BUSINESS MEETING

BEFORE THE

CALIFORNIA ENERGY RESOURCES CONSERVATION

AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Business Meeting)
)
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CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

WEDNESDAY, APRIL 8, 2009

10:00 A.M.

ORIGINAL

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

COMMISSIONERS PRESENT

Karen Douglas, Chairman

James D. Boyd, Vice Chair

Jeffrey D. Byron

Julia Levin

Arthur H. Rosenfeld

STAFF and CONTRACTORS PRESENT

Jared Babula

Jonathan Blees

Martha Brook

Ken Celli

Beth Chambers

Claudia Chandler

Mike Gravely

Jim Holland

Harriet Kallemeyn, Secretariat

Michael Seaman

Larry Smith

Mike Smith

PUBLIC ADVISER

Elena Miller

ALSO PRESENT

Jane E. Luckhardt, Attorney at Law
Downey Brand
on behalf of J-Power USA

Richard M. (Mike) Jones
J-Power USA

Stephen Taylor
San Diego Gas and Electric

Erik S. Emblem
The California SMACNA/SMWIA Joint Committee on
Energy and Environmental Policy

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

2 10:05 a.m.

3 CHAIRMAN DOUGLAS: Good morning.

4 Welcome everybody to the April 8 Business Meeting

5 of the California Energy Commission. Please join

6 me for the Pledge of Allegiance.

7 (Whereupon the Pledge of Allegiance was

8 recited in unison.)

9 CHAIRMAN DOUGLAS: All right, beginning

10 with Item 1, the Consent Calendar.

11 VICE CHAIRMAN BOYD: Move Consent.

12 COMMISSIONER ROSENFELD: Second.

13 CHAIRMAN DOUGLAS: All in favor?

14 (Ayes.)

15 CHAIRMAN DOUGLAS: Item 2, Orange Grove

16 Power Plant Project. Possible adoption of the

17 Presiding Member's Proposed Decision and Errata

18 for the Orange Grove Power Plant Project. Ken.

19 MR. CELLI: Good morning, Chairman

20 Douglas and Commissioners. Kenneth Celli

21 appearing on behalf of the Orange Grove AFC

22 Committee.

23 The PMPD reflects the Committee's

24 careful consideration of all evidence submitted by

25 the parties as well as all public comments. The

1 PMPD recommends that the Commission grant
2 certification because the Orange Grove Project is
3 consistent with laws, ordinances, regulations and
4 standards, and pursuant to CEQA will have no
5 significant adverse effects on the environment or
6 public health.
7 The project is a 96 megawatt, simple-
8 cycle peaker. The Orange Grove Project is sited
9 on an eight and a half acre site that is a part of
10 a 202 acre property owned by SDG&E located in an
11 unincorporated rural area of northern San Diego
12 County, approximately five miles east of the town
13 of Fallbrook.
14 There are three intervenors in this
15 proceeding, Anthony Arand, Archie McPhee and the
16 Alliance for a Cleaner Tomorrow. I don't think
17 any of them are here today. But all parties were
18 presented a full opportunity to participate in
19 these proceedings.
20 The Committee recommends that the
21 Commission adopt the PMPD on the Orange Grove
22 Project along with the Committee Errata which was
23 served on the parties. The Errata incorporates
24 the parties' comments and public comments on the
25 PMPD and includes clarification of the record.

1 With that the matter is submitted. I am
2 happy to answer any questions on the procedural
3 matters of the PMPD. Otherwise the parties are
4 here to address the Commission.
5 CHAIRMAN DOUGLAS: Thank you. Shall we
6 begin with staff? We'll hear from the parties.
7 MR. BABULA: This is Jared, staff
8 counsel. We don't have, I don't have anything
9 specific. I just want to really extend my
10 appreciation for Felicia Miller, the project
11 manager here. I think she did a great job in
12 shepherding this project through, especially when
13 it was transformed from a SPPE to a regular AFC
14 and she was able to keep the process going. And
15 also which allowed for a real robust intervenors
16 and discussion. So I think the final product is a
17 real excellent project. So I would just like to
18 thank Felicia for her work.
19 MS. LUCKHARDT: This is Jane Luckhardt
20 from Downey Brand on behalf of J-Power. We would
21 also like to thank staff. And I'll let Mike Jones
22 from J-Power provide that directly.
23 MR. JONES: Very much we would like to
24 thank staff for their efforts throughout the
25 process, extending to Hearing Officer Celli and

1 the Commission Committee. And we look forward to
2 a successful project assuming that the PMPD is
3 approved.
4 MS. LUCKHARDT: And also San Diego Gas
5 and Electric is also here and would like to say a
6 few words at some point when it's appropriate.
7 CHAIRMAN DOUGLAS: Please.
8 MR. TAYLOR: Good morning. My name is
9 Steve Taylor; I am here representing San Diego Gas
10 and Electric.
11 I would like to reiterate what the other
12 folks have already said. I would like to thank
13 the Commission certainly for keeping this
14 important peaker project on schedule. This
15 project is a very key component for us to maintain
16 our resource adequacy for the utility as well as
17 providing a means for replacement of older, less-
18 efficient generating facilities while saving our
19 customers significant costs.
20 I would like to thank the Committee
21 itself, and especially Presiding Member Boyd, for
22 their leadership and allowing this project to
23 smoothly transition from the SPPE process to the
24 AFC process. Maintaining the same committee and
25 the same staff really did help expedite the

1 processing of the AFC.
2 Finally I would like to thank Felicia
3 Miller and her staff who worked vigilantly with
4 Orange Grove maintaining the schedule and
5 producing a thorough staff assessment. Their
6 diligence, despite the impact the current economic
7 crisis has had on them in particular, has allowed
8 us to be here today so thank you very much.
9 CHAIRMAN DOUGLAS: Thank you. Any
10 questions or comments?
11 VICE CHAIRMAN BOYD: I would just like
12 to make a comment as the Presiding Commissioner on
13 behalf of Commissioner Rosenfeld and myself, the
14 Siting Committee.
15 I too want to thank the staff. It has
16 been a tough pull since this started out as a
17 Small Power Plant Exemption case and turned into a
18 full AFC. And I want to thank the applicant for
19 seeing the wisdom of pursuing the full AFC that
20 has gotten us to where we are here today.
21 And as the last gentleman indicated, in
22 these tough economic times with staff working
23 around furloughs, and I'm sure glad Commissioner
24 Rosenfeld and I didn't have to hold a hearing on a
25 furlough day. But nonetheless I commend everybody

1 for the good job done.
2 It has been an interesting, interesting
3 process I must say but I am glad it has been
4 finally brought to an end. And I would like to
5 make a motion to approve. Then maybe other
6 Commissioners have comments but as Presiding
7 Member I would like to so move.
8 COMMISSIONER BYRON: If I may. I had a
9 number of questions about the plant and staff was
10 very helpful in answering them. I am very
11 satisfied that it is a good recommendation.
12 And I also would like to thank
13 Mr. Taylor for being here. I think it is my
14 recollection it is somewhat unique to have the
15 investor-owned utility here supporting the plant.
16 And maybe that sets a new precedent that we will
17 look forward to in the future. Thank you for
18 being here.
19 COMMISSIONER ROSENFELD: Do I get to
20 second? Do I get to second the motion?
21 CHAIRMAN DOUGLAS: Please do. All in
22 favor?
23 (Ayes.)
24 VICE CHAIRMAN BOYD: It's approved.
25 CHAIRMAN DOUGLAS: Yes, it's approved.

1 COMMISSIONER BYRON: Congratulations.
2 CHAIRMAN DOUGLAS: Congratulations.
3 Item 3, Town of Hillsborough.
4 MR. CELLI: Excuse me, Chairman. I just
5 want to make, we need to make the record clear
6 that the PMPD and the Errata were moved into the
7 record.
8 VICE CHAIRMAN BOYD: Yes. I would like
9 to modify my motion as I was instructed by
10 Mr. Celli and totally forgot to make sure that it
11 includes the Committee's Errata, which has been
12 available to all folks. That was my motion, I
13 just didn't say it clearly.
14 (Laughter)
15 COMMISSIONER ROSENFELD: That was my
16 second. That was my second.
17 VICE CHAIRMAN BOYD: And that was our
18 vote, I believe.
19 CHAIRMAN DOUGLAS: And that was our
20 vote. Thank you for the clarification.
21 MR. CELLI: Thank you.
22 CHAIRMAN DOUGLAS: Now item 3, Town of
23 Hillsborough. Possible approval of a $699,000
24 loan to the Town of Hillsborough to install
25 premium efficiency pumps and control upgrades to

its water system. Jim Holland. Mike Smith, are you presenting?

MR. M. SMITH: Yes I am.

CHAIRMAN DOUGLAS: Thank you.

MR. M. SMITH: My name is Mike Smith, I am the deputy director for the fuels and transportation division. I just want to add a few extra points to that brief description in the agenda. The Town of Hillsborough operates a fairly extensive water, potable water storage and conveyance system and this project will replace --

The system is comprised of 14 pump stations and this project will do two things. It will replace four of those pumps with high efficiency pumps and it will also change out the software and control system for the -- control software for the water system. That will accomplish -- one of the major objectives of that is to allow the Town to operate the system more flexibly and operate the pumps, both the existing pumps remaining and the four new pumps that will be installed during off-peak hours. So there will be fairly significant cost savings to the city as a result.

A few extra facts and figures regarding

1 this. The total savings is about 184,000 kilowatt
2 hours per year and will reduce CO2 emissions by
3 about 150,000 pounds per year.
4 The funding is derived from the Energy
5 Commission's ECA account, the Energy Conservation
6 Assistance account. And we look for your approval
7 of this.
8 CHAIRMAN DOUGLAS: Thank you. Are there
9 questions or comments? Please.
10 COMMISSIONER BYRON: Mr. Smith, this
11 looks like it is funded -- I should say that the
12 loan is on the order of 92 percent of the project
13 cost. Is that normal for these kinds of projects?
14 MR. M. SMITH: I am going to turn to the
15 staff and have them answer the question, or at
16 least help me answer the question.
17 COMMISSIONER BYRON: Thank you.
18 MR. M. SMITH: Give you a sense of an
19 answer for the question.
20 MR. HOLLAND: Good morning. I am Jim
21 Holland in the special projects office.
22 Typically we can cover most project
23 costs. In this case the expense of the SCADA
24 system, which is the software control system, was
25 quite costly compared to typical mechanical

1 replacements. And the payback for the SCADA
2 system alone was over 12 years and so we could
3 only give ten times the annual energy savings.
4 Typically we can cover more of the project costs
5 but when a software program is involved, such as
6 this case, we cannot. And the Town was more than
7 happy to make up the difference between what we
8 could provide and the project costs.
9 COMMISSIONER BYRON: Okay. So this kind
10 of high percentage is not unusual?
11 MR. HOLLAND: It is not, it is not
12 typical but it is not unusual to be there.
13 COMMISSIONER BYRON: Okay, thank you.
14 CHAIRMAN DOUGLAS: Is there a motion?
15 COMMISSIONER ROSENFELD: I move the
16 item.
17 COMMISSIONER BYRON: Second.
18 CHAIRMAN DOUGLAS: All in favor?
19 (Ayes.)
20 CHAIRMAN DOUGLAS: The item is approved,
21 thank you.
22 MR. M. SMITH: Thank you.
23 MR. HOLLAND: Thank you.
24 CHAIRMAN DOUGLAS: Item number 4,
25 California Commissioning Collaborative. Possible

1 approval of Contract 500-08-039 for $1,796,630 for
2 three years with the California Commissioning
3 Collaborative to provide integrated research to
4 address market and technical barriers to
5 widespread implementation of building
6 commissioning. Beth Chambers.
7 MS. CHAMBERS: Yes. Good morning,
8 Chairman Douglas and Commissioners. I am Beth
9 Chambers; I am from the Energy Commission's
10 research division. And I am here this morning to
11 ask for you --
12 VICE CHAIRMAN BOYD: Beth, could you
13 move a tad closer to the microphone or move it
14 closer to you.
15 MS. CHAMBERS: Certainly, sorry. I am
16 here to ask for your approval to fund this
17 agreement with the California Commissioning
18 Collaborative for $1,796,630 over three years.
19 I would like to also point out that this
20 item and the next item on the agenda were awards
21 resulting from the Technology Innovations for
22 Buildings and Communities research solicitation
23 that the Energy Commission released in 2008.
24 The proposed agreement with the
25 Collaborative will build on a recently completed

research project that is titled Commercial Building Commissioning R&D under Contract 500-05-035.

The Commissioning -- California Commissioning Collaborative is a nonprofit organization consisting of utilities, state agencies and commissioning industry providers that are committed to making commissioning a common practice in California.

The Commissioning Collaborative provides near-term market connections to commissioning-related research products and provides strategic guidance to the PIER buildings program and identifies future research needs.

Building commissioning is best defined as the process for insuring that building systems and operations and equipment are operated as designed, functionally tested and certified capable of being operated and maintained according to the owner's occupational needs.

So very specifically, commissioning applies to new construction and retro-commissioning to existing buildings. Commissioning and retro-commissioning have proven to be effective strategies for identifying and

1 correcting problems that cause energy waste in
2 building systems and operations. However, the
3 limitations still exist and there continues to be
4 a shortage of standardized engineering tools and
5 guides for the rapidly growing building
6 commissioning industry.
7 Work to be completed under this
8 agreement will address several current barriers
9 and limitations through these following five
10 related research projects. The project will look
11 at optimizing integration of energy information
12 and retro-commissioning services in commercial
13 real estate transactions. By developing a
14 technical and market approach to improve the
15 transparency of energy information performance
16 through point-of-sale for commercial properties.
17 It will also develop standardized
18 engineering tools and guides to assist the
19 commissioning providers, which will allow them to
20 provide consistent, effective and cost-efficient
21 services to building owners.
22 It will also identify best practices for
23 maintaining the energy savings that have been
24 realized through retro-commissioning by developing
25 methods and tools that will insure long-term

1 retro-commissioning benefits.
2 It will also address verification of
3 energy savings from retro-commissioning in support
4 of utility rebate incentive programs by developing
5 methods to verify installation of retro-
6 commissioning measures as well as the savings
7 achieved.
8 And lastly, we will be looking at
9 improvements to acceptance testing requirements
10 and effectiveness through -- in California's nine
11 residential building energy efficiency standards.
12 This project was included in the fiscal
13 year '08-09 PIER buildings budget and has been
14 approved by the R&D Committee. With that I would
15 request your approval to fund this agreement and
16 ask if you have any questions. Thank you.
17 COMMISSIONER ROSENFELD: I just want to
18 make one remark as having been in the
19 commissioning business for a long time. Not only
20 does this save a heck of a lot of money but my
21 experience is it also makes buildings a lot more
22 comfortable. Usually when you start commissioning
23 a building you find that you don't quite know how
24 to do the accounting because it didn't come up to
25 ASHRAE comfort standards and was way outside the

comfort zone. Some rooms were too cold and some rooms too hot and some rooms had too much air and some rooms had too little air. So this generally got good vibes in addition to saving money.

CHAIRMAN DOUGLAS: Any other comments or questions?

MR. EMBLEM: Thank you. My name is Erik Emblem. I am with the Joint Committee on Energy Environmental Policy that was formed by California SMACNA and the California Sheet Metal Workers. And I would like to say we are very much in favor of this and commend the Commission staff, particularly Tab Cummings, who attends those meetings. We feel very strongly that you are on the right path with this and that building commissioning is something that should become part of our operating future in building operations and verifications of savings.

We also would like to stand in support of the particular section on reviewing the acceptance testing and acceptance standards in non-residential. We think that the work being done by the Commission on that has just grown by leaps and bounds and I think it is going to feed into the commissioning process and complement what

they are doing in retro-commissioning. We attend those meetings and commit our support to the staff. And again, I think you are doing the right thing and we support it, thank you.

CHAIRMAN DOUGLAS: Thank you. Is there a question?

VICE CHAIRMAN BOYD: This item came before the Research Committee and on behalf of that committee I would like to move approval and commend the staff and all the stakeholders for their work.

COMMISSIONER LEVIN: Second.

CHAIRMAN DOUGLAS: All in favor?

(Ayes.)

CHAIRMAN DOUGLAS: This item is approved, thank you.

CHAIRMAN DOUGLAS: Item 5, L'Monte Information Services. Possible approval of Contract 500-08-035 for $1,826,761 with L'Monte Information Services to develop the Building Energy Standards Modeler software. Martha Brook.

MS. BROOKS: Martha Brook. Good morning. I am with the high performance buildings and standards development office and I am bringing this proposed research project forward for the

1 PIER Buildings Program.
2 This Building Energy Standards Modeler
3 project will develop a web-based platform and
4 software tools for expressing building energy
5 performance standards in a computer-readable
6 format which will foster clarity and consistency
7 in the implementation of California's building
8 energy efficiency standards.
9 The proposed software will provide tools
10 for the Commission staff to create and modify the
11 rules that form the basis of our performance
12 standards and to understand the impacts of these
13 updates to our performance standards.
14 This project will also facilitate the
15 integration of these performance-based rules into
16 third-party software tools that can then be
17 certified for the Commission for use in code
18 compliance.
19 There's a lot of really nitty-gritty
20 details that I would be glad to brief you on but
21 at this time I would just like to ask if there's
22 any questions to this proposal. It has been
23 approved by the R&D Committee.
24 VICE CHAIRMAN BOYD: Well I would move
25 approval and just again commend the staff for this

1 work. Particularly thank Ms. Brook for being here
2 as a representative of a client division,
3 recipient of the output of this kind of activity.
4 Which makes me feel that the research folks and
5 the client division have got a good working
6 relationship.
7 COMMISSIONER ROSENFELD: I have a
8 nostalgic remark. This is sort of the swan song
9 in the transition to energy costs. My first
10 contract with the California Energy Commission in
11 1975 was for a program called Cal-ERDA because
12 there was no Department of Energy and we needed
13 collaboration of the Energy Commission and ERDA,
14 the Energy Research and Development Authority, the
15 US thing, in order to do the first building
16 standards. It was written in Fortran. I remember
17 carrying tons of cards and dropping some of them.
18 (Laughter)
19 VICE CHAIRMAN BOYD: All out of order.
20 COMMISSIONER ROSENFELD: It staggered
21 along under Fortran for all these years. I am
22 glad to see it put to bed and replaced by Energy
23 Plus, so I am very happy. I'll second.
24 MS. BROOKS: Which is a lot better than
25 having Fortran but that's another --

CHAIRMAN DOUGLAS: Thank you. All in favor?

(Ayes.)

MS. BROOKS: Thank you.

CHAIRMAN DOUGLAS: The item is approved, thank you.

Item 6, Rensselaer Polytechnic Institute. Possible approval of Contract 500-08-040 for $60,000 for a one year membership in the Partners Program at Rensselaer Polytechnic Institute's Lighting Research Center. Michael Seaman.

MR. SEAMAN: Good morning Commissioners. I am Michael Seaman from the PIER buildings team.

This agenda item seeks your approval of the renewal of our longstanding partnership with the Lighting Research Center at Rensselaer Polytechnic Institute. The Lighting Research Center is the nation's oldest research institution devoted to lighting.

The Energy Commission has actively participated in the Center's Partners Program every year since 2000. The Partners Program is an association of academia, industry, including the largest lamp and luminaire manufacturing

1 companies, utilities, and the leading government
2 research agencies, the Energy Commission, the New
3 York State Research and Development Authority and
4 the United States Government.
5 Lighting represents about a quarter of
6 the state's electrical load. The reduction of
7 lighting's energy and greenhouse gas impacts
8 depends on cooperation and support from
9 manufactures and policy bodies whose attention
10 spans are spread across broad national and global
11 markets.
12 Membership in the Partners Program is
13 vital to California in that research projects
14 developed via the Partners Program have influenced
15 lighting practice worldwide. Our participation
16 means the specific needs of California are not
17 overlooked.
18 The focus of the Partners Program is
19 global and strategic. It provides a significant
20 and necessary scientific and technical complement
21 to the Commission's interest in the regular
22 development of market-ready, energy efficient
23 lighting products and systems such as brought
24 forth by the California Lighting Technology Center
25 and our other researchers.

1 The Commission has garnered considerable
2 value from the Partners Program. The proposed
3 contract will enable the advantages of
4 collaboration to continue to flow to the
5 California utilities and energy efficiency
6 stakeholders. As in past years the Center will
7 provide information resources for the Commission
8 and our electric utilities and generally ensure
9 that the Partners Program is both relevant and
10 responsive to California's energy efficiency R&D
11 agenda and utility emerging technologies programs.
12 The Partners Program is on the
13 Commission's list of approved memberships for this
14 fiscal year. Your approval of the renewed
15 participation in the Lighting Research Center's
16 Partners Program is recommended. I would be happy
17 to answer any questions you may have.
18 VICE CHAIRMAN BOYD: I will move
19 approval for the Research Committee.
20 COMMISSIONER ROSENFELD: I will happily
21 second.
22 CHAIRMAN DOUGLAS: All in favor?
23 (Ayes.)
24 CHAIRMAN DOUGLAS: The item is approved,
25 thank you.

1 Item 7, Lawrence Berkeley National
2 Laboratory. Possible approval of Amendment 3 to
3 Contract 500-05-001 with the US Department of
4 Energy-Lawrence Berkeley National Laboratory,
5 adding $550,000 and 27 months to the contract
6 term. Mr. Gravely.
7 MR. GRAVELY: Good morning, Chairman
8 Douglas and Commissioners. This is Mike Gravely
9 from the R&D division.
10 This project is, again, Amendment 3 to a
11 project we have had considerable success with in
12 this area. We have been using demand response
13 systems that are installed to provide ancillary
14 services to the California ISO. In this
15 particular amendment we will be looking to expand
16 from approximately 1200 sites to over 3,000 sites.
17 The value of this service for us is as
18 part of California implementing the advanced
19 metering infrastructure of over 12,000 meters and
20 the fact that the capability of using demand
21 response in the future is very great for
22 California.
23 This opportunity allows us when we are
24 not using the demand response peak command during
25 days of critical peak pricing or days like that we

1 can use this service to provide ancillary services
2 to the ISO. In many cases the services only
3 require 10 to 15 minutes so the customer doesn't
4 even realize the service has been provided.
5 In the long-term we are hoping this will
6 avoid the need for more peaker plants and the
7 growth of peaker plants in California. So we will
8 be using load to solve the needs of the future.
9 This particular effort provides the connectivity
10 between the customers, the utility and the ISO to
11 allow us to collect data and to confirm what
12 works.
13 And also the California Public Utilities
14 Commission has requested all the IOUs to begin to
15 implement this in their future programs. So this
16 data will provide both us, the PUC and the
17 utilities with what they need to go forward and
18 provide demand response services to California at
19 a much broader capability. I'll be glad to answer
20 any questions if I can now.
21 COMMISSIONER BYRON: Mr. Gravely, I
22 really enjoyed reading this one. Now that the
23 Independent System Operator is beginning to accept
24 demand response as essentially a dispatchable
25 resource we have come a long way on this and I

1 think it is a real tribute to your and the staff's
2 efforts to keep on this. It seems like this
3 Commission has known for a long time that this was
4 a resource that could be utilized this way.
5 So this kind of acceptance and continued
6 work in this area is -- It's really one of the
7 benefits of what we keep calling the Smart Grid.
8 That we are really now seeing the kind of benefits
9 that can be realized from these kinds of
10 communications technologies. So keep on, this is
11 good stuff.
12 MR. GRAVELY: Thank you.
13 COMMISSIONER LEVIN: Mr. Gravely, I also
14 wanted to mention I was quite happy to see in Time
15 magazine this week, it's the Earth Day issue, in
16 an article about how you make broad societal and
17 behavioral changes, that a number of researchers
18 said the most important thing is to make it easy.
19 And I think that we are making a lot of progress
20 in that department.
21 And I would just ask that as much as
22 possible we document it so that we can share it
23 with others, and particularly in Washington DC
24 right now, that these are really important steps
25 that we are leading the way on. We need to share

1 those lessons and those success stories more
2 widely, including here within California.
3 MR. GRAVELY: Sure.
4 COMMISSIONER LEVIN: It is amazing to me
5 as a new Commissioner how many people ask me, what
6 is the Energy Commission, what do they do. And
7 here we are doing all this great work and we
8 really are on the cutting edge. We need to blow
9 our own horns more.
10 MR. GRAVELY: Okay.
11 COMMISSIONER LEVIN: Thank you. And
12 let's figure out how to spread the word.
13 COMMISSIONER ROSENFELD: And just to
14 emphasize that point, the big success item from
15 the Demand Response Research Center, which Mike
16 helped create and which is really a jewel, is
17 called auto-DR. That is, you pre-program how you
18 are going to respond to a congestion. It is not
19 only easy, you don't have to be there. The
20 Internet tells you this is a critical day and the
21 lights dim.
22 COMMISSIONER LEVIN: And Time magazine
23 talked about remote controlled thermostats, I
24 couldn't believe it. It's making it into the
25 general public understanding somehow.

1 VICE CHAIRMAN BOYD: We should
2 distribute it across the street.
3 I would like to, one, move approval on
4 this on behalf of the Research Committee. And
5 number two, comment to Mike or somebody that I
6 hope during my term some day somebody comes
7 forward to this body and reports on the peaker
8 plants that didn't have to be built as a result of
9 the success of this type of an application. So
10 good work, Mike.
11 COMMISSIONER ROSENFELD: And one last
12 remark about relations with the ISO and helping
13 the ISO. We meet every Thursday morning and we
14 have an ISO representative who comes in and helps
15 with the demand response activities. It's great.
16 CHAIRMAN DOUGLAS: Is there a second?
17 COMMISSIONER ROSENFELD: Second.
18 COMMISSIONER LEVIN: I do -- I'm sorry.
19 I do really just want to underscore, we do need to
20 document the successes. The peaker plants not
21 built, the energy savings, and spread the word
22 about that more. Because I don't think there is
23 yet widespread understanding about the potential
24 of these. Everybody is talking about the Smart
25 Grid and most people don't even know what that

1 really means or how much it can benefit the
2 average consumer. So I am not sure how we do that
3 or where we do that but I think that is an
4 important part of this work going forward.
5 MR. GRAVELY: Okay.
6 CHAIRMAN DOUGLAS: Very good. All in
7 favor?
8 (Ayes.)
9 CHAIRMAN DOUGLAS: The item is approved,
10 thank you.
11 COMMISSIONER ROSENFELD: Mike, I hope
12 all of your presentations go that well.
13 MR. GRAVELY: Thank you, sir.
14 CHAIRMAN DOUGLAS: Item 8, ICF
15 Consulting. Possible approval of Contract 600-08-
16 007 for $199,997 with ICF Consulting for support
17 services for the Alternative and Renewable Fuel
18 and Vehicle Technology Program. Mr. Smith.
19 VICE CHAIRMAN BOYD: Mr. Smith wishes it
20 was one million.
21 MR. M. SMITH: Yes indeed. Good morning
22 again. My name is Mike Smith.
23 And this contract is the first one that
24 we are bringing to you for approval out of this
25 year's technical support allocation. We are

1 actually funding this out of an ERPA allocation
2 and not AB 118 funding, so just, just so there's
3 clarity. But this contract will directly support
4 the initial roll-out of the AB 118 program.
5 And there's two parts to this contract.
6 We selected ICF to, number one, develop
7 methodologies and metrics that will allow us to
8 measure and assess the performance of projects and
9 the performance of the program throughout the
10 years in terms of meeting the air quality goals,
11 the petroleum reduction goals, the greenhouse gas
12 reduction goals that are set out in the statute.
13 Secondly, the contractor will develop
14 what we have termed a communications plan. And
15 this plan will help us identify the steps that we
16 will take in using AB 118 funding to implement a
17 public education outreach program. So this will
18 be the first step.
19 This will help us lay out the needs for
20 such an effort in implementing a new program like
21 this and trying to educate the public about
22 alternative fuel vehicles and options that are
23 here today and what they can do to prepare for the
24 vehicles that will be coming in the years to come.
25 So with that, if there's any questions I

1 would ask for the Commission's approval of this
2 contract.
3 VICE CHAIRMAN BOYD: On behalf of the
4 Transportation Committee I will move approval.
5 And I will also mention, Mr. Smith, that you
6 retain that factoid about the communications
7 component for our next Business Meeting when we
8 indeed discuss the 118 Investment Plan.
9 MR. M. SMITH: I certainly will.
10 COMMISSIONER ROSENFELD: Second.
11 CHAIRMAN DOUGLAS: All in favor?
12 (Ayes.)
13 CHAIRMAN DOUGLAS: The item is approved,
14 thank you.
15 MR. M. SMITH: Thank you.
16 CHAIRMAN DOUGLAS: Item 9, Andes
17 Consulting. Possible approval of Purchase Order
18 08-409.00-009 for $124,000 with Andes Consulting
19 to provide programming services for application
20 and database development for the Energy
21 Commission's essential systems. Mr. Smith.
22 MR. L. SMITH: Good Chairman and
23 Commissioners.
24 VICE CHAIRMAN BOYD: And not Mike's
25 brother, right?

1 (Laughter)

2 MR. L. SMITH: No, but I am still a

3 Smith. My name is Larry Smith and I am the chief

4 information officer for the Energy Commission.

5 And today I am seeking approval for the

6 Energy Commission to enter into an agreement with

7 Andes Consulting, LLC to provide programming

8 services for application and database support of

9 administrative and program -- of the Energy

10 Commission's administrative and program systems.

11 This agreement resulted from a Request For Offer

12 under the Department of General Services'

13 California Multiple Awards Schedule or CMAS.

14 And the administrative work, the

15 administrative work that needs to be accomplished

16 is we are upgrading the existing administrative

17 systems that include the personnel budgets,

18 accounting, purchasing, phone list and training

19 systems to the most current and standard

20 technologies and an open database that promotes

21 single point data entry and sharing of data across

22 the organization.

23 We are also upgrading the time reporting

24 system in preparation for the 21st century project

25 that is being led by the State Controller's

1 Office. And we are providing some post-
2 implementation support for the New Solar Home
3 Partnership system.
4 Nineteen offers were received and
5 evaluated for the Request For Offer and today I am
6 request approval of a purchase order with Andes
7 Consulting LLC in the amount of $124,000 for one
8 year.
9 CHAIRMAN DOUGLAS: Questions?
10 VICE CHAIRMAN BOYD: Move approval.
11 COMMISSIONER ROSENFELD: Second.
12 CHAIRMAN DOUGLAS: All in favor?
13 (Ayes.)
14 CHAIRMAN DOUGLAS: The item is approved,
15 thank you.
16 MR. L. SMITH: Thank you very much.
17 CHAIRMAN DOUGLAS: Item 10, approval of
18 the Minutes. First of all, possible approval of
19 the January 28, 2009 Business Meeting Minutes. I
20 was present at that as well as Commissioner Boyd
21 and Commissioner Rosenfeld.
22 VICE CHAIRMAN BOYD: Move approval.
23 COMMISSIONER ROSENFELD: Second.
24 CHAIRMAN DOUGLAS: All in favor?
25 (Ayes.)

1 VICE CHAIRMAN BOYD: All three of us.
2 CHAIRMAN DOUGLAS: All three of us.
3 Next, possible approval of the March 25,
4 2009 Business Meeting Minutes.
5 COMMISSIONER ROSENFELD: I move
6 approval.
7 VICE CHAIRMAN BOYD: Second.
8 CHAIRMAN DOUGLAS: All in favor?
9 (Ayes.)
10 CHAIRMAN DOUGLAS: Item 11, Commission
11 Committee Presentations/Discussion.
12 COMMISSIONER BYRON: Madame Chair?
13 CHAIRMAN DOUGLAS: Please.
14 COMMISSIONER BYRON: If I may, just for
15 the benefit of my fellow Commissioners I thought
16 it might be worth a couple of minutes of time just
17 to tell you about a trip that I took with
18 Commissioner Chong last week to Washington DC. We
19 are working closely with the PUC on assisting
20 publicly-owned and investor-owned utilities in
21 their proposals to the Department of Energy for
22 ARRA stimulus funding, the American -- please help
23 me.
24 CHAIRMAN DOUGLAS: Recovery and
25 Reinvestment Act.

1 COMMISSIONER BYRON: Recovery and
2 Reinvestment Act. I refuse to turn it into a
3 word, however.
4 CHAIRMAN DOUGLAS: Aren't people calling
5 it ARRA?
6 VICE CHAIRMAN BOYD: ARRA.
7 COMMISSIONER BYRON: I refuse to turn it
8 into a word. So I think, to just give you a brief
9 rundown of what we did. We had a number, I had a
10 couple of conference calls with investor-owned
11 utilities and POU executives prior to our going.
12 The PUC hosted a workshop a week ago, almost two
13 weeks ago, two weeks ago this Friday, on the
14 subject. It was very well attended. Clearly
15 there's a lot of interest in the $4.5 billion
16 worth of stimulus funding around the Smart Grid
17 technologies.
18 And we met when we were in DC with folks
19 with the Department of Energy, the Office of
20 Management and Budget or OMB, various legislative
21 staff, and we also had time to meet with a couple
22 of FERC Commissioners on unrelated subjects, which
23 was very worthwhile.
24 It is also fair to say that in some ways
25 our trip was not necessary. California's

1 leadership in energy policy, Smart Grid technology
2 and research is really well understood at the
3 Department of Energy. In fact there are members
4 of the DOE staff that we met with that participate
5 in our PIER transmission research advisory
6 committee and have for a number of years. So they
7 know that we are activists in this area.
8 But it was good to reiterate everything
9 that the State has done. The fact that we have
10 got advanced metering initiatives in place with
11 all of our utilities. That we will be installing
12 over 11 million devices here over the next couple
13 of years. And we did have some opportunity to
14 maybe perhaps provide some input to what the
15 criteria will be for the Smart Grid request for
16 applications.
17 There will be a noticing period where we
18 will have an opportunity to ask some specific
19 questions and maybe help direct their thinking and
20 get answers to some of our unanswered questions
21 such as what is the definition of shovel-ready,
22 what kind of certification commitments do the
23 utilities need to have for their co-funding at the
24 time of application.
25 And I should also say that is an

1 assumption on our part that it would utilities
2 making these proposals. We have noticed recently
3 that they there may be applications coming forward
4 from other consortiums or other companies,
5 including independent power producers that may
6 want to move in this area as well.
7 So I think that's a good summary. It
8 was certainly a worthwhile trip. And I understand
9 that some of my fellow commissioners may be making
10 similar trips on behalf of this state. I
11 encourage you to do so, it's a good investment of
12 time.
13 CHAIRMAN DOUGLAS: Thank you,
14 Commissioner Byron. I was very pleased that you
15 were able to take the trip, and along with
16 Commissioner Chong, able to help us get out front
17 in the Smart Grid category and both hopefully
18 increase the state's competitiveness and also
19 establish or build on the long history of
20 partnership that we do have with the Department of
21 Energy, with certainly the new administration and
22 members of Congress who have a lot to gain from
23 talking to us just as we do from working with
24 them. So glad you were able to do it.
25 Are there any other reports?

1 COMMISSIONER ROSENFELD: Yes, I have a
2 couple of remarks. One follow-on to what
3 Commissioner Byron just said. A lot of state of
4 course will get on the demand response bandwagon
5 and want support just for installing meters. We
6 of course have done that or at least committed to
7 do that.
8 But there are two systems that are I
9 think if not shovel-ready, sand-ready for stimulus
10 money. There is the automatic demand response
11 which Mike Gravely just talked about at length,
12 which has got to be, could be installed in
13 hundreds of thousands of buildings instead of
14 hundreds of buildings and ought to be eligible for
15 some sort of matching with stimulus money.
16 And then there's the famous programmable
17 communicating thermostats which could be eligible
18 for matching money to get them out into the field.
19 I think -- Were you going to say something about
20 that, Jeff?
21 COMMISSIONER BYRON: No.
22 COMMISSIONER ROSENFELD: No. With
23 respect to the other trip. Commissioner Levin and
24 I are respectively number two and number one on
25 the Energy Efficiency Committee. We do intend to

1 make a trip. The timing is a little up in the
2 air. I had a long time with what I will describe
3 as the assistant secretary in-waiting for
4 confirmation, Cathy Zoi, on Monday. She is going
5 to let us know when she is confirmed and when it
6 is appropriate to go talk to her. So we are a
7 little bit up in the, up in the air on that. But
8 we do intend to go talk to her.
9 VICE CHAIRMAN BOYD: A couple of
10 comments. One, an item I was reminded of by the
11 discussion that just took place about meters and
12 in the context as Chairman Douglas knows of the
13 many, many discussions on the Investment Plan for
14 AB 118 we have heard a lot about electric
15 transportation being a dominant piece of our
16 transportation future.
17 And we have also heard of the need for
18 perspective consumers of that type of
19 transportation to have appropriate electric
20 service in their either, A, places of business if
21 it's a fleet, and B, in their homes if it's
22 private individuals. And a lot of talk about the
23 need to help people get separate meters in order
24 to handle the charging of vehicles at home, off-
25 peak, i.e. at night therefore.

1 We have not talked about that much
2 internally but that is probably something we will
3 need to talk about more. Because a lot of people
4 see that as an important issue. It is an issue
5 that the plug-in hybrid electric vehicle research
6 committee has talked about and therefore our
7 research center at Davis has talked about. But it
8 is a little bit bigger than just plug-in hybrids,
9 although I think that is the first major wave.
10 But the proponents of battery electric
11 vehicles, of which to our I won't say great
12 surprise, but Nissan a week or two ago launched a
13 affordable, pure electric four-door passenger
14 vehicle that will be on sale 2010, 2011 time
15 frame. Which is an interesting development.
16 And although I think the Volt is a great
17 vehicle, even though it's from my friends at the
18 dinosaur factory called General Motors, I really
19 do want them to survive. And I do think the Volt
20 is a good vehicle. And I was discouraged this
21 morning to read how the alleged attitude in
22 Washington is it's one of the reasons they fired
23 the head of GM thinking that wasn't a good car.
24 We may have to appeal that view of the car. It's
25 a series hybrid, it's a pure electric car, et

1 cetera, et cetera, and I wish them well.
2 The only other thing I want to mention,
3 is a different subject, to my fellow
4 Commissioners. Last Wednesday Secretary Adams and
5 I held a press conference on the release of the
6 Climate Action Team's 2008 report. Every two
7 years they are required to submit a scientific
8 report.
9 This 2008 report was -- the entire
10 foundation for that report were the forty-some-odd
11 research projects done by this agency or financed
12 by this agency, done by academia and others. And
13 I was glad to see the researchers got most of the
14 press. I was a little sad to see that we weren't
15 even mentioned. And Ms. Adams got a word or two
16 in but that was about it. But obviously there's a
17 lot of interest in this research.
18 On the 20th of this month in San Diego
19 at the Scripps Institute there is to be an all-day
20 researchers' symposium workshop, what have you, on
21 this research and on our role, which I get to kick
22 off and participate in. There's a lot of feeling
23 that the scientific press will be there to perhaps
24 comment more on the significance of the research
25 that our PIER program has carried out. So watch

1 this space. Thank you.
2 COMMISSIONER LEVIN: Commissioner Boyd,
3 I would just like to say as a native of Michigan,
4 I think it would be very helpful if California
5 would publicly show support for new American
6 models, car models that meet our higher standards,
7 that we think are the wave of the future.
8 California is definitely perceived as an
9 anti-Detroit state, anti-US car maker state. And
10 so I think where we can show support that that
11 isn't our position as a state that would be
12 beneficial beyond Michigan, probably very much in
13 Washington DC right now. So if there are messages
14 that Commissioner Rosenfeld and I can take on the
15 next trip to DC let us know.
16 VICE CHAIRMAN BOYD: Good point.
17 COMMISSIONER LEVIN: I think that would
18 help our standing outside the state.
19 VICE CHAIRMAN BOYD: That was a good
20 point. And I did react this morning wondering,
21 you know, should somebody speak up and say, you
22 know, that's not that bad a car. I'm a little
23 personally worried about the group that is
24 overseeing the future of the auto industry and
25 General Motors as being bankers and financial

1 people and not people who know anything about
2 making and selling cars. I won't go beyond that.
3 The new GM and old GM designs that have shown up
4 in the press distress me somewhat. But that's
5 just me speaking.
6 COMMISSIONER ROSENFELD: I'll make one
7 remark about climate action. I realize there's
8 nobody here except very few of us but --
9 VICE CHAIRMAN BOYD: There's one public
10 out there, good old Manuel.
11 COMMISSIONER ROSENFELD: I'll use this
12 opportunity to say a word or so.
13 MS. CHANDLER: People are listening.
14 VICE CHAIRMAN BOYD: You never know who
15 is listening in, Art, that's true.
16 COMMISSIONER ROSENFELD: One listening.
17 I am beginning to get more enthusiastic and hope
18 that when you have your climate action team
19 meeting at Scripps that you begin to pay some
20 attention to this paper by Akbari and me on white
21 roofs.
22 One of my pleasures this morning was to
23 say that when I had this longer talk with Cathy
24 Zoi, the new assistant secretary, she has been
25 aware of this white roofs paper for some time.

1 And now that she is in Washington one of the
2 things she did was to call the folks at McKinzie
3 who do country studies and say that this is a
4 really hot idea, or cool idea. That they should
5 start studying this as a serious measure in their
6 country studies for Mexico and China and India and
7 so on.
8 The man who she talked to in Houston
9 looked at the paper and called her back and said
10 he was amazed that there was this potential there.
11 And I am beginning to think I want to let the
12 Governor's Office know that we are on something of
13 a roll here. Because I don't know what the
14 Governor's Office is thinking about, how they are
15 thinking about dealing with the Copenhagen Process
16 in December. But we need to be on that page.
17 I have one number that seems to intrigue
18 people. If we could have an international
19 campaign which says global warming is a problem
20 and white roofs are a solution. We went in for
21 white roofs or cool roofs worldwide. Worldwide
22 meaning not Stockholm but as far north as Chicago.
23 That we would save 24 gigatons, which is one
24 year's output in the world. It is equivalent to
25 doubling the efficiency of the world's cars

1 overnight and keeping it that way for 20 years.
2 Here is another example. Supposing you
3 tried to save the same amount of CO2 with compact
4 fluorescent lamps, which everybody thinks is a
5 good idea. If you took a compact fluorescent lamp
6 and put it in your house and asked how long does
7 it have to burn to save as much CO2 as you offset
8 with a white roof in your house, the answer is 160
9 years. Which is quite attention-grabbing. So I
10 am beginning to think my obsession has some legs
11 here.
12 VICE CHAIRMAN BOYD: Art, I thought of
13 you maybe last weekend when I saw one of the
14 climate change science programs on educational TV
15 or something. I really expected to hear your name
16 mentioned because they started talking about white
17 roofs and a white world. And they had some very
18 startling statistics along the lines of what you
19 mention on occasion about what would be if, you
20 know, if there was predominant white in terms of
21 architecture, roadways and what have you.
22 And it all started with a Greek woman
23 whitewashing her home somewhere in Greece that led
24 to representations of a white world. Quite
25 interesting, if I could ever remember what program

1 it was --
2 COMMISSIONER ROSENFELD: Let me know.
3 VICE CHAIRMAN BOYD: Okay.
4 COMMISSIONER ROSENFELD: Thanks for your
5 time.
6 CHAIRMAN DOUGLAS: Okay, well let's move
7 on to the Chief Counsel's Report.
8 MR. BLEES: Thank you, Chairman Douglas
9 and Commissioners. I request a very short closed
10 session right after the meeting to discuss a
11 development in litigation that we just found out
12 about this morning. And so that I may engage in
13 some remote demand response with my colleague who
14 will actually be talking to you can we, where are
15 we likely to have that?
16 CHAIRMAN DOUGLAS: Let's have the closed
17 session in my office.
18 MR. BLEES: Okay, thank you.
19 CHAIRMAN DOUGLAS: Thank you.
20 Executive Director's Report.
21 MS. CHANDLER: Good morning.
22 COMMISSIONER ROSENFELD: Good morning.
23 MS. CHANDLER: I have one item of
24 business and one item that I would like to also
25 talk about where we are on the stimulus plan. And

1 I will also note at this time that --
2 VICE CHAIRMAN BOYD: Who are you?
3 MS. CHANDLER: Who am I?
4 VICE CHAIRMAN BOYD: For the record.
5 COMMISSIONER ROSENFELD: Claudia, who
6 are you?
7 VICE CHAIRMAN BOYD: Claudia, who are
8 you?
9 MS. CHANDLER: Claudia Chandler, chief
10 deputy director, California Energy Commission.
11 Thank you, Jim.
12 VICE CHAIRMAN BOYD: You'll get me back
13 some day.
14 MS. CHANDLER: So first of all I would
15 like to make a minor correction to the record on
16 the May, excuse me, on the March 25th Business
17 Meeting. Item 18 requested approval of purchase
18 order 08-409.00-000 for $75,000 with Andes
19 Consulting, LLC. It incorrectly stated the
20 funding source for this would be ERPA. The
21 accurate and correct funding source is ECA. You
22 did approve it at the last Business Meeting. This
23 is just correcting the record for the funding
24 source and that will keep us out of trouble.
25 COMMISSIONER ROSENFELD: Do we have to

1 make that a motion?
2 MS. CHANDLER: No, we just have to note
3 it.
4 COMMISSIONER ROSENFELD: Thank you.
5 MS. CHANDLER: Secondly I would like to
6 talk a little bit about where we are. You gave a
7 great introduction, Commissioner Byron, on the
8 economic stimulus as it relates to the work that
9 many, many people on the Commission are doing
10 right now.
11 You probably are aware that we have
12 appointed Pat Perez as the economic stimulus
13 policy lead and moved him from climate change to
14 economic stimulus where he is doing a terrific
15 job.
16 We have also brought Mark Hutchison up
17 to the executive office and he is the
18 administrative program lead. As you all are aware
19 there is a tremendous amount of responsibility in
20 reporting back to the Department of Energy as well
21 as appropriately reporting to our own Governor's
22 Office and control agencies. Insofar as we are
23 launching this program it was really critical that
24 we brought together a team.
25 Thirdly we have John Sugar --

1 COMMISSIONER ROSENFELD: So what is
2 Mark's official title, Claudia?
3 MS. CHANDLER: He is the economic
4 stimulus administrative lead and we have him with
5 us on a compelling management need right now.
6 We also have John Sugar and John Butler.
7 John Butler is formerly our grants office manager;
8 he had moved into a program area. But because of
9 the tremendous amount of funding coming into the
10 State Energy Plan or SEP program as well as the
11 Block Grant Program, we called upon John's
12 expertise and moved him into the program area
13 where these block grant and SEP programs are going
14 to be managed out of, which is Mike Smith's
15 division, in a program office down there.
16 To give you some perspective. In the
17 past we had probably had maybe $1 million a year
18 in terms of the monies that were going into the
19 SEP program and much of that went for building
20 standards staff. So now we are basically gearing
21 up to put about $239 million on the street over
22 the next 18 months. And so we felt it imperative
23 to put together this type of working team.
24 So now I'll go into probably what you
25 all know. But maybe you know pieces of it and not

1 the whole thing. We have been trying to keep
2 people apprised of it.
3 First of all there's three American
4 Recovery Reinvestment Act funding areas that are
5 relevant to the Energy Commission. As I mentioned
6 that is the State Energy Plan, that's $239
7 million.
8 The Energy Efficiency Conservation block
9 Grant Program is $49.6 million.
10 And the third to be directed account or
11 program area is the Energy Star program where we
12 expect to be administering Energy Star appliance
13 rebates. We anticipate that those funds will be
14 approximately $30 million, possibly more. Because
15 although the guidelines from DOE are not out yet
16 on that only those states that have an existing
17 Energy Star rebate program qualify to receive
18 funds. We don't have the specifics on how many
19 states there are or how the allocation would be.
20 But we feel that it would at least $30 million.
21 CHAIRMAN DOUGLAS: And Claudia, when you
22 say that these are the three pots that are most
23 relevant to us, these are the three pots that we
24 are administering directly.
25 MS. CHANDLER: Right.

1 CHAIRMAN DOUGLAS: There are a number of
2 pots of funding, particularly in the competitive
3 section, that are also highly relevant. Smart
4 Grid and transportation being the two that come
5 immediately to mind but there are others.
6 MS. CHANDLER: Correct, correct. And I
7 was going to get to how staff is working on those
8 areas as well.
9 I also wanted to mention that the block
10 grant money, of the block grant money, the 49 --
11 COMMISSIONER ROSENFELD: Claudia, I want
12 to make one ten second insertion awhile you are
13 talking about Energy Star.
14 MS. CHANDLER: Okay.
15 COMMISSIONER ROSENFELD: Because there
16 is an area which interests me intensely and where
17 I have been talking to the Energy Commerce
18 Committee.
19 Energy Star also -- the EPA also uses
20 Energy Star criteria for cool colored roofs. The
21 utilities are eager to do a cool-colored roof
22 campaign just like a compact fluorescent lamp
23 campaign. That means interpreting a room as an
24 appliance. This is residential only so it's cool
25 colored so we have to stay in touch about that.

1 MS. CHANDLER: Why am I not surprised?
2 Yes. And the person who is going to be working on
3 that and helping us and actually going back to
4 talk to the Department of Energy about those
5 guidelines is Tim Tutt. And I know I have seen
6 communication between you and Tim raising this so
7 we will make sure that this is addressed.
8 COMMISSIONER ROSENFELD: Right. Thank
9 you. Sorry for the interruption.
10 MS. CHANDLER: Fortunately I have notes
11 so I know exactly where I was. And what I wanted
12 to talk a minute about was related to the block
13 grant money and that is the $49.6 million. And
14 say that 60 percent of that block grant money has
15 been earmarked for small communities and small
16 counties. So that is -- We will be developing the
17 programs for that. But that has been designated
18 to come through the Energy Commission and target
19 small cities and small counties.
20 So what about those large cities and
21 counties? Well the Department of Energy directly
22 allocated over $302 million to the large cities
23 and counties. So those monies will not pass to
24 the Energy Commission, we aren't responsible for
25 them. We don't have to kind of track their

1 criteria I understand. And that's really
2 important because we have a lot of accountability
3 that we are responsible for as a result of
4 receiving this money.
5 We are working with, staff is right now
6 working with local governments, utilities, both
7 the municipal and the investor-owned as well as
8 other state agencies to work with them on the type
9 of shovel-ready projects that might be out there
10 and available.
11 Now I have to say at this time the
12 desire and the intention of the Energy
13 Commission's funds is related directly back to
14 what the Department of Energy and the Governor's
15 Office is asking us to do which is, high leverage.
16 And so we are looking at revolving account funds.
17 You know, a way to recycle those monies through
18 loans. Maybe with some grants but through loans.
19 And then secondly, leveraging the monies with
20 large matches of public and private sector money.
21 We feel that the responsible way to
22 approach this is not with large checks that just
23 go but that those that can sustain the economy.
24 This is very consistent with what the Governor's
25 Office has said to us, which is, we don't just

1 want this to be a one-time thing. Figure out how
2 we sustain the economy with jobs and with
3 continuing to get those kinds of energy
4 investments.
5 I am going to jump to talking --
6 COMMISSIONER LEVIN: Claudia, excuse me.
7 On that, I don't know if Commissioner Rosenfeld
8 has talked with you or other staff but we have
9 discussed with some of the energy efficiency staff
10 the importance of using ABA 811 --
11 COMMISSIONER ROSENFELD: ABA 811.
12 MS. CHANDLER: Yes.
13 COMMISSIONER LEVIN: -- in the revolving
14 funds to make these funds more sustainable to
15 provide ongoing benefits. And I hope that staff
16 is looking for every opportunity to use that
17 platform.
18 MS. CHANDLER: Yes. In fact we will be
19 meeting with local governments on how they see the
20 811 programs. Is there anything that we can be
21 doing to further that throughout local
22 governments. We are also meeting with the
23 Treasurer's Office around 811 and other kinds of
24 bond funding mechanisms like 811 that might work
25 in this area. So absolutely, Commissioner,

1 absolutely.
2 COMMISSIONER LEVIN: Great, thank you.
3 MS. CHANDLER: And that's why I wanted
4 to take the opportunity to do this. I don't mind
5 the interruptions at all because we haven't had a
6 chance, obviously, to all talk at the same time,
7 you all have been very busy. And so this is, this
8 is terrific. I want you to know that we are
9 trying to be transparent and still getting our job
10 done and being receptive to ideas.
11 COMMISSIONER ROSENFELD: Claudia, I'm
12 going to make one more sentence backing up what
13 Commissioner Levin said. Because of the fact that
14 you can't get three commissioners legally in one
15 room except in a big room like this, we haven't
16 done as much cross-talking as we should.
17 But certainly Commissioner Levin and our
18 Chairman and I are extremely interested in
19 stimulating applications for starting AB 811-type
20 activity in jurisdictions. I use the word
21 jurisdictions because it is cities or counties or
22 whatever these days. It seems to me that we -- I
23 guess we are going to have a workshop, right?
24 CHAIRMAN DOUGLAS: Commissioner
25 Rosenfeld, we are going to have a series of

1 workshops; I believe Claudia will go into process.
2 But you are absolutely right that these
3 are the opportunities that we have to sit here as
4 a body and really talk over these items and have
5 interaction as opposed to chance encounters or
6 stovepiped interaction vis-…-vis our respective
7 committees. So I really think we should take
8 advantage of the opportunity to have discussions
9 like this in Business Meetings. We will have
10 public workshops coming up, which will be another
11 opportunity for us to do this.
12 COMMISSIONER ROSENFELD: And one remark.
13 If we stimulate cities to apply. If we say, you
14 know, here's half a million per jurisdiction or
15 whatever to get started. They can return that
16 money eventually.
17 MS. CHANDLER: And Commissioner, when we
18 think about revolving accounts, it doesn't have to
19 necessarily revolve back to the Energy Commission
20 as long as it is set up to be revolving for that
21 program's function within that entity. I think,
22 you know, I think that that's another way of
23 looking at revolving and recycling this money. It
24 doesn't all have to revolve back.
25 But we want to set out that criteria

very clearly to folks because as they are developing their proposals or they are thinking about their ideas they need to be crafting it with that in mind. And the desire of the Energy Commission and you all to make this be the gift that keeps on giving will put a new turn on that.

COMMISSIONER LEVIN: Could we --

COMMISSIONER ROSENFELD: One small, no, medium-sized obsession of mine is that if we stimulate cities or counties to start an AB 811 process we are in a position to say, but part of your responsibility is to do monitoring and verification.

MS. CHANDLER: Well that's going to absolutely have --

COMMISSIONER ROSENFELD: And maybe even have some of the sweetening be performance-based. Because I have a feeling that counties and cities will rush into this without doing monitoring and then we won't know how to tune-up the program.

MS. CHANDLER: Well one of the things that we are looking at, Commissioner, is before anyone even receives the funding there will be very simple kind of metrics that we will hold everyone who receives Energy Commission ARRA

1 funding accountable to.
2 So, you know, when I say simple, my
3 example as I talk about this is this funding might
4 go all the way down to maybe the Salvation Army.
5 And the person in the Salvation Army is a
6 secretary. So she might have to fill out
7 something as simple as an Excel spreadsheet to be
8 able to show the accountability. Now obviously in
9 the case of cities and counties you might have
10 more sophisticated folks, certainly you would in
11 the utilities. But we want everybody to be really
12 clear that this money comes with very clear
13 accountability strings.
14 The federal government has said
15 important to them is job creation. We would add
16 to that green job creation, green collar job
17 creation. The federal government has said energy
18 saved. And we know very well what our criteria is
19 energy saved given the diversity of our vested
20 experience here over the last 33 years.
21 We would also add to that not just
22 energy saved but the diversity of energy sources,
23 which could be alternative fuels as well as
24 renewable energy. And they have also talked about
25 transparency, which goes back to the no swimming

1 pools and aquariums that was quoted in the paper
2 recently.
3 Accountability which gets back to what
4 we are talking about here. Not just
5 accountability to our first level of funding folks
6 but as they fund out, accountability and
7 transparency there. Accountability that can show
8 that information on a web site.
9 Accountability so that when we bring in
10 18 months from now an independent evaluator who
11 will verify the program results there is at least
12 a common platform for them to be able to take the
13 data and start looking at it.
14 And so that the expectation of those
15 people receiving the funds know, oh, you mean I
16 was supposed to keep track of this and I couldn't
17 commingle it with some of the other kinds of work
18 that seemed compatible. So, you know, it is
19 really important to lay out what our expectations
20 are first as we go forward.
21 COMMISSIONER LEVIN: Claudia, can I make
22 a request? I know you are not going to have time
23 to go into the level of detail that I think some
24 of us would like that haven't been -- I haven't
25 been as directly involved in the recent

1 discussions with staff.
2 I would like to request that at the
3 Renewable Energy Committee meetings upcoming, and
4 I think at the Energy Efficiency meetings, we
5 should make this a standing item. Because I think
6 certainly Commissioner Rosenfeld and I have a lot
7 of input and we would like to hear more detail
8 about what is going on since most of these
9 actually are energy efficiency funds.
10 And it really hasn't been an agenda item
11 in our Energy Efficiency Committee meetings. The
12 same on the Renewable side, you know, where a lot
13 of this is going to have a big impact. We would
14 like to be part of those discussions. And I think
15 the easiest way is just to make it a standing item
16 on those committee meeting agendas.
17 MS. CHANDLER: That might be a
18 possibility. We were thinking about doing it a
19 little bit differently and that is, having Pat
20 come in and talk with you specifically. Only
21 because it is a much more efficient way to
22 communicate. We found this model very successful
23 when we were first working full court press on AB
24 32. And he could come in and it could be more of
25 a dialogue, an interchange. So we can do whatever

1 you would like but I do want you to know that it
2 was our intent to have the team kind of come and
3 brief two of you.
4 COMMISSIONER LEVIN: I don't think I am
5 asking for a briefing though. I am asking more
6 for regular interaction, maybe with a bit larger
7 set of staff --
8 MS. CHANDLER: That would be weekly.
9 COMMISSIONER LEVIN: -- and the
10 committee meetings. The informal ones could be a
11 good opportunity. It is not an either/or but I
12 think we may need both for awhile.
13 COMMISSIONER ROSENFELD: Yes. Julia, we
14 have our off-line one o'clock committee meeting
15 this afternoon. And I took the liberty last night
16 of asking Val to put stimulus on the agenda.
17 COMMISSIONER LEVIN: So we are on the
18 same wavelength.
19 COMMISSIONER ROSENFELD: So I think we
20 are thinking on the same route.
21 CHAIRMAN DOUGLAS: Okay. I hope that
22 Pat is available because he is right now with a
23 working group but we'll make it happen for you.
24 I have already talked about the
25 Governor's directive and the work that we are

1 doing with the Governor's Office. We have weekly
2 meetings also with them to make sure that because
3 there's other state agencies involved not only in
4 receiving the money but obviously interested in
5 how these monies are being expended that we work
6 directly with them. That is called FEST, which is
7 Federal Energy Stimulus Team.
8 We talked a little bit about the funds
9 in energy efficiency so let me say in part for the
10 record, because I also feel that what folks beyond
11 you all aren't just realizing is that there is
12 work being done and that there is time. You know,
13 we receive a lot of phone calls with folks
14 concerned that we are going to be sending out the
15 money within the next two weeks. So let me give
16 you a sense of the broad categories that you all
17 worked on and how we are implementing that.
18 That would be green jobs, that would be
19 energy efficiency, retrofits in the residential
20 sector with Clean Systems as well as energy
21 efficiency retrofits in the non-residential sector
22 with Clean Systems as well. So those are the
23 three areas that we are looking at.
24 I already talked about the leveraging of
25 dollars and the recycling of dollars being key in

1 terms of that. Maybe using grants to leverage
2 that money. Looking at the public sector and
3 their recipients of the block grants. Maybe that
4 would be ways for that leverage to occur.
5 Let me give you a sense of time frame.
6 We filed our initial application for the SEP
7 program on March 23, which met the criteria. Our
8 final applications are due to the Department of
9 Energy May 12 for SEP and May 26 for the block
10 grant.
11 Related to the May 12, we will be
12 holding workshops on May 5, 6 and 7 in Sacramento,
13 Fresno and Los Angeles to get input on it. Right
14 now the criteria or the application for the SEP
15 program on May 12, although it does need to be
16 fleshed out a little bit more, the directive that
17 you all have already given us probably meets most
18 of the needs that we need to fulfill. We need to
19 look at allocations amongst those three areas and
20 we need to look at metrics in terms of dollars
21 saved and the energy efficiency investments
22 generating how much money.
23 But the real nitty gritty, if I can call
24 it that, of what program funding is going to occur
25 will occur in the guidelines. Because we are

1 required by state law to create regulations or
2 guidelines for the implementation of all three of
3 these programs. And that is why the Chairman said
4 there is time. Because even though we receive the
5 money, probably 60 days after we file March 12 --
6 60 days after, excuse me, May 12 and May 28. We
7 will still need to develop guidelines.
8 So once we file those applications, then
9 we will be working, the staff will be shifting
10 gears and begin working on developing the program
11 guidelines. And it is within those program
12 guidelines that the program funding criteria gets
13 developed, the metrics if you will. You know,
14 what programs fit, what programs are priorities.
15 So I want to leave with you, if anything, that
16 this is a process. It is a process that is
17 required by state law and so we will be following
18 it.
19 But also it is a good thing because it
20 allows the stakeholders that are so, so involved
21 in this to have time to develop what their
22 programs are, given our desire to have the
23 revolving fund and leveraging. Leveraging takes
24 time if you are going to leverage private sector
25 funds along with public sector funds. So that's

1 important to know.
2 We are embodying I think transparency.
3 I wanted to talk a little bit about our website
4 and kind of some of the things that we are doing.
5 CHAIRMAN DOUGLAS: Claudia, before you
6 -- I'm sorry. Before you go to the website I just
7 wanted to make one more comment related to what
8 you were just talking about. Which is that in
9 terms of the administrative and management aspects
10 of stimulus, that would be overseen by the Budget
11 Management Committee. So the Budget Management
12 Committee will be, for example, reviewing and
13 approving BCPs, reviewing and approving proposed
14 legislative changes that we believe are necessary
15 to expeditiously spend the stimulus money
16 according to the programs that we develop.
17 The policy is really a next stage, which
18 is at the beginning stages. We have got general
19 direction from the Governor's Office and from the
20 Stimulus Act itself. And the workshops in early
21 May will be our first public roll-out and also
22 really based on feedback that we get and straw
23 proposals or ideas and responses to those ideas at
24 those workshops, the starting point for a lot of
25 the intensive policy development and work that we

1 will need to perform.
2 So I just say that to emphasize to all
3 of my fellow commissioners that as this gets
4 better defined there will be ample opportunities
5 for input. And also for any of us to get deeply
6 involved in the development of guidelines on
7 programs that are of most interest and most
8 related to our areas of expertise.
9 COMMISSIONER LEVIN: Could I make a
10 request, unless one of the other Commissioners
11 objects, that we consider co-hosting at least the
12 upcoming work on SEP with the PUC or in some way
13 including them, since they have already hosted a
14 workshop, invited us to participate and co-
15 preside. I realize they don't have a direct role
16 necessarily in many of these programs but I think
17 we should make a practice of partnering with them.
18 COMMISSIONER ROSENFELD: Let me make
19 another huge coordination issue, which I have
20 mentioned to some of our commissioners but I will
21 ramble on for 90 seconds.
22 You haven't even mentioned the huge
23 weatherization program. There's an extreme
24 coordination issue here. DOE is going to send the
25 state something like $180 million to do low-income

1 weatherization. That is not under us it is under
2 State Consumer Services. SCS will also get some
3 money from --
4 MS. CHANDLER: It is actually, for the
5 record, Community Services Development.
6 COMMISSIONER ROSENFELD: Development.
7 MS. CHANDLER: Yes.
8 COMMISSIONER ROSENFELD: Thank you,
9 thank you, Claudia. They are going to get some
10 extra money from HUD under the LIEEP dollars.
11 That supplies money for low-income up to 130
12 percent of poverty level. At which stage the 811
13 responsibility comes in. And so we have a, we
14 have this, the problem of a hand-over between the
15 family that is 129 percent of poverty level and
16 the family that is 131 percent of poverty level.
17 To further complicate issues the federal
18 money is like $200 million over maybe 18 months.
19 But the utilities are already spending $200
20 million a year and with rising budgets. So that
21 is another coordination issue. And they are going
22 to be vying for the same contractors and they have
23 different funding limits. The utilities are
24 restricted to $1500 a year, the federal money is
25 allowed -- I'm sorry, per house, per home. And

1 the federal money is up to $6500 per home. And
2 the contractors aren't going to know which one
3 they are working for.
4 If we are co-hosting, Julia, and Claudia
5 knows the name right, we ought to be talking also
6 to state and communities development.
7 MS. CHANDLER: Well we actually hosted
8 our own kick-off meeting, a webinar, where over
9 2,000 people were on-line with the Community
10 Services Department as well as the CPUC. And they
11 are also part of the FEST group out of the
12 Governor's Office. And then thirdly, we are
13 working with the PUC as part of our working group.
14 So yes, we had talked about including
15 them in our workshops, our public workshops. If
16 they would like to join us that's terrific and you
17 all as well. You will be noticed on there as
18 possibly attending. These are the public
19 workshops that go out before the guidelines are --
20 excuse me, the application is filed.
21 I don't know if you are aware of this
22 and so I wanted to point this out as well. Is
23 that Community Services Development entered into a
24 memorandum of understanding with the CPUC
25 specifically to work with the investor-owned

1 utility stakeholders -- investor-owned utilities
2 to leverage that money and also to make sure that
3 it was working with and not contrary. So I think
4 that was a real positive thing.
5 I know that some of the municipal
6 utilities are looking at that same kind of
7 mechanism, an MOU, because they are the conduits
8 and have the connection with the people that are
9 actually doing weatherization. And it just makes
10 sense, it just makes common sense.
11 Before I go into talking about the web
12 and transparency I did want to talk about the
13 competitive buckets. There's --
14 COMMISSIONER BYRON: Before you do, if I
15 may, Ms. Chandler. I also want to underscore.
16 Commissioner Levin, I am so glad you brought this
17 up about the coordination and joint workshops. So
18 I apologize for the interruption but I also want
19 to mention the PUC returned that favor to us two
20 weeks ago.
21 In order to get the publicly-owned
22 utilities to participate in the workshop that we
23 had at the Public Utilities Commission they
24 modified the announcement and made it a joint
25 meeting, which was very helpful. The open tent is

1 clearly -- This is an easy item for us to
2 coordinate on.
3 MS. CHANDLER: Absolutely.
4 COMMISSIONER BYRON: Please, I would
5 like to underscore Commissioner Levin's comment.
6 Let's look for opportunities to coordinate and do
7 joint workshops with them.
8 MS. CHANDLER: We also have another
9 partner, we have several partners.
10 COMMISSIONER BYRON: Of course.
11 MS. CHANDLER: We also have the Air
12 Resources Board that is also a very important
13 partner of ours. And it fits the benefit of the
14 Governor's Office Federal Energy Stimulus Team
15 because we all sit in a room together and talk.
16 And we are responsible for reading out what we do
17 and also kind of where the input is.
18 VICE CHAIRMAN BOYD: Two comments before
19 you get a chance to talk, Claudia.
20 MS. CHANDLER: That's okay. I feel like
21 I'm dominating the conversation.
22 VICE CHAIRMAN BOYD: I only had one
23 comment until you said the word, partners. But we
24 do have other state agency partners or other
25 comments be it the Waste Board, Department of Food

1 and Agriculture. I just finished a conference
2 call with the Governor's Office and the Air Board
3 this morning on a subset of that.
4 But the other thing I wanted to mention
5 is business. And we have a lot of talk about
6 coordinating with government internally,
7 externally and what have you. But the executive
8 director or president of the CMTA called me a
9 while back concerned that they had heard nothing
10 and were afraid -- their membership was afraid
11 that maybe the state was marching on without even
12 consulting or considering them or having any
13 dialogue.
14 And a couple of days ago I had a meeting
15 -- unfortunately I wish I had known the subject
16 matter, I would have brought more people in. But
17 it was a former state agency person who is out
18 there trying to make a living as a representative
19 saying, could they bring a client by real quick, a
20 meet and greet. Well it turned out to be a
21 representative of an agency that deals with all
22 the economic development councils of California.
23 And I have some material I want to give
24 to you. Because in this discussion I realized
25 they could be a very important portal to a whole

1 constituency that would be difficult for us to
2 reach out to and touch all of them. And it's
3 basically small business. This gentleman
4 mentioned, you know, nobody seems to be reaching
5 out to small business. They got no federal bail-
6 out, et cetera, et cetera, et cetera. And I just
7 -- And I think --
8 I mean, we have multiple
9 responsibilities. A, energy, make it better and
10 cheaper and use less of it. B, keep business
11 alive, stimulate business to generate jobs. And
12 the small business community is allegedly the best
13 job generator there is in this nation the last
14 decade or so as we have changed our baseline of
15 who provides the most employment. So we need to
16 make sure we reach out to business big and small
17 with whatever information they may desire,
18 whatever suggestions they may have, whatever
19 opportunities may be available to them.
20 Hopefully there are touch points,
21 portals, call them what you want, that also
22 provide the business sector an opportunity to
23 interface and maybe contribute to this entire
24 effort or be recipients of some of the goods of
25 this efforts that results in the creation, the

1 salvaging of and/or -- and therefore the creation
2 of new businesses and the jobs that we all so
3 desperately need and that the recovery money is
4 really aimed at. Enough said.
5 MS. CHANDLER: You know, I can't say
6 enough about how I think that that's also
7 important. Because what folks, although we have a
8 tremendous amount of people on our websites, we
9 had over 60,000 hits last month on our recovery
10 page alone, we have over -- we have over 4,250
11 people signed up just for the recovery list serve.
12 VICE CHAIRMAN BOYD: We have lots of
13 friends.
14 MS. CHANDLER: But we have also an
15 obligation and I feel very strongly about that,
16 that we have an obligation to be transparent and
17 to get information out there. But one of the
18 things that is important to me is to have a
19 formulated idea of what it is that we are going to
20 get out there. I mean, Department of Energy holds
21 the guidelines. And until we see those guidelines
22 then we don't know what the criteria is. We are
23 doing a dance here with them.
24 But I wanted to talk a minute about the
25 competitive pots. There's over 14 --

1 COMMISSIONER LEVIN: Claudia, Claudia.
2 I'm sorry, we keep interrupting you. I thought in
3 these first couple of areas the guidelines were
4 out.
5 MS. CHANDLER: Those they are, there's
6 14 competitive pots.
7 COMMISSIONER LEVIN: Okay, before you,
8 before you get to the competitive pots though. I
9 really do want to underscore a couple of your
10 comments. I know sometimes in the past we haven't
11 always worked as closely maybe with some of our
12 sister agencies. And while I completely agree
13 with Commissioner Boyd that business and other
14 stakeholders absolutely need to participate, need
15 to be brought into the process as much as
16 possible, I do want to put our sister agencies in
17 a different category.
18 And my request is very specifically not
19 just to invite them to come speak and give a
20 presentation along with a lot of other
21 stakeholders but that they help us formulate how
22 we are really going to do this.
23 And I think -- while I agree the Air
24 Board is certainly critical and part of the FEST
25 and all of that, for different grant programs

1 different agencies are more directly relevant.
2 And I think for these energy efficiency programs
3 the PUC and CSD are directly related to how we
4 implement these programs.
5 And I do really want to underscore and
6 ask specifically that they be seen as an equal
7 partner, a co-host or whatever the appropriate
8 role is but that is different from other
9 stakeholders. The Air Board probably needs to be
10 when we talk about transportation funds and some
11 of those competitive grants. But I think it is
12 really important for our effectiveness in
13 distributing these monies that we work very
14 closely with these agencies.
15 MS. CHANDLER: Okay, thank you.
16 COMMISSIONER LEVIN: I guess -- I don't
17 know entirely how the Commission works. But when
18 you say, thank you, what does that mean? Is that
19 going to happen or does this require further
20 discussion?
21 MS. CHANDLER: Well the CPUC is in our
22 working group so they are part of that group with
23 the investor-owned utilities. We are working with
24 them. We have their straw proposals. So their
25 straw proposals and our straw proposals are being

1 vetted right now through the criteria that we were
2 looking at, which is energy efficiency, revolving
3 fund, leveraging. So it is yes, they are there.
4 I don't know what else to say, you know.
5 COMMISSIONER ROSENFELD: Julia, I want
6 to defend Claudia for a moment. There was
7 supposed to be a workshop on Thursday on
8 guidelines and it was explicitly moved to next
9 Monday because Jean Clinton from the PUC couldn't
10 come on Thursday. So the coordination is, as far
11 as I can see, excellent.
12 MS. CHANDLER: Thank you.
13 CHAIRMAN DOUGLAS: I think in terms of
14 how we handle workshops and which workshops might
15 be co-hosted and which workshops we should host
16 and invite other people to speak is not something
17 we can really settle here. There will be
18 workshops I think that it would be appropriate to
19 co-host with the PUC and others that would not.
20 So I think we should commit to as we develop the
21 work plan and schedule workshops, coming back to
22 that issue. Probably not at a Business Meeting.
23 COMMISSIONER LEVIN: That's fine. I
24 just would like to know that there will be a
25 follow-up discussion. And I think in the areas of

1 energy efficiency I would assume Commissioner
2 Rosenfeld would like to weigh in on that, I would
3 like to weigh in on efficiency and renewables. So
4 we would help make those decisions? I'll leave it
5 at that, thank you.
6 MS. CHANDLER: And if I leave you with
7 anything I want to leave you with this, that the
8 specificity of the application that we need to get
9 in, at least related to the SEP program, is broad
10 enough to embody everything that we do in the
11 IEPR. And it will be focused on energy efficiency
12 and energy efficiency or Clean Systems. So that's
13 -- And green jobs, green collar jobs. So that's
14 the, that's how we are framing that final
15 application.
16 The block grant application that is due
17 May 28 is a little bit more challenging because it
18 does require a little bit more specificity. So
19 that's the monies that are going to the small
20 cities and counties.
21 Each of these workshops that we are
22 having on the 5th, 6th and 7th of May in these
23 various locales that I mentioned are kind of a
24 two-part workshop. One part two hours prior to --
25 the first two hour block from one to three will be

1 focused on the local jurisdictions and then from
2 three to eight it will be focused on the other
3 areas. Why three to eight? It is not because we
4 want to torture our staff. It's because we
5 realize that this in large part will be the first
6 time people are hearing about this. And so if you
7 are talking about jobs you need to be aware that,
8 you know, folks who want to hear about it may have
9 a job and they want to, they want to come
10 afterwards.
11 So we will be working with local
12 governments, we will be working with the utilities
13 in that area, we will be working with our sister
14 agencies. But that was kind of the intent, at
15 least as we have it right now.
16 Now the workshop notice hasn't gone out
17 so we have time to frame this. And then even
18 after the workshop notice goes out I'm saying,
19 hold that date so people know. We can even shape
20 it even further to have specific panels that we
21 want to hear input on. How should these program
22 areas look and that type of thing.
23 So I do want to leave it though. I
24 mean, I'm not, you know -- The real programmatic
25 framing other than the broad principles that we

1 have heard will be coming in the guideline
2 component so there is time. I mean, there is time
3 for not only the stakeholder involvement but for
4 guidance clearly from the Commissioners.
5 I am going to jump to competitive pots
6 really quickly. There's about 14 competitive
7 pots. And we have been directed by the Governor's
8 Office to bring home much of that to California
9 because we do lead the nation. Because we are,
10 you know, so involved in so many different things.
11 You all talked about some of the ones
12 that you have been working on, whether it's Smart
13 Grid. I want to also mention that this is the
14 area where we are trying to formulate
15 relationships with private sector funders and how
16 to create that model and what to do in terms of
17 bringing them in, giving them as much information.
18 Because as much as I love the website it is really
19 flat, it is very one-dimensional. So that whole
20 kind of public interaction.
21 We have been talking about the
22 transportation funds, energy transportation funds
23 as a part of ARRA, and looking at that as a model
24 of trying to bring in those stakeholders along
25 with private sector. And creating forums where

1 people can talk to each other and say, let's team
2 up and make a proposal. And then what is the
3 state's role in trying to help sponsor, endorse,
4 bless that proposal. Is there funding
5 opportunities, match funding that we could
6 provide. It's very, it's a very kind of moving
7 target right now.
8 But I think that the Transportation
9 Committee is working closely with staff to look at
10 118 funds, leverage 118 funds to bring more ARRA
11 funds home. See what we can do in that area. So
12 that's a good model and that's kind of a model we
13 might try in other areas.
14 I think I'm finished. I apologize if I
15 have dominated this conversation and meeting but I
16 do believe it is really important to get your
17 input. I'm only an e-mail or a walk down the hall
18 away.
19 We will be happy to be at the Committee
20 meeting. I do want Pat though to also set up
21 meetings with you all so you can kind of meet
22 directly with him. That worked really with the AB
23 32 model. I'll be joining him as will Mark. So,
24 you know, those are other opportunities.
25 COMMISSIONER ROSENFELD: I have a tiny

1 point. There is this SAFE-BIDCO state small
2 business agency. Mary Jo Dutra, their president,
3 is going to be in my office at three o'clock to
4 talk about stimulus on the part of Sonoma County.
5 John Sugar can't make it, Jane Heinz can't make
6 it. Do you have somebody on your list who will be
7 free from 3:00 to 3:30?
8 MS. CHANDLER: Let me check on that.
9 COMMISSIONER ROSENFELD: That would be
10 great.
11 MS. CHANDLER: At three. Let me check
12 on that.
13 COMMISSIONER ROSENFELD: Thank you,
14 Claudia.
15 MS. CHANDLER: We'll get somebody there.
16 VICE CHAIRMAN BOYD: We are, as far as I
17 know, still tied into SAFE-BIDCO. Is that yours,
18 Art?
19 COMMISSIONER ROSENFELD: I'm the board
20 member. I participate only by telephone because
21 it's in Santa Rosa. But I did say I'd meet Mary
22 Jo.
23 VICE CHAIRMAN BOYD: I want to put that
24 on the record so that people know where to send
25 the SAFE-BIDCO mail. A lot of it ends up in my

1 office and it just has to --
2 COMMISSIONER ROSENFELD: Hand it over.
3 CHAIRMAN DOUGLAS: I believe that is the
4 end of the Executive Director's Report. Thank
5 you, Claudia, this was very helpful.
6 COMMISSIONER ROSENFELD: Very helpful.
7 CHAIRMAN DOUGLAS: I can see from the
8 discussion that it was important to do this and I
9 think we will want to continue using the Business
10 Meetings as one forum where we can discuss these
11 issues.
12 Moving on. I understand there is no
13 Legislative Director's Report. I don't see the
14 Legislative Director so that is consistent with
15 what I was told.
16 So next on our list is the Public
17 Adviser's Report. I think it was very helpful
18 that the Public Adviser was present for the
19 stimulus discussion and we should definitely be
20 talking to the Public Adviser's Office about the
21 interest in stimulus no doubt you are probably
22 hearing, hearing from the public.
23 MS. MILLER: I am, I am hearing. And I
24 was going to -- Thank you, Commissioners, good
25 afternoon, Elena Miller.

1 I am getting lots of phone calls and so
2 as I sat --
3 COMMISSIONER ROSENFELD: Elena, a little
4 closer to the mic.
5 MS. MILLER: I am receiving an
6 inordinate amount of phone calls and e-mails in my
7 office. I walked away from my e-mail one day and
8 came back and had over 300 e-mails to respond to.
9 Our bread and butter in the Public Adviser's
10 Office has historically been siting cases. And
11 since I have all of you here today, and there's
12 been much discussion today about business and our
13 sister agencies, I am going to give you some
14 insight into what I am receiving.
15 In just shy of a year in this position,
16 I used to receive many, many calls about specific
17 projects from residents. Now what I am receiving
18 are calls from small businesses. And so the
19 comments made today about small business were
20 causing many thoughts and memories in my head of
21 recent e-mails that I have sent and conversations
22 I have had.
23 It demonstrates a couple of important
24 points. That many people don't know what the
25 business of the Energy Commission is though they

are themselves in the business of energy. Entrepreneurs have been around for a number of years and they are just now realizing vis-…-vis I think the media that there is a lot going on in Sacramento and even more so in Washington DC.

And for whatever reasons that I have no explanation for they manage to find me and my office. And though I am not the expert on any of these things I do want to take this opportunity to thank our staff because they are the ones that help me get these people to the right place to get the information that they need.

I also want to commend the website. I am often at my phone, on my computer late at night walking people through our website. There's an enormous amount of information there. And they are completely in the dark. And the lights go on when they see that there are all these opportunities to gain information.

And I am going to plug a really important source of information for people, our list servers. And yes, we have this website for the stimulus package. But people don't realize that if they sign up for this list server for any of these topics, any of these proceedings, they

1 get real time updates of what is going on. And I
2 always stress to people, they are going to find
3 out as soon as I do or anybody else here at the
4 Commission.
5 And so for example the notice that will
6 be coming out of these workshops for the stimulus
7 package. It has not been posted, it is not out
8 yet. But now is a great time to sign up for that
9 stimulus list server because you are going to know
10 just as soon as I know. So those are good things,
11 really, really good things.
12 I am also receiving a lot of calls that
13 are difficult and weigh on my heart and my mind
14 from people that are looking for work. And so I
15 have laborers, and when I say laborer I am not
16 giving comment about union or non-union, I mean
17 trained people that work in these industries, in
18 these fields, that have had to move outside of
19 California just to get some work and they
20 desperately want to come back to California.
21 I also have people in California that
22 are looking for work for themselves, their
23 friends, their family. I had a man yesterday call
24 me looking, he was trying to help his son. And
25 so, you know, this is a real, it has a real impact

1 on me and how I conduct myself. But it is
2 commentary on what is going on out there outside
3 of this building. And so I offer that to all of
4 you. And again, I am very thankful to the staff
5 that we have here at the Commission, they really
6 do help me.
7 With that said I wanted to announce two
8 important events that are coming up. On Monday we
9 have the Committee Conference in Chula Vista. I,
10 myself, will be there. I expect it to be a full
11 crowd.
12 I also wanted to announce San Joaquin is
13 coming up on the 22nd. And if there is nobody in
14 that room I will be shocked. We have done an
15 inordinate amount of outreach for that event and I
16 look forward to meeting all sorts of people on the
17 22nd.
18 Another briefing --
19 COMMISSIONER LEVIN: And Elena, I want
20 to thank you and Commissioner Boyd and lots of
21 other staff for a lot of extra effort to rearrange
22 the schedule for that.
23 MS. MILLER: I think we got it right,
24 Commissioner. If we didn't get it right the first
25 time around we really have it right this time.

1 COMMISSIONER LEVIN: Thank you.
2 MS. MILLER: Thank you.
3 COMMISSIONER LEVIN: I know it was a
4 hassle.
5 MS. MILLER: Thank you. Nick Bartsch
6 has retired from my office for those of you who
7 don't know. Many people haven't heard. It was I
8 think a quick decision. The position is posted so
9 I am going to take this time to announce that
10 there's a position available in my office and
11 applications are due by next Friday the 17th.
12 And then one last announcement that is
13 relevant to some of my earlier comments. Small
14 businesses each have their own technologies in the
15 solar arena. And I received a couple of calls
16 this week that were sort of a new flavor for me in
17 terms of interest in costs associated with
18 decisions being made on what technologies are
19 being used. So I wanted to take the opportunity
20 to announce that on April 16, next week, there is
21 a workshop that anybody who is listening that
22 might be interested in learning more about costs
23 associated with renewable energy, they may want to
24 tune in and listen to that. And information about
25 that notice is on our website. And that's all I

1 have.

2 CHAIRMAN DOUGLAS: Elena, I really

3 appreciate your report, particularly your report

4 on stimulus. We should talk after this meeting

5 about anything that we can do to make your job

6 easier on stimulus. I can only imagine the volume

7 of calls that you are receiving.

8 And your report also underscores

9 something that I did point out at the legislative

10 joint committee hearing that I testified on and

11 will underscore again today. When you read the

12 Recovery Act it is very, very clear that criteria

13 number one is that DOE is looking for us to

14 stimulate the economy and create jobs, it is very,

15 very clear.

16 And then it goes down through other

17 things that we -- energy saved is very important

18 and there are other criteria that are very

19 important. We are an energy agency and at the

20 same time we have got to be very mindful of having

21 a, hopefully, long-term and strong impact on the

22 economy with these programs.

23 MS. CHANDLER: One of the things that we

24 do related to the calls that we get, and I know

25 you work closely with Suzanne Garfield-Jones, but

1 we do create and update our frequently asked
2 questions because many of the questions that come
3 in are similar, especially by phone. So that is
4 one of the areas.
5 Suzanne is also going to be sending out
6 weekly updates related to stimulus so that people
7 -- especially now that we have got some of the
8 formulating principles in place and we are a
9 little bit more equipped to kind of talk about
10 where we are headed. But those two things.
11 I don't know that that's going to stop
12 the calls because it's just going to keep people
13 apprised and it will grow exponentially.
14 COMMISSIONER ROSENFELD: It's going to
15 grow, it's not going to decrease.
16 MS. CHANDLER: Right. But at least if
17 the information is there staff -- there's three
18 800 numbers that come into the building and I know
19 that every one of those staff people are getting
20 phone calls. And we have directed folks to use
21 the website, the recovery website. It's as useful
22 for us from an internal perspective of keeping our
23 own staff aware so that they can communicate out,
24 as it is for external people to find out what's
25 going on. But it is, it is very important to keep

1 everybody kind of reading off the same page and
2 not kind of free-floating with their own ideas on
3 this.
4 VICE CHAIRMAN BOYD: I just wanted to
5 mention one more thing about this small business
6 issue that we talked about today. Elena's
7 comments reminded me that my meeting with the
8 Economic Development Council gentleman was less
9 oriented towards the small business people that
10 are looking for economic health from the economic
11 stimulus and more directed at, frankly, they want
12 to go green but they don't know how to do it.
13 They don't even know who to approach.
14 They want to be good citizens, they think this is
15 a good thing to do. They have no idea where to
16 turn, who to turn to. Well, if we could educate
17 this network of Economic Development Councils with
18 that kind of information, these seem to be the
19 people small businesses in local communities turn
20 to for advice and counsel.
21 And this gentleman was reaching out on
22 behalf of that network, which is all major
23 metropolitan areas. And of course big ones have a
24 huge network of their own region. Everybody wants
25 an identity so every small community within LA has

its own council within the master council let's say.

But that's a great communication device for some of the information we have, both with regard to just how to go green, how to do efficiency, so on and so forth, as well as touching these people with regard to business development. It's something we hopefully can pursue, even with the less staff and more demands we have on us.

MS. CHANDLER: That is a good point. Because we thought we were busy before February 2nd when the ARRA was signed. We had a very full plate with 26 licensing cases, an all-time high, an Executive Order to do renewable energy in transmission corridors, work on the transportation fuels, AB 118, all-time high.

I mean, you know, every one of you is busy because your schedules are full, I know. Staff's schedules are full. And we did not get one PY for this yet. So this is all being absorbed within the existing work force. So if you are feeling like maybe we are not communicating it might be just because we are just trying to keep our head above the water right now

1 and get things formulated.
2 We hope to be successful in receiving
3 PY. We have put in the request for that and we
4 hope that that works. Otherwise, I don't know.
5 VICE CHAIRMAN BOYD: The answer is to
6 recruit more people to do our work for us. Get
7 more, other organizations equipped with the
8 information materials so they can be the first
9 line of defense.
10 MS. CHANDLER: Well, and also I am
11 talking about the funding out.
12 VICE CHAIRMAN BOYD: Right.
13 MS. CHANDLER: You know, moving the
14 funding out and looking at those areas, whether
15 it's 811 programs or the utility programs or other
16 kind of stakeholders that are in alignment with
17 our, you know, looking at those funding mechanisms
18 so we are working smarter and not harder at, you
19 know, from that standpoint.
20 But it is -- I know that you know how
21 busy we are and then, and then, and the ARRA. And
22 that is the most important thing, aside from power
23 plant licensing cases and AB 118 and the rest of
24 the things that we do.
25 CHAIRMAN DOUGLAS: Well it's a busy and

it's a tremendously exciting time to be at the Energy Commission so I do want to thank staff for taking up the challenge here. I don't know if I have seen a busier time here.

CHAIRMAN DOUGLAS: Actually I don't know if I have seen a busier time.

CHAIRMAN DOUGLAS: That probably means more given that you have been here much longer than I have.

MS. CHANDLER: Jonathan, how about you?

MR. BLEES: I really do think that this is the busiest we have ever been.

CHAIRMAN DOUGLAS: Well you can speak quite authoritatively on this I understand as well.

COMMISSIONER ROSENFELD: I have a question. I thought that this discussion with Claudia and the executive office was really a big time saver because it gets around the stovepipes between the Renewables Committee and the Efficiency Committee and the Budget Committee and so on. I would encourage you that this be a standard part of our Business Meetings.

CHAIRMAN DOUGLAS: I am in strong agreement given, given the time pressures that we

1 are under and given the great benefits of us
2 actually being able to sit and have a discussion
3 as a body and our desire for transparency. So
4 let's go ahead and make a stimulus update a
5 standing part of the executive director report.
6 COMMISSIONER LEVIN: And we may have
7 more people attending our Business Meetings as
8 well.
9 CHAIRMAN DOUGLAS: And that may deal
10 with the -- certainly we may have more people at
11 least listening in and even sitting in the
12 audience.
13 MS. CHANDLER: Well, I think that that's
14 important because we should be aware that not only
15 do people listen in but you are webcast. And this
16 transcript is audio on our website. It's kept on
17 our website so people can also download the audio
18 version and then of course within two weeks we
19 have the written version. So, you know, it's a
20 great way to continue to kind of let people know
21 what we are thinking, what you all are thinking
22 and kind of where we are ask we move forward on
23 this.
24 CHAIRMAN DOUGLAS: Good. Anything else
25 before we --

1 COMMISSIONER ROSENFELD: Go to executive
2 session.
3 CHAIRMAN DOUGLAS: -- go to public
4 comment? Any public comment?
5 Very well. The meeting is adjourned and
6 we -- no, not adjourned, we are going into
7 executive session. Thank you.
8 (Whereupon, at 11:56 a.m. the
9 Business Meeting was adjourned.)
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CERTIFICATE OF REPORTER

I, JOHN 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 20th day of April, 2009.

John Cota

JOHN COTA