONER ROSENFELD: I'm sorry, EIA
13 uses billions of kilowatt hours and Melinda uses
14 thousands of gigawatt hours. They're the same
15 thing.
16 COMMISSIONER BYRON: Okay. I think the
17 only correction that I am after is I believe
18 Ms. Merritt said 33,000 gigawatt hours, which is a
19 much bigger number.
20 MR. MARXEN: That's a grand total for
21 all of the Part A standards including the portable
22 lighting standards.
23 COMMISSIONER BYRON: Okay. I accept it,
24 I just wanted to make sure it was the right
25 number. Thank you.

1 CHAIRPERSON PFANNENSTIEL: Okay, moving
2 then to public comment. Gary Fernstrom from PG&E.
3 MR. FERNSTROM: Good morning,
4 Commissioners, staff, interested parties. I am
5 Gary Fernstrom representing PG&E. I would like to
6 thank the Commissioners and Commission staff for
7 their very hard work over the past more than one
8 year in moving toward the adoption of these
9 standards. PG&E, the other state's major
10 utilities, the PG&E consultant team, appreciates
11 the opportunity to have contributed through its
12 advocacy to this work as part of the CPUC Approved
13 Codes and Standards Enhancement Advocacy Program.
14 With some specific caveats that we
15 provided staff we recommend approval of the
16 standards. We have a few strategic issues
17 associated with some of the standards that we
18 would like to take up in Phase 2 of the
19 rulemaking. Beyond that I request the opportunity
20 to perhaps comment on some specific issues as they
21 come up but in general we are recommending the
22 approval of the proposed standards. Thank you.
23 CHAIRPERSON PFANNENSTIEL: Thank you,
24 Gary. We certainly appreciate PG&E's role in
25 helping us reach the point where we are, having

1 well thought out standards.
2 Next, Tom Harding of Venture Lighting
3 representing NEMA Lighting Systems.
4 MR. HARDING: Chairman and
5 Commissioners, thank you for this opportunity to
6 say a couple of things. Yes, I am with Venture
7 Lighting, a metal halide company, and I am
8 representing the NEMA Lighting Systems Division
9 today.
10 We repeat what Gary just said. We have
11 been appreciative of the CEC staff. They have
12 been most informative and cooperative during the
13 past almost a year of working this all through.
14 I would also like to say a couple of
15 things about the letter we sent yesterday to you.
16 Part one was more in the area of clarification.
17 We added some labeling clarification words to the
18 document. And we also put in a note about
19 possible misuse of some of these, non-binned we
20 call them, lamp wattages. Basically the system
21 can't prevent that from happening and we thought
22 that maybe you ought to know that. We also
23 recommend that --
24 COMMISSIONER BYRON: Mr. Harding, if I
25 may interrupt you just one moment.

1 MR. HARDING: Sure.
2 COMMISSIONER BYRON: The letter that we
3 sent yesterday. Was this the one you are
4 referring to, signed by Mr. Pitsor?
5 MR. HARDING: Mr. Pitsor, yes, that's
6 it.
7 COMMISSIONER BYRON: Okay, thank you.
8 MR. HARDING: And the section was 2-B-4,
9 which is just a small section about binned
10 wattages. And we clarified the labeling. We
11 thought there ought to be at least a note saying
12 that there is no technical way to prevent non-
13 binned wattage lamps from intruding into that
14 category and never has been.
15 But we also wanted to possibly include
16 as a footnote some other classes of metal halide
17 lamps that aren't mentioned in this when it came
18 to this mean 80 lumen per watt number. That there
19 are a lot of classifications, open rated lamps,
20 open fixture-type or coded bulbs where we sought
21 to have a de-rating on that. Not because it makes
22 it any easier to use them, in fact it is just as
23 difficult, but they are classes where, for example
24 Underwriters Labs and the National Electrical
25 require type-O lamps. And yet they are not as

1 efficient but they may in fact in the long haul be
2 better.
3 But anyway, we wanted to add that
4 possibility and thank you for your cooperation.
5 We hope that some of these things will make it
6 into the final version. If there are any
7 questions I'll be glad to answer them.
8 CHAIRPERSON PFANNENSTIEL: Thank you,
9 Mr. Harding. Are there questions or a response
10 from staff? Do you understand that? Okay. Thank
11 you very much.
12 Trent Smith from the California Alarm
13 Association.
14 MR. SMITH: Thank you Madame Chair and
15 Commissioners. Again, my name is Trent Smith and
16 I am representing the Alarm Association.
17 We are here to voice some concerns. And
18 it may be with your current regulations or it may
19 be with the regulations you are considering here
20 today. Specifically the Part B energy regulation
21 requirements on the no-load or standby mode as
22 they apply to alarm systems. We have had several
23 conversations with your staff, they have been very
24 helpful. We participated on the federal level
25 with their standards. And in those standards

1 there is no requirement for a no-load or standby
2 mode for alarm and security systems.
3 The reason for that is that when you
4 turn off your home alarm it isn't technically off,
5 it is still monitoring doors and windows. So
6 applying a no-load or standby mode isn't providing
7 the energy efficiencies that the Commission is
8 seeking but would impose an additional cost on
9 consumers. We are not aware of any regulations
10 like this outside of California.
11 Your staff was very helpful in pointing
12 out that while we thought this may have been an
13 oversight with regards to the consistencies that
14 you were trying to achieve with the federal
15 regulations that perhaps the concern may be with
16 regulations that went into effect last year. We
17 have sent letters and again voiced our concern,
18 but felt compelled to make it on a public setting
19 like this.
20 We are seeking the Commission's
21 assistance in trying to rectify this, either in
22 the current regulations you are considering now or
23 in the future. Perhaps in the Phase 2 or early
24 next year. And again, we think the easiest
25 solution might be to have a specific exemption for

1 alarm and security and life and safety equipment,
2 similar to what currently exists for medical
3 equipment.
4 And again, finally just to echo some of
5 the other comments that were made. We want to
6 thank your staff. Peter and Bill have been very
7 responsive and available to discuss this issue.
8 Thank you.
9 CHAIRPERSON PFANNENSTIEL: Thank you,
10 Mr. Smith. We really appreciate your coming and
11 bringing this to our attention. I know that you
12 will be working with staff on Phase 2. Is that
13 how you will handle it, Mr. Pennington.?
14 MR. PENNINGTON: We certainly want to
15 well understand this issue and discuss it further
16 with the industry in upcoming rulemaking.
17 COMMISSIONER BYRON: May I take
18 advantage of Mr. Smith and ask him a quick
19 question?
20 CHAIRPERSON PFANNENSTIEL: Of course.
21 MR. SMITH: Sure.
22 COMMISSIONER BYRON: You said something
23 in your comments that when the alarms are off that
24 they are still monitoring doors and windows. And
25 that just struck me the fundamental question, why?

1 MR. SMITH: Just to clarify, I am the
2 lobbyist. I am not the technical guy and
3 unfortunately the technical people couldn't be
4 here today. And I have been chastised for using
5 the term off when I speak with them on several
6 occasions. But when I enter my house and I enter
7 my code there is a little red light that says off
8 so that is the terminology I use.
9 What is really happening is it is being
10 disarmed but it continues to monitor your windows
11 and doors. So that when you go to leave and you
12 hit your code to arm it it will alert you that
13 hey, a window has been left open or a door has
14 been left open. So therefore it is constantly
15 sending surges through the system monitoring doors
16 and windows. So while the red light says off it
17 is not off.
18 COMMISSIONER ROSENFELD: I guess I am
19 with Commissioner Byron. It doesn't take the
20 electronics very long when you start to leave the
21 house to check on the windows and doors. And why
22 it has to be doing it ad nauseam 24 hours a day I
23 don't understand either. So I am glad this is
24 waiting for Phase 2 where we can work it out.
25 COMMISSIONER BYRON: Yes. I didn't mean

1 to get into the discussion here today except that
2 I think this is exactly the kinds of things that
3 we want to address in this.
4 MR. SMITH: Sure. And it was the first
5 question I had of our technical people too and
6 they were very confident and they presented it,
7 again, on the federal level. It made sense on the
8 smoke alarms, security cameras. But again, I had
9 the same question. We'll be happy to get into
10 more details with your staff.
11 COMMISSIONER BYRON: Thank you for being
12 here.
13 CHAIRPERSON PFANNENSTIEL: Thank you,
14 Mr. Smith.
15 MR. SMITH: Thank you.
16 CHAIRPERSON PFANNENSTIEL: We have
17 another chance to ask the question though.
18 Samantha Omey from Honeywell and Security Industry
19 Association. You can answer the questions.
20 MS. OMEY: Good morning, Samantha Omey
21 with Honeywell International and then also
22 representing the Security Industry Association.
23 I think I can probably just sum it up
24 really quickly with ditto. Absolutely. I just
25 looked at my notes and went, he just said it all.

1 That's everything that we are concerned about.
2 Again, I also am the lobbyist. So from
3 the technical standpoint the sensing and the power
4 usage of those little sensors, we can certainly
5 work with your staff on that issue and determine
6 the appropriate technical answer and get that to
7 you.
8 The one thing that I would like to
9 emphasize though too is the issue related to
10 surveillance equipment and the no-load
11 requirements. What they would actually do to the
12 size and kind of the overall girth of the
13 transformer in requiring those. And again, we can
14 work through those technical issues.
15 I think there's a -- I would suggest the
16 same answer that your previous individual up here
17 testifying suggested, which is the possible
18 exemption because these are life safety, security
19 equipment items similar to what we have for
20 medical.
21 But the impact on expanded materials
22 that would be required under this for, as I
23 mentioned, the surveillance equipment with no
24 energy efficiency benefits and significant cost
25 increases to both the industry as well as to the

consumer would be impactful while not achieving the goal that I think we all share.

My company is very focused on energy efficiency. It is over 50 percent of our portfolio so it is very important to us. This is one area where unfortunately it is just not achievable in the always on situation.

CHAIRPERSON PFANNENSTIEL: Thank you, Ms. Omey. We will work with your industry in the next phase.

MS. OMEY: Thank you very much.

CHAIRPERSON PFANNENSTIEL: We appreciate you being here.

MS. OMEY: Appreciate your time.

CHAIRPERSON PFANNENSTIEL: Terry Snow from IPSSA.

MR. SNOW: Thank you very much. My name is Terry Snow. I am a member of the Independent Pool and Spa Service Association. We are an organization of swimming pool service and repair companies. Approximately, close to 4,000 members in five states. I am just a small business myself, most of our members are small business people.

We are here along with our government

1 relations committee chairman. Bob Nichols and I
2 both came up this morning to show our support for
3 the clarifications on regulations for residential
4 pool pumps and also including the standards for
5 replacement of pool pump motors.
6 We really want to take this time to
7 thank staff for including IPSSA. Harinder,
8 Belinda and Bill and all you guys that invited us
9 up here in June to hear our comments and we think
10 it has been very productive. We look forward to,
11 as this is implemented, to now educate our members
12 so they can educate the consumer on how we can
13 save more energy on our swimming pools that are
14 out here in California. And of course we know it
15 goes into Texas, it goes into Florida where we are
16 at and Arizona and stuff. So we look forward to
17 continue to work with staff.
18 And just to let you know, we are
19 planning a conference in Newport Beach, February,
20 where we want to bring hopefully staff to help us.
21 To bring our distributors, our manufacturers, our
22 energy companies so we can help make our pools
23 much greener and help our consumers out. And we
24 really thank you for all the effort.
25 CHAIRPERSON PFANNENSTIEL: Mr. Snow, we

1 really appreciate your being here and your support
2 on this. I think that this will make a big
3 difference in a state like California with the
4 number of pools we have.
5 MR. SNOW: Thank you, thank you very
6 much.
7 CHAIRPERSON PFANNENSTIEL: Thanks so
8 much. That's all the public comment that I have.
9 Mr. Fernstrom wants to have a final word.
10 MR. FERNSTROM: Thank you. Amanda
11 Stevens from Energy Solutions, our contractor, has
12 a few cleanup -specific comments we would like to
13 make.
14 CHAIRPERSON PFANNENSTIEL: Of course.
15 MS. STEVENS: Thank you members of the
16 Commission. I apologize for not filling out a
17 card on the way in.
18 So my comments are specifically to
19 address the metal halide standard. As Gary said,
20 we support the standard and we recommend the
21 Commission adopt the standard today. My comments
22 in particular, I just want to respond to a couple
23 of things that Tom Harding said in terms of the
24 issues that were raised in the letter yesterday
25 from NEMA.

1 PG&E does support the first sets of
2 changes that Tom discussed. But on the last
3 proposed change for the de-rating factors. This
4 just came in yesterday and we really haven't had
5 time to look at the data, to look through the
6 catalogs to see whether these de-rating factors
7 make sense.
8 So our recommendation today is the
9 Commission adopt the language without these de-
10 rating factors and then we take up these issues in
11 the next round of the rulemaking as possible
12 amendments. So I just wanted to put that out
13 there for the Commission to consider. Thank you.
14 CHAIRPERSON PFANNENSTIEL: Thank you.
15 We have in front of us the rule that has already
16 been published so that's what we are considering
17 adopting today.
18 With that are there further questions
19 from the Commission of staff on this?
20 COMMISSIONER BYRON: I was hoping we
21 would hear from staff if there were any last-
22 minute changes. There was a lot of material that
23 came in last night and even this morning. It
24 occupied my evening and morning's review. So I
25 would be curious to know if there are any changes

1 as suggested in these letters dated yesterday.
2 MR. PENNINGTON: In general we are open
3 to editorial type changes that have been made in a
4 variety of these letters. But we think that all
5 of the recommendations that would be substantive
6 should be not considered for this adoption and
7 should be taken up again when we resume on the
8 next phase of the proceeding.
9 CHAIRPERSON PFANNENSTIEL: So Bill, just
10 to be clear. So what we are proposing to adopt is
11 what we have in front of us as the 15 language,
12 Part A and Part B.
13 MR. PENNINGTON: And as part of the
14 adoption order you would be agreeing with staff to
15 make some editorial refinements to that that would
16 be non-substantive.
17 CHAIRPERSON PFANNENSTIEL: That's
18 correct. But then further substantive issues that
19 have been raised regarding the standards in front
20 of us will be taken up as appropriate in the next
21 phase?
22 MR. PENNINGTON: Yes. Certainly in the
23 future we will be reviewing these issues and
24 talking to the people that have concerns and
25 seeing what is the most appropriate disposition of

1 each of them. Whether those actually are
2 meritorious for a future change in regulation is a
3 little bit yet to be determined.
4 CHAIRPERSON PFANNENSTIEL: That will be
5 a decision the Commission will make on its merits.
6 MR. PENNINGTON: Right.
7 COMMISSIONER ROSENFELD: There will
8 undoubtedly be some good ones and some that we
9 won't accept.
10 CHAIRPERSON PFANNENSTIEL: That's
11 correct.
12 VICE CHAIRMAN BOYD: So Bill, do you
13 want to make any comments on the last witness's
14 concerns about the de-rating factors?
15 MR. PENNINGTON: We strongly agree with
16 those comments.
17 CHAIRPERSON PFANNENSTIEL: Before we
18 then entertain a motion and a vote I want to thank
19 the staff for really incredible work on this. I
20 know that it is a long year with a lot of
21 technical analysis; Commissioner Rosenfeld and I
22 sat through a number of workshops over the course
23 of it. And it requires deliberative effort
24 because the end product, as complicated as it
25 looks, is really a simplification from where we

1 started. There are a lot of people in the
2 efficiency division who worked on it and I want to
3 thank them all, specifically the people sitting at
4 the table but many more besides.
5 With that any comments or can I get a
6 motion on Part A?
7 COMMISSIONER ROSENFELD: I want to move
8 it but I want to say a couple of words too. The
9 staff performed amazingly, but they always do.
10 Then there is PG&E led ably by Gary, and they
11 always do. We want to tell you you're essential.
12 In particular I don't know who put in the longest
13 hours, I think there's some sort of competition
14 going on between Melinda Merritt and Bill Staack,
15 but I particularly want to single them out. It
16 has been amazing.
17 I do want to repeat the numbers that
18 Commissioner Byron and I were just talking about.
19 The difference was one is an average over two
20 years and ten years. And I am just talking about
21 the per year number gets up to three billion
22 kilowatt hours and that's a whole power plant
23 that's gone. And of course we are leading the way
24 for the United States, which is ten times bigger.
25 So it's wonderful and I would like to move Part A

1 and Part B.

2 CHAIRPERSON PFANNENSTIEL: We will take

3 then one at a time then. Part A, is there a

4 second on Part A?

5 COMMISSIONER DOUGLAS: Second.

6 CHAIRPERSON PFANNENSTIEL: All in favor?

7 (Ayes.)

8 CHAIRPERSON PFANNENSTIEL: Commissioner

9 Rosenfeld has moved Part B. Is there a second on

10 Part B?

11 COMMISSIONER DOUGLAS: Second.

12 CHAIRPERSON PFANNENSTIEL: In favor?

13 (Ayes.)

14 CHAIRPERSON PFANNENSTIEL: Thank you all

15 very much.

16 COMMISSIONER BYRON: Madame Chairman, I

17 too think this is just an extraordinary

18 accomplishment based upon everything I've read.

19 And I had one last question for the staff. You

20 completed this I believe on time. The legislation

21 required this by the end of the year. And I was

22 just wondering if the Assembly Member, Assembly

23 Member Huffman has been notified yet of the work

24 that has been accomplished here.

25 MS. MERRITT: We have not notified their

1 office yet and we will.
2 COMMISSIONER BYRON: Good.
3 CHAIRPERSON PFANNENSTIEL: Let me put in
4 one other thanks by the way to the stakeholders
5 who worked with us on this. We have had many,
6 many stakeholders involved in this process. The
7 standards that were adopted are much better for
8 their input so thank you.
9 COMMISSIONER BYRON: Very good.
10 CHAIRPERSON PFANNENSTIEL: All right.
11 Moving on then to Item 12, possible
12 approval of Guidelines for California's Solar
13 Electric Incentive Programs, which is second
14 edition, Committee Final Guidelines.
15 MS. GREEN: Good morning, Madame Chair,
16 Commissioners. I am Lynette Green and I also
17 would like to introduce Bill Pennington here from
18 the Buildings and Appliances Office.
19 The Senate Bill 1 Guidelines was
20 initially adopted in December of 2007. On
21 September 11 of this year Energy Commission staff
22 issued a draft guidelines for California's Solar
23 Electric Incentive Programs Second Edition. A
24 committee workshop was followed two weeks later to
25 present the proposed changes to the 2007 adopted

1 guidelines and received comments from interested
2 parties.
3 After the workshop and the receipt of
4 written comments staff prepared this Committee
5 final version of the guidelines. This document
6 updates some of the requirements but mostly
7 addresses the concerns of the California Public
8 Utilities Commission and their program
9 administrators, publicly owned utilities and the
10 solar industry.
11 According to Public Resources Code
12 Section 25784 the Energy Commission is authorized
13 to adopt substantive changes to the guidelines
14 upon providing ten days written notice. On
15 November 14 staff released a notice to consider
16 adoption of this Committee final version and a
17 copy of that document was also made available. A
18 supplemental notice was issued on November 21 to
19 include additional changes that were not covered
20 by the November 14 notice.
21 Key revisions to the guidelines include:
22 Extend the full compliance date from January 1,
23 2009 to July 1, 2009, except for small, publicly-
24 owned utilities with a peak demand of 200
25 megawatts or less, to comply no later than January

1 1, 2010.
2 Add a section that would allow the
3 Energy Commission as required in the legislation
4 to conduct annual random audits of solar energy
5 systems to evaluate their operational performance.
6 Allow additions to existing systems that
7 met Senate Bill 1 requirements at time of
8 installation and apply current program eligibility
9 requirements to the added system.
10 We are also addressing other solar
11 electric generating technologies in this edition
12 since the 2007 adopted guidelines only covered PV
13 technologies.
14 We are providing eligibility
15 requirements for the other solar electric
16 generating technologies and we are proposing that
17 these technologies be eligible for performance-
18 based incentives only, with the requirement for a
19 full safety certification testing from a
20 nationally recognized testing laboratory.
21 Not require the California Public
22 Utilities Commission and publicly-owned utilities
23 to comply with the hourly photovoltaic production
24 calculation requirements. However, they shall
25 comply with the shading performance verification

1 and field verification requirements of these
2 guidelines.
3 Offer program administrators the option
4 to exempt the photovoltaic installers from
5 performing the detailed field verification
6 protocol if the installers follow the alternate
7 protocol for installers or the program
8 administrators perform 100 percent independent
9 field verification.
10 Require some performance-based incentive
11 systems less than 50 kilowatts in size to be field
12 verified.
13 Update the energy efficiency
14 requirements for newly constructed buildings by
15 defining the Tier I and Tier II levels to reflect
16 the adopted 2008 Title 24, Part 6, Building Energy
17 Efficiency Standards for building permits
18 submitted on or after August 1, 2009.
19 The 2008 Building Standards was adopted
20 by the Energy Commission in April 2008 to go in
21 effect in July 2009. However, per the California
22 Building Standards Commission's request to align
23 the implementation date with that of the annual
24 supplements for other parts of the standards we
25 are willing to extend the implementation date to

1 August 1.

2 Remove the benchmarking exemption for

3 performance-based incentive applications to be

4 consistent with the Assembly Bill 1103 mandate.

5 Clarify the procedures for shading

6 verification and make the alternative methods for

7 measuring shading at the project site more

8 consistent with each other.

9 Lastly, other changes that are non-

10 substantive include clarifications and

11 modifications to the 2007 adopted guidelines.

12 The Renewables Committee has approved

13 the proposed document and staff is requesting the

14 approval of the Committee Proposed Guidelines,

15 Second Edition. Thank you.

16 CHAIRPERSON PFANNENSTIEL: Thank you,

17 Lynette. Are there questions? I think people

18 have gone through this. Commissioner Byron.

19 COMMISSIONER BYRON: Yes, thank you.

20 Ms. Green, I couldn't help but note in

21 Chapter 4 that the PUC is getting somewhat of a

22 pass here. They get to use their judgment

23 regarding whether and under what time frame it

24 would make changes to the Solar Incentive

25 Calculator. Of course we are encouraging them to

1 move in a certain direction at a certain speed.
2 Can I ask why they got this exemption?
3 MS. GREEN: When we had the workshop on
4 September 29 that was the main theme of the
5 concerns of the industry, not just the CPUC but
6 also the solar industry. We still encourage them
7 to use the CEC PV calculator, however, we are not
8 giving them a deadline to comply. We are hoping
9 that eventually they would use the CEC PV
10 calculator. And maybe in the next revision of the
11 guidelines they would be more prepared to use that
12 calculator.
13 CHAIRPERSON PFANNENSTIEL: And if I
14 might. The issue raised really less by the PUC
15 themselves than by the solar industry was that for
16 those who were not in our program, those who were
17 in the PUC administered, overseen program, that
18 our calculator was simply too administratively
19 complex for them to be able to handle.
20 That ours was designed largely for our
21 program, which is large builders, large production
22 home builders, and they are individual programs
23 for individual retrofits and commercial buildings.
24 It became too complex for them to easily
25 administer. We heard that over and over from the

1 solar industry.
2 COMMISSIONER BYRON: I see.
3 CHAIRPERSON PFANNENSTIEL: They have a
4 calculator. They have a more simplified
5 calculator they have been using. So we were
6 persuaded that it made sense for them to continue
7 on their calculator. Eventually all of this will
8 go away because the incentives will go away and so
9 it is not the beginning of a forever program, it
10 is a point in time.
11 COMMISSIONER BYRON: Thank you Madame
12 Chair, that makes it clear.
13 VICE CHAIRMAN BOYD: I took Ms. Green
14 through this whole scenario when she briefed me on
15 this too so it is something that leaps out at you
16 until you get the explanation.
17 CHAIRPERSON PFANNENSTIEL: Yes. We are
18 not used to seeing that we are relying on their
19 judgment on things.
20 MR. PENNINGTON: A comment that I would
21 add is that I think that the merit in their
22 concern is that they have a calculator. And they
23 would have to undo what they have done related to
24 their calculator and do significant work to
25 develop a calculator similar to ours. And they

1 felt like that was going to be quite an
2 administrative burden and would cause them to go
3 backwards on decisions they had made and so forth.
4 Over time we expect that certainly we
5 will be trying to keep current with technology and
6 improve our calculator over time and we would
7 expect the PUC to be doing some of that as well.
8 And we would hope there would be a situation where
9 we could narrow the differences between the two
10 calculators. And so my discussions with the PUC
11 management, program management has indicated a
12 strong, a positive attitude on their part to try
13 to do some of that.
14 VICE CHAIRMAN BOYD: Bill, is it
15 possible to evolve perhaps to just a single
16 calculator that works in both?
17 MR. PENNINGTON: I think it is possible.
18 You know, the calculators are quite different.
19 Unfortunately these programs started
20 simultaneously, they both needed a calculator,
21 they both went out and did the work to create a
22 calculator . And they got one and they have been
23 using it and their stakeholders are familiar with
24 them. And so it is kind of hard to undo all of
25 that. It would have been better --

1 VICE CHAIRMAN BOYD: It is hard for the
2 lay public to understand why government does just
3 that.
4 MR. PENNINGTON: Right.
5 VICE CHAIRMAN BOYD: But anyway.
6 MR. PENNINGTON: But yes, I think there
7 is a possibility that we will narrow differences.
8 And certainly the Energy Commission is going to be
9 working hard to keep its calculator as effective
10 as possible. Not only because we will need to use
11 it for this program but also we will need to use
12 it for building standards in the future.
13 MS. GREEN: Yes. So we are just trying
14 to avoid disruption to their program since it has
15 already been going.
16 CHAIRPERSON PFANNENSTIEL: Right. Good
17 decision.
18 MS. GREEN: If there are no other
19 questions Gabe Herrera from our legal office would
20 like to make a comment on the California
21 Environmental Quality Act.
22 CHAIRPERSON PFANNENSTIEL: Thank you.
23 Gabe.
24 MR. HERRERA: Chairman, Commissioners,
25 good morning. Gabe Herrera with the Commission's

1 legal office. Just a couple of quick comments
2 concerning CEQA.
3 When the Commission proposes guideline
4 changes like those that are being proposed today
5 the legal office evaluates the guidelines to
6 determine whether the act of the adoption of these
7 guidelines constitutes a project under CEQA so it
8 is thereby subject to an environmental review.
9 In this case, these guideline revisions,
10 the Commission's adoption is not a project under
11 CEQA and that's for a couple of reasons. First,
12 the guideline revisions fall within a list of
13 excluded activities under Title 14 of the
14 California Code of Regulation, Section 15378,
15 subdivision (b)(2) and (b)(4) in that the activity
16 relates to general policy and procedure making and
17 the creation of governmental funding mechanisms,
18 which do not themselves involve any specific
19 projects which would result in a potentially
20 significant fiscal impact.
21 In addition the adoption of the
22 guideline revisions is exempt from CEQA under what
23 is commonly referred to as the common sense
24 exemption. In Title 14, California Code of
25 Regulation Section 15061(b). That section

1 indicates that CEQA only applies to projects that
2 have a significant effect on the environment. And
3 that term is defined in the Public Resources Code
4 as being a substantial adverse change in the
5 environment. That's not the case here. So that's
6 it, thank you.
7 CHAIRPERSON PFANNENSTIEL: Thank you,
8 Gabe. Well with that is there a motion for
9 approval of Guidelines for California's Solar
10 Electric Program Second Edition?
11 COMMISSIONER DOUGLAS: I move approval.
12 VICE CHAIRMAN BOYD: I'll second.
13 CHAIRPERSON PFANNENSTIEL: All in favor?
14 (Ayes.)
15 CHAIRPERSON PFANNENSTIEL: Thank you,
16 good job.
17 MS. GREEN: Thank you.
18 CHAIRPERSON PFANNENSTIEL: Minutes.
19 Approval of the Minutes from the November 20 --
20 oops, it says here 2009. I assume we mean 2008
21 Business Meeting. We get ahead of ourselves
22 sometimes.
23 COMMISSIONER ROSENFELD: I move the
24 minutes for November 2008.
25 COMMISSIONER DOUGLAS: Second.

1 VICE CHAIRMAN BOYD: I abstain.
2 CHAIRPERSON PFANNENSTIEL: In favor?
3 (Ayes.)
4 CHAIRPERSON PFANNENSTIEL: Commissioner
5 Boyd is abstaining.
6 VICE CHAIRMAN BOYD: I was not present.
7 CHAIRPERSON PFANNENSTIEL: Commission
8 Committee Presentations and Discussion and then
9 that also leads to the Chief Counsel Report.
10 I had discussed with Bill Chamberlain
11 putting on a presentation for the Commission on
12 what's happening with WECC and the western area
13 issues that I think is very important to us
14 generally, but even more so right now where we are
15 looking at so many of the critical problems we are
16 facing, whether it's the climate change work or
17 transmission interconnection or many others. And
18 WECC just has a number of important activities
19 underway.
20 I am questioning with the time today
21 whether it makes sense to keep on going today or
22 doing this at the next Business Meeting, the
23 December 17 Business Meeting. Bill, I assume you
24 are prepared either way.
25 MR. CHAMBERLAIN: I am prepared either

1 way, yes.

2 CHAIRPERSON PFANNENSTIEL: Now I do

3 understand that Commissioner Byron was thinking of

4 an Executive Session to discuss some potential

5 litigation following this.

6 COMMISSIONER BYRON: (Nodded).

7 CHAIRPERSON PFANNENSTIEL: Given that

8 then I am going to ask Bill if we can hold your

9 presentation until next time.

10 MR. CHAMBERLAIN: Certainly. I will

11 note that the next agenda has a few additional

12 items beyond --

13 CHAIRPERSON PFANNENSTIEL: Well, we'll

14 just kind of -- Next time we will just tell

15 ourselves it is the next Business Meeting of the

16 year and we will bring lunches or whatever.

17 Given that, are there other Commission

18 Committee presentations or discussion?

19 And then is there further Chief Counsel

20 Report?

21 MR. CHAMBERLAIN: I do have, I do have

22 one item. And that is I would like to introduce

23 to you the two most recent additions to the legal

24 office, who are both here.

25 Robin McCall. Robin comes to us with a

1 bachelor's degree in radio, TV and film from
2 Northwestern University and a career in media,
3 which included four Northern California Emmys.
4 She then attended Hastings Law School and
5 graduated in May of 2007 and we were quite
6 impressed. She did that for the purpose of
7 getting into environmental law and for the last
8 several months, in fact for more than a year she
9 has been volunteering with the Coastal Commission
10 legal staff and has now landed a job with us.
11 CHAIRPERSON PFANNENSTIEL: Welcome
12 Robin, we are delighted you are here.
13 MS. McCALL: Thank you, Commissioner.
14 MR. CHAMBERLAIN: And our second new
15 attorney is Christine Hammond. Christine has a
16 bachelor's degree in English from the University
17 of California, Berkeley and a law degree from
18 Hastings College of Law. And she has seven years
19 of experience in the energy area. She has
20 represented clients on behalf of two different law
21 firms in San Francisco before the Public Utilities
22 Commission, the Federal Energy Regulatory
23 Commission as well as Air Quality Management
24 Districts and the federal EPA.
25 CHAIRPERSON PFANNENSTIEL: We are

1 fortunate to have you, Christine, welcome.
2 MS. HAMMOND: Thank you. I am very glad
3 to be here.
4 VICE CHAIRMAN BOYD: With apologies to
5 Commissioner Byron, go Bears.
6 (Laughter)
7 CHAIRPERSON PFANNENSTIEL: Any further
8 report, Bill?
9 MR. CHAMBERLAIN: No, thank you.
10 CHAIRPERSON PFANNENSTIEL: Executive
11 Director Report. Ms. Chamberlain. Chamberlain?
12 Chandler, I'm sorry. Too many -- I'm looking --
13 MS. CHANDLER: Bill, there's something I
14 want to tell you.
15 (Laughter)
16 CHAIRPERSON PFANNENSTIEL: I'm looking
17 at the wrong nameplate out there.
18 MS. CHANDLER: Well, I'm going to
19 announce, I think most of you are aware that the
20 progressive lunch for the holiday party is on the
21 18th. And unfortunately I understand that some of
22 you may not be able to make it because you are
23 doing licensing cases.
24 Which is a segue into that we are at an
25 all-time high in terms of our power plant

1 licensing cases. We have over two dozen in the
2 process right now. We received another
3 application last night in the door. Terry scares
4 us all when he tells us that, you know, by the end
5 of the week, by the end of the month we were going
6 to be looking at three or four more.
7 This is a challenge. We are basically
8 at four times our historical norm. I know you all
9 are very familiar with that because some of you
10 are loaded up with six and seven cases yourself,
11 which is --
12 CHAIRPERSON PFANNENSTIEL: All of us
13 are.
14 MS. CHANDLER: All of us, yes, which is
15 a really high number. And I am sad to say that
16 there doesn't look like there is any let-up as we
17 go forward. So that's my report. We are all
18 busy. The staff, there was no down time this
19 year. There was no down time last year. It seems
20 that since 2001 with the electricity crisis we
21 have continued to push hard 24/7. So thank you.
22 CHAIRPERSON PFANNENSTIEL: Thank you,
23 Claudia.
24 COMMISSIONER BYRON: Save some leftovers
25 for the Commissioners that won't be here.

1 VICE CHAIRMAN BOYD: I am just noticing
2 Commissioner Douglas and I will not be here, nor
3 the next day either for some of us.
4 CHAIRPERSON PFANNENSTIEL: So sorry.
5 MS. CHANDLER: More for the rest of you
6 though.
7 CHAIRPERSON PFANNENSTIEL: That's right.
8 Leg Director Report, Chris.
9 MS. MARXEN: We are also very popular
10 with the Legislature apparently this year.
11 Several months ago Chris Mowrer at the Resources
12 Agency, who is the Deputy Secretary for
13 Legislation said he anticipated two big topics
14 this year, the budget and energy, and I think he
15 may be right.
16 On the very first day that bills were
17 able to be introduced, December 1st, 101 bills
18 were introduced. Ten of which directly state
19 something about the California Energy Commission,
20 another eight of which impact us in one way or
21 another. So possibly on the first day that bills
22 were introduced close to 20 percent of the bills
23 that were introduced have something to do with us,
24 which is sort of unprecedented from what I
25 understand.

1 The other big news that has come out of
2 the Legislature is that Senator Kehoe has gotten
3 what many people consider a more prestigious
4 appointment. She is now the chair of the Senate
5 Appropriations Committee. And our new chair of
6 Senate Energy, Utilities and Communications, who I
7 was meeting with his staff this morning with one
8 of Chairman Rosenfeld's staff member, is Senator
9 Alex Padilla. So we are all going to have to
10 probably get to know Senator Alex Padilla even
11 better than we know him already.
12 I will be meeting regularly with your
13 advisors in the near future and continuously
14 throughout the next year to keep everybody abreast
15 of what certainly promises to be a very busy
16 legislative year.
17 I would like to finish with a rather sad
18 note for me. I don't know if all of you know it.
19 The long-time legislative manager here, Marni
20 Weber, is leaving this week. She has gotten a
21 very good promotion. She is going to be the new
22 legislative director at the California Department
23 of Conservation and Friday is her last day. So we
24 should all make an effort to stop by and say
25 goodbye to Marni. And that's it for my report.

1 CHAIRPERSON PFANNENSTIEL: Thank you,
2 Chris.
3 Public Adviser Report, Elena.
4 MS. MILLER: Just a quick comment. I
5 wanted to give you some insight. With the volume
6 of cases that we have and the complexity of the
7 renewable energy projects, namely the solar
8 projects, I am working with our media office and
9 hearing good things about more media interest in
10 our siting events, namely the informational
11 hearing and site visit.
12 So, for example, I have one tomorrow in
13 Palmdale that I will be attending and we have had
14 just this morning three media outlets contact our
15 media office and say that they would like to, that
16 they will be covering it. It includes a cable
17 company, local cable TV. Not the local public
18 television channel but actually Time-Warner cable.
19 Local newspapers that also spill into Los Angeles
20 and the San Fernando Valley.
21 So clearly the word is out. There is an
22 interest in solar, there is an interest in this
23 particular project. But it is encouraging for me
24 because it helps me do my job better and it is at
25 no cost to the taxpayers so that's a wonderful

1 thing. So I just wanted to give you that insight,
2 thank you.
3 CHAIRPERSON PFANNENSTIEL: Thank you
4 very much. Of course now that we have a media
5 specialist in the law department we can see if we
6 can do things differently.
7 VICE CHAIRMAN BOYD: I was thinking the
8 same thing.
9 CHAIRPERSON PFANNENSTIEL: Thank you,
10 Elena.
11 Any further public comment? Anybody
12 else here who wants to address us?
13 Okay, I guess we now adjourn to my
14 office for a brief closed session. Thank you.
15 (Whereupon, at 11:50 a.m., the
16 Business Meeting was adjourned.)
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CERTIFICATE OF REPORTER

I, RAMONA COTA, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business 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 5th day of December, 2008.

RAMONA COTA