

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of: )  
 )  
Business Meeting )  
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DATE	DEC 02 2009
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CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, DECEMBER 2, 2009

10:00 A.M.

Reported by:  
Kent Odell

**COMMISSIONERS PRESENT**

Karen Douglas, Chair  
Jeffrey D. Byron  
Julia A. Levin

**STAFF PRESENT**

Melissa Jones, Executive Director  
Jonathan Blee, Chief Counsel's Office  
Loreen McMahon, Public Advisor's Office  
Gary Fay

\_\_\_\_\_ O'Brien

Joseph Douglas  
John Butler  
John Kessler  
Andrea Covenier  
Doug Davey  
Debbie Bilder  
Doug Anderson  
Julie Way

**Also Present**

Scott Galati, Blek LLP  
Jeffrey Benoit, Solar Reserve

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P R O C E E D I N G S

DECEMBER 2, 2009

10:06 a.m.

CHAIRPERSON DOUGLAS: Good morning, everybody.

Welcome to the California Energy Commission Business Meeting of December 2nd, 2009.

Please join me in the Pledge.

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

CHAIRPERSON DOUGLAS: There are two changes to the Agenda. Item 1B, Micropas 8.0 is going to be moved to the 16<sup>th</sup>, and Item 5, City of Chula Vista, will be moved to December 16<sup>th</sup>. With that, Item 1, Consent Calendar.

COMMISSIONER BYRON: I move approval.

COMMISSIONER LEVIN: Second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

That item is approved.

Item 2. Carrizo Energy Solar Farm, 07-AFC-8.

Mr. Fay.

MR. FAY: Good morning, Madam Chair,

Commissioners. The Applicant, Ausra LLC, wrote to the Director on November 4<sup>th</sup>, basically withdrawing their AFC from our process, and they did so according to Title 20, Section 9.8. And this was responded to by the committee in an Order dated November 18<sup>th</sup>, terminating the AFC proceeding

1 and referring the matter to the Commission for  
2 ratification. The project would have been 177 megawatt  
3 sola thermal facility located on the Carrizo Plain in  
4 Eastern San Luis Obispo County. The Committee recommends  
5 adoption of the order at the Commission level.

6 COMMISSIONER BYRON: Mr. Fay, is the Applicant  
7 here? Or even, I should say, the former Applicant?

8 MR. FAY: I do not know if the former Applicant  
9 is here? No.

10 COMMISSIONER BYRON: Not represented.

11 MR. FAY: I do not see any -- but I do understand  
12 that the purchaser does not plan to add capacity, the  
13 purchaser is a photovoltaic company, First Solar, that has  
14 an adjacent site, and I believe they will be using the  
15 purchased land not for an energy project per se, but  
16 engulfing it in mitigation efforts.

17 COMMISSIONER BYRON: Well, of course, I was the  
18 Presiding Member on this project and I do not know anything  
19 really any more than what we read in the press, having had  
20 no contact with the former Applicant. But I believe this  
21 looked to be a very attractive project, there were a lot of  
22 good aspects to it, and it is unfortunate that it is no  
23 longer going forward as a project in this Commission. Do  
24 we know the work that the staff put forward in this, which  
25 I think was pretty extensive, will that add any value to

1 the Applicant? And maybe you are not the right person to  
2 answer, Mr. Fay, and I apologize --

3 MR. FAY: The best person would be Mr. O'Brien  
4 because it was his staff that did the work, but I  
5 understand that almost all of the work had been done on the  
6 project --

7 COMMISSIONER BYRON: Right.

8 MR. FAY: -- not only for this project, but for  
9 the fact that there were three projects together, two of  
10 which were not within our jurisdiction because they are  
11 photovoltaic projects, but all within this area of the  
12 Northern Carrizo Plain of San Luis Obispo County. The  
13 County will greatly benefit from the Commission's work and  
14 the work of other state agencies and federal agencies, and  
15 I am told that it is anticipated that this will be a model  
16 for other wildlife mitigation corridor issues that  
17 inevitably will come up with the large renewable projects  
18 in other places. So I think it will be useful, but it will  
19 not help this Applicant at all; this Applicant has sold the  
20 project and this project is terminated.

21 COMMISSIONER BYRON: Well, we all sound very sad  
22 and somber about this. I would like to ask if Mr. O'Brien  
23 would like to add anything, given that we probably spent --  
24 well, he will tell me -- how many man years worth of effort  
25 on a project that is not going to go forward?

1           MR. O'BRIEN: Commissioner Byron, I do not have  
2 that number off the top of my head, obviously we spent an  
3 awful lot of resources on this project. And as you and I  
4 have discussed in the siting committee on previous  
5 occasions, the solar projects are taking us -- or, I should  
6 say, requiring probably 75 percent more resources to date  
7 than the natural gas fired projects, so the expenditure of  
8 staff resources was very significant. I will echo what Mr.  
9 Fay said in that the work that we were doing on the issue  
10 of wildlife corridors in migration, I think, will be  
11 beneficial to the county as they go forward with the two  
12 solar PV applications. So some good is going to come from  
13 that. Clearly, our staff, in working with U.S. Fish and  
14 Wildlife Service and the Department of Fish and Game also  
15 gain some additional expertise on the issue of corridors  
16 and migration issues, which is going to be a significant  
17 issue as we develop the Desert Renewable Energy  
18 Conservation Plan regarding issues of connectivity down in  
19 the Mojave and Colorado Desert. So we have gained some  
20 expertise, but the price was pretty high.

21           COMMISSIONER BYRON: Well, thank you. And I am  
22 glad to hear that at least the project looks like it will  
23 go forward as a photovoltaic project, so the renewables may  
24 not be lost to the state. But it is unfortunate that this  
25 has essentially had an indirect effect on our other

1 projects as a result. Thank you both very much.

2 COMMISSIONER LEVIN: I am sorry, Mr. O'Brien,  
3 before you -- I just want to clarify, so this project, do  
4 we know what is going to happen to it? My understanding is  
5 the other two projects on the same area are going to go  
6 forward, the PV projects. But do we know what is likely to  
7 happen with this proposed project?

8 MR. O'BRIEN: That is -- Commissioner Levin, that  
9 is my understanding. The other two PV projects are going  
10 forward under review by San Luis Obispo County, but this  
11 project has been withdrawn. And I do not believe that it  
12 is going to be resurrected at some other site. So this  
13 project --

14 COMMISSIONER LEVIN: Or at this site, I presume.

15 MR. O'BRIEN: Or at this site, yeah.

16 COMMISSIONER LEVIN: Okay. Thank you.

17 COMMISSIONER BYRON: Madam Chair, I move approval  
18 of Item 2.

19 COMMISSIONER LEVIN: Second.

20 CHAIRPERSON DOUGLAS: All in favor?

21 (Ayes.)

22 Item 2 is approved.

23 Item 3. Rice Solar Energy Project, 09-AFC-10.

24 Mr. Douglas.

25 MR. DOUGLAS: Good morning, Chairman Douglas and

1 Commissioners. My name is Joseph Douglas, I am Energy  
2 Commission Project Manager for Rice Project. To my right  
3 is Christine Hayman, Staff Counsel. I would like to  
4 provide a brief background on the Rice Project, followed by  
5 staff's data adequacy recommendation.

6           On October 22<sup>nd</sup>, 2009, Rice Solar Energy, LLC  
7 filed an Application For Certification to construct and  
8 operate the Rice Solar Energy Project, proposed as a  
9 concentrating solar power generating facility with an  
10 integrated molten salt thermal storage system rated at a  
11 nominal generating capacity of 150 megawatts. On November  
12 20<sup>th</sup>, Rice Solar filed a supplement to the AFC, containing  
13 additional information for review in four sections:  
14 efficiency, transmission system design, waste management,  
15 and worker safety. The Rice Solar concentrating solar  
16 power technology consists of a large field of mirrors that  
17 focuses the sun's energy onto a central receiver positioned  
18 on the top of a 653-foot tower. The project features  
19 thermal energy storage, which allows solar energy to be  
20 captured throughout the day and retained in a liquid salt  
21 heat transferred fluid. When electricity is to be  
22 generated, the hot liquid salt is routed to a series of  
23 heat exchangers to produce steam. The steam is used to  
24 generate electricity in a conventional steam turbine cycle.  
25 The proposed thermal storage system utilized by Rice Solar

1 can extend the period of electricity production beyond the  
2 normal range of most solar thermal applications, to as much  
3 as three to four hours. Given the project's desert  
4 environment location, Rice Solar would use a dry cooling  
5 system to reduce water consumption. Water would be needed  
6 to replenish slowdown of boiler water for proper chemistry  
7 control and steam cycle and for washing of the mirrors.  
8 The proposed transmission line is a ten-mile generation T-  
9 line that would connect with existing western area power  
10 administration's (Western) 230-KV Parker Blythe  
11 Transmission Line. The generation T-line would be  
12 constructed partly on private land and partly on public  
13 land managed by the U.S. Bureau of Land Management (BLM).  
14 A new substation would also be required at the point of  
15 interconnection with Western's existing transmission line.

16 Staff has completed its data adequacy review, the  
17 Application For Certification, and the AFC Supplement  
18 information and found it to be data adequate. As a result,  
19 staff hereby asks the Commission to accept AFC with  
20 Supplemental information as complete. Staff also requests  
21 that the Commission appoint a siting committee to oversee  
22 the Rice Solar Energy Project. Thank you.

23 CHAIRPERSON DOUGLAS: Thank you, Mr. Douglas.  
24 Can we hear from the Applicant?

25 MR. GALATI: Scott Galati representing Rice Solar

1 Energy.

2 MR. KNIGHT: Jeff Knight, representing Solar  
3 Reserve.

4 MR. GALATI: We would like to take the  
5 opportunity to thank staff. Of course, we support the  
6 recommendation that we are data adequate. We think this is  
7 a very interesting project, the technology we are extremely  
8 proud of. I think one of the first projects that you will  
9 see in front of you, or have seen in front of you, that has  
10 storage as an integral part of this process. Specifically,  
11 I would like to point out that Mr. Douglas and Mr. John  
12 Kessler were very helpful in telling us the four minor  
13 inadequacies that we had, that we could correct them very  
14 quickly, and specifically point out that Mr. Kessler came  
15 in from his home to be able to hand deliver our submittal  
16 to staff, so that we could be here data adequate on our  
17 first business meeting, so we are extremely thankful for  
18 that, and we have been supported by, I think, a stellar  
19 team, people that you have heard before, Andrea Granier  
20 leads the AFC preparation team with Doug Davey from CH2M  
21 Hill, and specifically Debbie Builder and Bob Anders from  
22 Wardy Parson as their engineers, and we were led by Mr.  
23 Benoit, as well as Julie Way, who has been before you on  
24 the Sunrise Project and on the Highgrove Project. So we  
25 are extremely excited to be here today asking for your

1 approval of data adequacy and to assign a committee, and we  
2 are ready to get to work.

3 CHAIRPERSON DOUGLAS: Well, thank you very much,  
4 and it is a very interesting project, the first one for us  
5 to have the storage technology, molten salt technology,  
6 which is obviously very beneficial for California in  
7 allowing the solar generation to help meet peak demand  
8 needs. So we appreciate that, we appreciate your hard work  
9 in getting data adequate quickly, and your nod to staff for  
10 their responsiveness and their going the extra mile to help  
11 make that happen. Are there questions or comments from the  
12 Commissioners?

13 COMMISSIONER LEVIN: I do not have a question  
14 about the data adequacy, but I will be very interested, as  
15 well, in hearing more about the storage, why it is feasible  
16 in this particular case, what assumptions you are making  
17 about it, how it affects the prospects for a Power Purchase  
18 Agreement, all of that. My one just sort of early  
19 potential red flag that does leap out is the water use, and  
20 while I realize they are on-site ground wells, it does seem  
21 like an awful lot of water, even from an on-site source, so  
22 I am concerned about that, I will be looking at that issue,  
23 just to give you and staff a heads up. I think we will  
24 need to be very very careful to make sure that you really  
25 are minimizing the use of that, albeit groundwater on-site,

1 it is still a big amount of water in California.

2 MR. GALATI: Yes, we will certainly address that  
3 in more detail on the site visit informational hearing. I  
4 would like the committee to know that we are dry cooling  
5 and we are minimizing water how we can, and we will  
6 certainly work with staff to see if there are other  
7 possible ways to do that.

8 COMMISSIONER BYRON: Mr. Galati, and forgive me,  
9 was it Mr. Knight?

10 MR. BENOIT: BENOIT.

11 COMMISSIONER BYRON: Benoit, sorry. It does look  
12 like a very intriguing project, it has got a lot of very  
13 positive attributes to it, and I know that there is  
14 probably a great deal of work and effort that has gone into  
15 it at this point. I am pretty certain -- I am certainly  
16 going to vote it data adequate. This is one of the rare  
17 opportunities we have to dissect this a little bit here in  
18 public. If I understand correctly, the 235 gallons a  
19 minute is about -- well, let me ask you, how many acre feet  
20 per year is that, so I do not have to embarrass myself with  
21 my calculation.

22 MR. GALATI: Well, I will embarrass myself by  
23 telling you I cannot tell you that answer, so maybe if  
24 somebody could check the AFC, I know we have it there in a  
25 table.

1           COMMISSIONER BYRON: Well, we looked it up. I  
2 think it is 180-acre-feet per year. Does that sound about  
3 right?

4           MR. GALATI: That is about right.

5           MR. BENOIT: I cannot add to that specifically at  
6 this point.

7           COMMISSIONER BYRON: It is just a number that we  
8 can use to benchmark easily against other projects.

9           MR. DOUGLAS: That is what the AFC indicated,  
10 180.

11           MR. GALATI: And one thing I can tell you is it  
12 is pretty bad quality water, that is why we are using as  
13 much as we are, because we do need to treat it.

14           COMMISSIONER BYRON: And, in fact, Commissioner  
15 Levin, yesterday we had a status conference on Bekin Solar  
16 where the project Applicant came forward with an  
17 alternative and actually they are going to evaluate some of  
18 the alternatives put forward by the staff, which will  
19 include the use of recycled water now for their cooling,  
20 which would be consistent with the policies of this  
21 Commission. So on the surface, this looks as though it  
22 would be within the confines of that policy, but, of  
23 course, we will see how the project proceeds. And, as the  
24 Chairman said, I think it is also very interesting that it  
25 does have a storage and would match up better with probably

1 the interests of those that would be buying this power,  
2 however, I note it does not have a Power Purchase Agreement  
3 at this point, correct?

4 MR. GALATI: It does now. It did not a few weeks  
5 ago, it does now.

6 COMMISSIONER BYRON: So, unfortunately, this  
7 Commission does not get into issues like credit worthiness  
8 of companies, and whether or not you are going to see  
9 through on your AFC and build this, and so we will, of  
10 course, put the staff resources forward once again, Mr.  
11 O'Brien, in hopes that this is one of those successful  
12 projects. But I have to ask, why is it called Rice Solar?

13 MR. O'BRIEN: It is near the town of Rice. It is  
14 also -- this Applicant heard the Committee and heard ready  
15 process very clearly, went out and found a large piece of  
16 private land, which was previously disturbed, this is the  
17 old Rice Air Field. And that is why this project is the  
18 Rice Solar Energy Project.

19 COMMISSIONER BYRON: Good. Thank you for the  
20 history and geography lesson.

21 MR. FAY: Commissioner, I will just add a little  
22 historical context. This site was actually proposed by  
23 Southern California Edison for the Calcoal Project in the  
24 early '80s, and the site was previously used when it was  
25 the Air Field during World War II by General Patton to

1 train his tank corps for World War -- for battle. And at  
2 the time of the Calcoal review, aerial photographs of the  
3 site showed the tank tracks still in existence throughout  
4 the desert. It is a disturbed site.

5 COMMISSIONER BYRON: Ah, maybe those tank tracks,  
6 though, given their historical importance --

7 MR. FAY: Well, they are more than 50 years old,  
8 and as some of us who are know, that is real precious.

9 COMMISSIONER BYRON: Well, we will not go down  
10 that path. Madam Chair, thank you for allowing me to  
11 pursue some questions here. I would be more than happy to  
12 move approval of Item 3 and accept staff's recommendation  
13 for data adequacy for the Rice Solar Energy Project.

14 COMMISSIONER LEVIN: I second it.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 We found the project data adequate.

18 Item 3B, possible appointment of a siting  
19 committee for the Rice Solar Energy Project. I would  
20 recommend Commissioner Levin presiding and Commissioner  
21 Rosenfeld Associate.

22 COMMISSIONER BYRON: Madam Chair, I would be more  
23 than happy to move Item 3B.

24 COMMISSIONER LEVIN: Second.

25 CHAIRPERSON DOUGLAS: All in favor?

1 (Ayes.)

2 MR. GALATI: Thank you very much.

3 CHAIRPERSON DOUGLAS: Item 4. City of Clovis.  
4 Possible approval of an \$867,200 loan to the City of Clovis  
5 for energy efficiency upgrades. Mr. Ehayi -- oh!

6 MR. BUTLER: I am sorry to surprise you, Mr.  
7 Butler, my name is John Butler, good morning,  
8 Commissioners.

9 CHAIRPERSON DOUGLAS: And I do know your name,  
10 John, and I just --

11 MR. BUTLER: I am sorry to be filling in today  
12 for one of my staff members, he is in training. My name is  
13 John Butler and I am a Supervisor in the Special Projects  
14 Office. I am before you this morning to request approval  
15 of a loan to the City of Clovis to implement a number of  
16 energy efficiency projects. The City of Clovis has  
17 requested a loan for \$867,200 to implement a number of  
18 energy efficiency measures within 10 facilities, in their  
19 jurisdiction. The projects include installation of  
20 personal computer management software, retrofit and  
21 replacement of lighting fixtures throughout the City, and  
22 also replacement of chillers, boilers, and installation of  
23 variable frequency drives throughout a number of facilities  
24 in their jurisdiction. In total, this project is estimated  
25 to save the City annually 890,000 kilowatt hours of

1 electricity and 3,000 therms of natural gas per year.

2 Staff has reviewed this application and this  
3 application has been deemed eligible for the 1 percent ARRA  
4 loan program, and under the ECCA program, as well, and we  
5 are requesting your approval of this loan agreement. I am  
6 available for any questions.

7 CHAIRPERSON DOUGLAS: Well, thank you, Mr.  
8 Butler. This sounds like a very interesting project and I  
9 am glad to see it before us. Assuming approval today, how  
10 quickly would this loan be funded?

11 MR. BUTLER: The loan agreement is currently with  
12 the loan recipient, who is reviewing it, and once they  
13 review and sign, we will be able to execute that agreement  
14 immediately, if approved today.

15 COMMISSIONER LEVIN: Thank you. And the Energy  
16 Efficiency Committee has also reviewed this and approved  
17 it, and recommend it. I do just want to make sure, given  
18 all the public interest in money moving out quickly and  
19 actually creating jobs, that the Applicant understands the  
20 importance of getting this work started quickly and really  
21 creating jobs locally, and that they fully understand all  
22 the expectations about reporting back afterwards and  
23 avoiding waste, fraud, and abuse, that everyone is clear on  
24 that.

25 MR. BUTLER: Yes, and we will continue to

1 communicate those expectations to our recipients, as well,  
2 as we go through this project.

3 COMMISSIONER LEVIN: Great. Thank you.

4 MR. BUTLER: Thank you.

5 COMMISSIONER LEVIN: I would be happy to move for  
6 approval.

7 COMMISSIONER BYRON: Second.

8 CHAIRPERSON DOUGLAS: All in favor?

9 (Ayes.)

10 The item is approved.

11 MR. BUTLER: Thank you very much.

12 CHAIRPERSON DOUGLAS: Thank you, Mr. Butler.

13 Item 6. Department of General Services.

14 Possible approval of Contract 600-09-005 for \$165,000 with  
15 the Department of General Services, Contracted Fiscal  
16 Services Unit, for year-end closing and accounting support  
17 in preparing the annual audit of the Energy Commission's  
18 Tax Exempt Revenue Bond Program, which, as I understand, is  
19 the ECCA Program. Ms. Heinz.

20 MS. HEINZ: Hello, Commissioners. My name is  
21 Jane Heinz and, first off, I want to --

22 COMMISSIONER BYRON: Ms. Heinz, would you please  
23 move forward to the microphone?

24 MS. HEINZ: Sure. There, it is lit now. Good  
25 morning, I am Jane Heinz, and first off I wanted to give

1 you a number correction on the contract number. It should  
2 be 09, the year 09 in the center, not 2000. At any rate,  
3 this is an interagency agreement, this is the second such  
4 interagency agreement with Department of General Services,  
5 Contracted Fiscal Services Unit, for the purpose of doing  
6 the year-end closing of our books in preparation for an  
7 independent audit. This is a three-year interagency  
8 agreement and the purpose of this agreement, as I said, was  
9 to assist us for them to provide accounting services for  
10 our year-end bond closing of accounts. And the reason that  
11 we had originally contracted with them was because our  
12 independent auditor said we cannot pull all your books  
13 together and then audit them, that would be a conflict of  
14 interest. So under federal regulations, we were told we  
15 needed to go out and get someone with the expertise and  
16 Contracted Fiscal Services was recommended because they  
17 provide this service to so many other state bond programs.  
18 They work with the State Controller's Office and the  
19 Treasurer's Office, as well. Because of that expertise, we  
20 are able to pull information together from CALSTART, from  
21 Independent Trustee controlled accounts, and also from the  
22 Commission controlled accounts, so this is all put  
23 together, and then the independent auditors audit that  
24 information, that information then goes into our continuing  
25 disclosure report that is due in March, to all of the

1 banking repositories for reporting on the bond program. So  
2 with that information, I would ask for your approval for  
3 this contract.

4 CHAIRPERSON DOUGLAS: Well, thank you, Ms. Heinz.  
5 Obviously, it is very important that we continue with  
6 getting this audit and ensuring that we demonstrate the  
7 effectiveness and clear accounting for the program, so I  
8 appreciate your moving forward in developing this proposed  
9 contract. Do we have questions or comments from  
10 Commissioners?

11 COMMISSIONER LEVIN: Just a point of  
12 clarification. Is this also going to be part of the work  
13 to review our ARRA spending? Or is this going to be  
14 separate from that?

15 MS. HEINZ: No, this is completely separate, just  
16 for the Tax Exempt Revenue Bond Program.

17 COMMISSIONER LEVIN: Okay, so this does not  
18 relate to Item 4, then, which is ARRA funding?

19 MS. HEINZ: No.

20 COMMISSIONER LEVIN: Okay.

21 COMMISSIONER BYRON: Of course, we welcome the  
22 increased oversight that audits bring, we love audits,  
23 correct, Ms. Jones?

24 MS. JONES: Yes, we love them.

25 COMMISSIONER BYRON: That is correct. So I

1 believe, as you indicated, this is an annual audit, and so  
2 --

3 MS. HEINZ: Yes, and this bolsters our internal  
4 controls.

5 COMMISSIONER BYRON: Absolutely. So we are very  
6 interested in the results of these. I would be more than  
7 happy to move this item.

8 COMMISSIONER LEVIN: Second.

9 CHAIRPERSON DOUGLAS: All in favor?

10 (Ayes.)

11 This item is approved. Thank you, Ms. Heinz.

12 Ms. HEINZ: Thank you.

13 CHAIRPERSON DOUGLAS: Item 7. Collaborative For  
14 High Performance Schools. Possible approval of Contract  
15 600-09-006 for \$110,734 with the Collaborative For High  
16 Performance Schools to update two of its Best Practices  
17 manuals and provide an additional training and outreach  
18 campaign. Ms. Shirakh.

19 MS. SHIRAKH: Hi, good morning. I am Elizabeth  
20 Shirakh with the Fuels and Transportation Division, with  
21 the Special Projects Office. Today for your consideration  
22 is a possible contract for \$110,734 with the Collaborative  
23 For High Performance Schools, also known as CHPS. CHPS is  
24 a nonprofit organization dedicated to making schools better  
25 places to learn by facilitating the design, construction,

1 and operation of high performance schools. These are  
2 school environments that are not only energy and resource  
3 efficient, but also healthy, comfortable, and well lit.

4 In 2006, the Energy Commission received \$290,000  
5 under the U.S. Department of Energy's State Energy Programs  
6 Special Projects Rebuild America solicitation. The Energy  
7 Commission issued three sub awards under the solicitation  
8 that are now completed. One of the original sub awards was  
9 to CHPS for their High Performance Re-locatable Classroom  
10 Program. This project was completed under budget by nearly  
11 -- or actually a little over \$100,000; in addition, a  
12 second sub award was also completed under budget, therefore  
13 the Commission has a balance remaining of \$110,734.

14 Staff proposes to award this remaining DOE grant  
15 funding to CHPS as a non-competitive bid contract. Because  
16 the grant is federally funded, requires federal approval,  
17 and the approval specifically names CHPS as the recipient  
18 of these funds. Only CHPS organization can receive the  
19 balance of these funds. The alternative is for these funds  
20 to be returned to the federal government. Now I would like  
21 to briefly discuss the proposed contract. First, the  
22 contract will update the Best Practice Manual, Volume I,  
23 Planning for High Performance Schools. The planning manual  
24 describes why high performance schools are important, what  
25 components are involved in their design and construction,

1 and how to navigate this process to ensure that they are  
2 built. Since the planning manual was last updated in 2006,  
3 California has developed incentive grants for high  
4 performance schools, therefore, the financing section of  
5 this manual will include a detailed description of applying  
6 for these funds. The contract will also provide funding to  
7 develop selected chapters from the planning manual in video  
8 format. The appendix will also be updated with the  
9 original case studies, expanded to include updated building  
10 performance analysis. And the discussion guide appendix  
11 will be updated by creating an online tool that will  
12 generate a project specific discussion guide. Second, CHPS  
13 will update the CHPS Best Practice Manual, Volume II,  
14 designed for High Performance Schools. Six main content  
15 updates are identified, references to the 2005 Title 24  
16 Energy Efficiency Building Standards will be revised to  
17 reflect the new 2008 Title 24 Energy Efficiency Building  
18 Standards. Other updates include an overview of interior  
19 surfaces and furnishing section, day lighting saturation  
20 percentages, expanded moisture control guidelines, and an  
21 update to the photovoltaic section. CHPS also plans to  
22 organize this technical volume on an online Wikipedia-type  
23 format that will allow CHPS approved authorized experts to  
24 edit a single web page with a history of these edits. And  
25 finally, CHPS will continue the high performance re-

1 locatable classroom work from the original grant by  
2 expanding the training and outreach campaign to increase  
3 awareness amongst re-locatable classroom manufacturers and  
4 school district purchasers.

5 This item was approved by the Efficiency  
6 Committee on October 26<sup>th</sup>, and I would be happy to answer  
7 any questions you may have.

8 COMMISSIONER LEVIN: I do not have a question,  
9 Ms. Shirakh, so much as a thank you and a comment. Sorry,  
10 take public comment first.

11 CHAIRPERSON DOUGLAS: I did not warn Commissioner  
12 Levin that we have one member of the public who would like  
13 to speak on this item, Bill Orr, the Executive Director of  
14 the Collaborative for High Performance Schools. I  
15 understand he is on the phone -- or, no, you are here in  
16 the room.

17 MR. ORR: I am right here.

18 CHAIRPERSON DOUGLAS: Welcome.

19 MR. ORR: Thank you. Good morning. My name is  
20 Bill Orr, I am the new Executive Director for the  
21 Collaborative for High Performance Schools, and I would  
22 just like to speak briefly in support of this particular  
23 item for obvious reasons. In regard to -- I just wanted to  
24 highlight three things. First of all, these funds would  
25 provide for a much needed update to the content of the two

1 critical volumes of the CHPS Best Practices Manual dealing  
2 with the planners, decision makers, and school designers.  
3 Secondly, it will allow the transformation of these two  
4 volumes of the CHPS Best Practices Manual from being paper-  
5 based documents to being a web-based multimedia Wiki-  
6 formatted document. So I think that is huge because, in  
7 addition to updating the information, it will present a  
8 platform for which it will be easier to do continual  
9 updates through the Wiki process. And, third, in regard to  
10 the re-locatable classrooms, there are finally several  
11 manufacturers in California that I have spoken with, that  
12 are this close to essentially putting high performance re-  
13 locatable classrooms on the marketplace, and I believe  
14 that, with this additional funding and outreach, not only  
15 will we see re-locatables available for school districts,  
16 but we will also increase the demand for them, so we will  
17 actually be able to match the purchasers with the  
18 manufacturers of high performance re-locatable classrooms.  
19 So with that, I am available to answer any questions that  
20 you may have. And thank you for your consideration.

21 CHAIRPERSON DOUGLAS: Thank you, Mr. Orr.

22 Commissioner?

23 COMMISSIONER LEVIN: All right, I really want to  
24 thank Ms. Shirakh for her very important work with CHPS and  
25 also to CHPS, the Collaborative For High Performance

1 Schools. We are a Board member and a supporter of the  
2 organization, it is a very important organization now, not  
3 just in California, but nationally. And although I am a  
4 nominal Board member, Elizabeth is the one who really does  
5 all the work and is the connector between us, so I  
6 appreciate you doing that, and I think you are doing a  
7 great job. I also think that CHPS is doing a great job,  
8 and as I said, an important job. I have two minor  
9 requests, one of which I made strongly in the last Board  
10 meeting, which is really from the Energy Commission  
11 standpoint, to ensure the energy efficiency remains front  
12 and center in the Best Management Practices. I realize the  
13 Collaborative For High Performance Schools goes beyond  
14 energy issues, but obviously, from our standpoint, and I  
15 would say DOE, that is really critical, and specifically in  
16 the area that we now see as hugely important to energy  
17 efficiency, cool roofs and other cool surface materials. I  
18 think it is in there, but I hope in the coming years it  
19 will become a more and more prominent feature of the Best  
20 Practices Manual. And then, my other comment based on feed  
21 back I have heard from schools is, I think the Best  
22 Practices Manual is really really important, and I think  
23 the 21<sup>st</sup> Century tools that you are now bringing to CHPS and  
24 to schools are really really important, a great step, but I  
25 think schools still lack the capacity in many cases, most

1 cases perhaps, to take advantage of these tools. So I hope  
2 that these updates will also be accompanied by even more  
3 outreach, which I know you do well, but I think doing even  
4 more of it, given the financial situation that schools are  
5 in, is going to be critical for these tools to be fully  
6 used, which is everyone's goal. With that, as Ms. Shirakh  
7 said, the Energy Efficiency Committee did review this and  
8 strongly supports it and recommends approval by the  
9 Commission.

10 CHAIRPERSON DOUGLAS: Is that a motion?

11 COMMISSIONER LEVIN: Yes, so moved.

12 COMMISSIONER BYRON: Second.

13 CHAIRPERSON DOUGLAS: All in favor?

14 (Ayes.)

15 This item is approved. Thank you.

16 MS. SHIRAKH: Thank you very much.

17 CHAIRPERSON DOUGLAS: Item 8. California  
18 Department of Water Resources. Possible approval of  
19 Contract 500-09-016 for \$95,000 with the California  
20 Department of Water Resources to provide specific values  
21 for sea level rise in California, as a result of climate  
22 change and recommend planning guidelines for state and  
23 local governments. Ms. Pittiglio.

24 MS. PITTIGLIO: My name is Sarah Pittiglio. I  
25 work in the PIER Environmental Group. Executive Order

1 S1308 was signed by the Governor in November of 2008 and it  
2 requested that the Department of Water Resources, the  
3 Energy Commission, the State Water Resources Board, the  
4 Ocean Protection Council, and Caltrans all work together to  
5 convene a panel of experts through the National Academy of  
6 Sciences to write a report on the California sea level  
7 rise. Currently, there is a lack of consensus on sea level  
8 rise, globally, and there has not been a clear study on the  
9 effect of sea level rise in California because sea level  
10 rise actually does not rise uniformly across the globe. So  
11 obviously sea level rise poses a threat to energy  
12 infrastructure along the coast and in the Delta. But, in  
13 addition, the combined effects of subsidence of land in the  
14 Delta and increased runoff from the Sierras in combination  
15 with sea level rise poses threats to natural gas  
16 transmission lines and power plants and energy transmission  
17 lines in the Delta. So the experts from the National  
18 Academy of Sciences will complete four main tasks, they  
19 will provide a consensus on a global sea level rise, then  
20 they will also analyze sea level rise for California, and  
21 then they will provide planning guidelines for adaptation  
22 to be used by state and local government, and then,  
23 finally, they will do one case study in California,  
24 applying those adaptation plans that they develop to one  
25 specific area, which most likely will be the Bay Area. But

1 that will be up to them. Each of the five state agencies  
2 will be contributing \$95,000 for a total of \$475,000. I am  
3 happy to answer any questions you might have.

4 COMMISSIONER LEVIN: I just want to say I think  
5 this sounds like incredibly important work and I am glad  
6 that a number of state agencies are contributing because,  
7 when I first saw the \$95,000, I thought this is the biggest  
8 bargain I have ever heard of, we are getting this done for  
9 \$95,000. I think this is invaluable, and timely, and would  
10 happily move for approval.

11 COMMISSIONER BYRON: I will second the item.

12 CHAIRPERSON DOUGLAS: All in favor?

13 (Ayes.)

14 The item is approved.

15 MS. PITTIGLIO: Thank you.

16 CHAIRPERSON DOUGLAS: Item 9. CALSTART.

17 Possible approval of Contract 500-09-019 for \$3 million  
18 with CALSTART, Inc. to establish a research center for  
19 developing clean and efficient technologies for medium and  
20 heavy duty vehicles. Mr. Misemer.

21 MR. MISEMER: Good morning, Chairman Douglas,  
22 Commissioners. My name is Philip Misemer. I am  
23 responsible for the transportation subject area in the  
24 Energy Research and Development Division. Before you is a  
25 proposed sole source contract with an organization called

1 CALSTART to develop a research center dedicated to  
2 increasing the efficiency of medium and heavy duty  
3 vehicles. CALSTART was created in the early '90s as a  
4 nonprofit 501(c)(3), dedicated to helping to solve the  
5 severe air pollution issues in Southern California by being  
6 a central developer and demonstrator for alternative fuels  
7 and advanced vehicle technologies. CALSTART has a very  
8 successful history in assisting not only the development,  
9 but the market transfer for new technologies for vehicles,  
10 and this is exemplified, for instance, by their creation  
11 and guidance of an effort called the Hybrid Truck Users  
12 Forum, which has very successfully transferred through  
13 primarily an original DARPA arrangement with the U.S. Army  
14 some of the technologies that that organization, Department  
15 of Defense, is creating to improve the efficiency of their  
16 fleet, and getting that into civilian use.

17 Staff sees an advantage in establishing a center  
18 in Southern California for these technologies because  
19 Southern California has fairly unique needs. There, you  
20 will encounter the use, for instance of Class 8, the big --  
21 we call them semis that you typically see in long haul, but  
22 in very short haul applications, largely due to the huge  
23 influence of the Ports of L.A. and Long Beach. While these  
24 are efficient means of moving a lot of tonnage, they are  
25 unfortunately highly polluting vehicles. Not only are they

1 typically older vehicles, but they are in highly congested  
2 lanes of travel, and we need better ways to move this  
3 freight and not encounter the localized emissions problems  
4 and the high use of petroleum. This project has four major  
5 features to it, 1) the CALSTART will lead the development  
6 of a research roadmap that will provide technology  
7 development guidance for these classes of vehicles. They  
8 will convene a stakeholder group that will consist of OEMs,  
9 up-fitters, end users, South Coast Air Quality Management  
10 District, we expect, will be on this, as well as  
11 universities and organizations such as the Electric Power  
12 Research Institute, which has its own expertise in, for  
13 instance, hybrid drive trains. Concurrently to developing  
14 the roadmap, CALSTART will also perform initial research in  
15 these classes of vehicles. They will get baseline data for  
16 Class A trucks in the situations unique to Southern  
17 California, particularly port trade, to provide baselines  
18 that will feed into the research roadmap and guide  
19 appropriate technology development to provide the  
20 efficiency improvements to this class of vehicle. They  
21 will also perform research with medium duty, specifically  
22 plug-in technology and parcel delivery trucks, and will  
23 apply plug-in drive trains specifically to a number of  
24 parcel delivery trucks and analyze their performance in  
25 specified routes in Southern California. They will also

1 have a project that will examine optimization of  
2 alternative fuels with plug-in drive trains. Different  
3 alternative fuels such a natural gas, or biodiesel, or  
4 others, have different power and therefore driving  
5 characteristics. And not all are suitable to work  
6 optimally with the power train like hybridization, so this  
7 research will provide us this optimization, as well.

8           Finally, as I mentioned before, CALSTART has had  
9 a huge success in transferring technology, and not only  
10 developing, but making sure that these new technologies are  
11 applied. And part of this research center will be  
12 dedicated to technology transfer that will focus on the  
13 outreach, education, and industrial support, using many of  
14 their existing contacts, and abilities in this area, but  
15 enlarging them to this specific effort in medium and heavy  
16 duty. And with that, I will hopefully be able to answer  
17 your questions on this, Commissioners.

18           CHAIRPERSON DOUGLAS: Go ahead.

19           COMMISSIONER BYRON: Thank you. Mr. Misemer, the  
20 work looks like it is extremely valuable in helping us move  
21 towards some of our goals. The red flag always goes up,  
22 however, when I see a contract of this side that is  
23 procured under a sole source arrangement. The first  
24 question is, what committees were involved in vetting this  
25 project?

1 MR. MISEMER: This has been vetted within the  
2 Research and Development Committee, which approved it, I  
3 believe, in April.

4 COMMISSIONER BYRON: And the Transportation  
5 Committee?

6 CHAIRPERSON DOUGLAS: Commissioner, it did not go  
7 through the Transportation Committee, but there is 100  
8 percent overlap between the R&D Committee and the  
9 Transportation Committee, so --

10 COMMISSIONER BYRON: Yes, but I am not --

11 MR. MISEMER: Thank you, Chairman Douglas.

12 COMMISSIONER BYRON: Okay, thank you, Madam  
13 Chair. So, Mr. Misemer, then the question is why did you  
14 not put this out for competitive solicitation?

15 MR. MISEMER: The nature of the work and the  
16 abilities that CALSTART brings to not only this technology,  
17 but the physical location, when staff analyzed this  
18 situation, came to the conclusion that there was really no  
19 other reasonable organization that could compete for the  
20 purposes of this center. The closest competitor might be  
21 the Electric Power Research Institute, but while they have  
22 done excellent and very important work in medium duty  
23 hybrid drive trains, they still do not have the breadth of  
24 alternative fuel experience that CALSTART brings to the  
25 table. So we have insisted that, as we go forward, that

1 EPRI is one of the partners. I have to talk speculatively  
2 somewhat about the development of the center because, of  
3 course, it will really get rolling once approved, but one  
4 of the benefits that we are certainly looking toward is  
5 participation of the Ports of L.A. and Long Beach, and  
6 considerable co-funding as we ramp up the research and  
7 prove that this is a viable venture to that local  
8 community. Aside from that, though, I guess the short  
9 answer is that we saw no viable competitor for the purposes  
10 of this research.

11 MS. JONES: And I guess that I would just add  
12 that this was an unsolicited proposal that CALSTART  
13 provided to the Commission, and because they were unique,  
14 and because of the quality of the work that was being  
15 proposed, staff viewed it very favorably and the Committee  
16 was quite impressed with the ability that CALSTART  
17 outlined.

18 CHAIRPERSON DOUGLAS: That is right, Ms. Jones,  
19 and I will just add, as a member of the R&D Committee, we  
20 do not encourage unsolicited proposals, although we  
21 occasionally get them and we do review them on their  
22 merits, and this proposal was very strong, it both put  
23 forward work that we agreed was very much in the public  
24 interest, and it seemed to us that CALSTART was the best  
25 entity to carry this out, and carrying it out through a

1 stakeholder process that would allow the other entities  
2 that have a lot of stake in the issue, or expertise in the  
3 issue, to be full partners and be deeply engaged. So that  
4 was the reason why we felt as though it was in the public  
5 interest to move ahead on this contract.

6 COMMISSIONER BYRON: Well, thank you. I am  
7 familiar with CALSTART and their meritorious organization  
8 and I also, having spent about 10 years of my working  
9 career at the Electric Power Research Institute, I tend to  
10 agree with your assessment, that they are not going to  
11 quite have the breadth of expertise in this area.

12 Nevertheless, I would still encourage PIER to pursue  
13 solicitations whenever and wherever possible. Let me ask  
14 one last question. Did the amount of additional time it  
15 takes to do an RFP have anything to do with the effort to  
16 do a sole source contract here?

17 MR. MISEMER: No. In fact, we in general run an  
18 advertisement for the program, I think, as a program we are  
19 getting a lot better at that. In this particular case, I  
20 think certainly the time and staff effort that is involved  
21 in the competitive solicitation has to be an important  
22 consideration in these decisions. In this particular case,  
23 though, there was a lot of attention paid to, okay, what  
24 organizations are out there that could create, manage, and  
25 run a credible research center, and this technology, again

1 that addresses what we feel are very unique circumstances  
2 in the greater Southern California area? And overlaying  
3 those requirements really pointed to the kind of work that  
4 CALSTART has a lot of experience doing, and the fact that  
5 they already bring in many important partners, one of  
6 which, by the way, is CSERT, which is a excellent research  
7 institution, part of U.C. Riverside, that brings tremendous  
8 instrumentation and emissions expertise to the party here.  
9 So we enjoyed the possibilities of CALSTART bringing in  
10 very important partners into this effort, that we did not  
11 feel could be achieved by running a competitive  
12 solicitation, but creating that magnetism, if you will,  
13 through the sole source contract with this organization and  
14 bringing these other players in was important.

15 COMMISSIONER BYRON: Madam Chair, thank you.  
16 Thank you for the answers, Mr. Misemer and thank you for  
17 your answers, as well. I am satisfied and am happy to move  
18 the item.

19 COMMISSIONER LEVIN: Second.

20 CHAIRPERSON DOUGLAS: All in favor?

21 (Ayes.)

22 This item is approved.

23 MR. MISEMER:

24 CHAIRPERSON DOUGLAS: Thank you, Mr. Misemer.

25 Item 10. University of California, Irvine. Possible

1 approval of Contract 500-09-015 for \$300,000 with the  
2 Regents of the University of California, Irvine, to provide  
3 data and analysis tools on a fuel flexible turbine system  
4 for distributed generation combined heat and power. Mr.  
5 Koyama.

6 MR. KOYAMA: Thank you, Commissioners, good  
7 morning. I am Ken Koyama, I am with the Public Interest  
8 Energy Research Program. This proposed \$300,000 will help  
9 fund the development of a micro-turbine for CHP that will  
10 have the flexibility of using different fuels such as  
11 natural gas, syn gas, biomethane, and hydrogen. More  
12 important, our \$300,000 will leverage \$2 million of federal  
13 funding into California for this project at U.C. Irvine,  
14 and this is an important area that we feel will help us in  
15 our CHP development. Staff recommends approval of this  
16 project.

17 COMMISSIONER BYRON: I do not get to see all  
18 these projects until pretty close to Business Meetings,  
19 this one also looks very interesting to me, and the fact  
20 that you are leveraging so much federal funding, I think,  
21 makes it a pretty clear opportunity for us to invest in  
22 this on behalf of the benefits that it will bring to  
23 California. So I certainly would endorse this program.

24 CHAIRPERSON DOUGLAS: Motion -- or comments from  
25 Commissioners?

1           COMMISSIONER BYRON: I would be happy to move the  
2 item.

3           COMMISSIONER LEVIN: Second.

4           CHAIRPERSON DOUGLAS: All in favor?

5           (Ayes.)

6           MR. KOYAMA: Thank you.

7           CHAIRPERSON DOUGLAS: Thank you, Mr. Koyama.

8           Item 11. Lawrence Berkeley National Laboratory.  
9 Possible approval of Contract 500-09-017 for \$500,000 with  
10 Lawrence Berkeley National Laboratory to develop a model  
11 that depicts the interaction of water and hydro-electric  
12 energy in the American River System, and how these  
13 interactions will respond to future changes in water energy  
14 supply and energy demand. Mr. O'Hagan.

15           MR. O'HAGAN: Good morning, Chairman Douglas,  
16 good morning, Commissioners. My name is Joe O'Hagan. I am  
17 in the PIER Environmental area of that program. The  
18 proposal before you is for \$500,000 for a contract with  
19 Lawrence Berkeley National Lab to develop an integrated  
20 water and energy model for the American River region. As  
21 you know, water and energy in California are closely  
22 intertwined and in the 2005 IEPR, it identified that just  
23 energy demand by the water sector accounted for about 19  
24 percent of the state's total energy consumption. That IEPR  
25 also encouraged that water and energy be integrated in

1 future planning efforts. And so the purpose of this  
2 project is to try to meet that goal by developing a linked  
3 model that incorporates a hydrologic model of the American  
4 River area, would look at surface water flows,  
5 impoundments, water demand as effected by land use and  
6 consumption, also groundwater, groundwater percolation,  
7 losses from evapo-transpiration, with an energy model that  
8 would look at water consumption, energy sources like  
9 hydropower generation, other energy sources imported into  
10 the area, and to try to characterize the interaction of  
11 water and energy in the American River System, and then  
12 also to run scenarios looking at how these factors would  
13 change under different climate change scenarios, as well as  
14 also look at how changes in water, the cost of water, or  
15 the cost of electricity, would change these factors. We  
16 have gotten support from the Sacramento Municipal Utility  
17 District, the El Dorado Irrigation District, we have gotten  
18 support from the Sacramento Water Authority, which is a  
19 consortium of 20 water agencies in the area, and we have  
20 also got support from the Sacramento Water Forum, and an  
21 offer of match funding of \$10,000. Thank you.

22 CHAIRPERSON DOUGLAS: Thank you, Mr. O'Hagan.  
23 Questions?

24 COMMISSIONER BYRON: If I may, Mr. O'Hagan, this  
25 subject of water in the state keeps coming up, it is of the

1 utmost importance. I believe I heard this morning Mr.  
2 Snow, the Director of the Department of Water Resources, on  
3 the radio, describing that the state water system  
4 allocation will be about 5 percent this year, which is the  
5 lowest it has ever been since the State Water System began  
6 flowing, I guess, in the early '60s. Does this project  
7 have any bearing on this? I am sorry about the vagueness  
8 of the question, but does it have any bearing on the  
9 potential to help influence the allocation of this scarce  
10 resource?

11 MR. O'HAGAN: Not directly. I think that it would  
12 be a useful tool for water and energy planning, and given  
13 the reduced supplies that would be associated with a  
14 warming climate, I think that the allocations for  
15 Sacramento for Folsom, the outflows from Folsom, are used  
16 to control water quality parameters in the Delta. The  
17 models would take those type of factors into account. Now,  
18 in terms of how water is allocated, I do not think it would  
19 have a direct effect on any of that. But I think  
20 additional information and understanding possible outcomes  
21 would certainly inform that process.

22 COMMISSIONER BYRON: Right. I mean, all these  
23 issues do come together eventually, even given some of the  
24 earlier items on today's agenda with regard to water use  
25 come into play as we move towards renewable energy. Madam

1 Chair, thank you. I would be more than happy to move Item  
2 11.

3 COMMISSIONER LEVIN: I will second in just a  
4 moment, or at least I assume I will, but I do have a couple  
5 of questions.

6 COMMISSIONER BYRON: Oh, I am sorry.

7 COMMISSIONER LEVIN: It is all right. It is  
8 probably here somewhere, but I do not recall seeing a  
9 description of how the model really will be developed in  
10 collaboration with the entities that you said are  
11 supporting it, and I assume there are others that would  
12 support it if they become aware of it. And my question,  
13 which is also probably somewhat vague, not being a  
14 technical person, but I have every faith in Lawrence  
15 Berkeley National Lab from a scientific standpoint, but I  
16 assume as a public entity, the model would be publicly  
17 available for other entities to use, once it is developed,  
18 making sure that it is user friendly for those other  
19 entities, and particularly that it can be used beyond the  
20 American River System, I think this is going to maximize  
21 the value of it. I do not question at all the underlying  
22 importance of the issue. But what mechanisms, or process,  
23 or advisory board are they going to put in place to ensure  
24 that it is a very user friendly model with widespread  
25 application after it is done?

1           MR. O'HAGAN: Well, the two models that I  
2 discussed have actually been available and have been used  
3 quite a bit, and they are for public agencies, universities  
4 and things like that, free, and there is sort of reduced  
5 versions that the public can download from the Web, free as  
6 well. So the models are out there. What would be new  
7 would be linking the two models and then also populating  
8 and specifically for the American River region. And to do  
9 that, certainly on the energy side, we need to work closely  
10 with the El Dorado Irrigation District and the Sacramento  
11 Municipal Utility District. We have had a lot of  
12 communications with staff, they are very supportive. There  
13 would be an advisory group involved in this from them, we  
14 would like to include PG&E, DWR, as well as others, to  
15 comment and review as the project develops. One condition  
16 of approval by the R&D Committee was to have a letter once  
17 the project -- if the project is approved -- have a letter  
18 from the Chair asking for these different utilities, asking  
19 for their participation and support of the project. I can  
20 say, at the staff level, they have been really responsive.  
21 As I said, the water agencies are very very interested in  
22 this project, as well.

23           COMMISSIONER LEVIN: So that is great to hear on  
24 the Advisory Committee, your group, and I see at least one  
25 utility representative in the back of the room, so

1 hopefully he will participate, but what about the utility  
2 of the link between the models, if that is what is being  
3 created, for other water sheds?

4 MR. O'HAGAN: I am sorry, the ultimate goal of  
5 this was to demonstrate that such an approach is feasible  
6 and provides great utility, so the intent is to make it  
7 user friendly, that is will be accessible to people.  
8 Ideally, we would like to see this transferred to other  
9 water sheds. It is why the data put into the models will  
10 be specific to the area that the underlying models will be  
11 applicable anywhere else.

12 COMMISSIONER LEVIN: Great. With that, I  
13 strongly second the motion for approval, then.

14 CHAIRPERSON DOUGLAS: All in favor?

15 (Ayes.)

16 MR. O'HAGAN: Thank you very much.

17 CHAIRPERSON DOUGLAS: The item is approved. Item  
18 12. California Energy Demand 2010-2020. Possible approval  
19 of the staff final report, *California Energy Demand 2010-*  
20 *2020, Staff Revised Forecast, Second Edition*. Mr. Kavalec  
21 -- oh, Mr. Jaske?

22 DR. JASKE: We are going to do a tag team, so my  
23 name is Mike Jaske with the Electricity Supply Analysis  
24 Division. And Chris Kavalec will also be making a direct  
25 presentation following my opening remarks.

1           So we are here to present the Electricity and  
2 Natural Gas End Use Demand Forecast that has been worked  
3 through the 2009 IEPR process. I first want to say a  
4 little bit about the forecast team that worked on this  
5 project. Chris was the leader of the project team in the  
6 Demand Analysis Office. He could not do that job without  
7 our strong supporting staff, some of which are in the  
8 audience today and others are acknowledged in the  
9 acknowledgments of the Staff Report. When I did his job  
10 for 15 years, back in the '80s and '90s, I was similarly  
11 dependent upon such a team and, for some of these folks,  
12 the biennial cycle of a demand forecast and the product  
13 that results from that is their essentially sole work  
14 activity, they are dedicated to this effort.

15           For the 2009 IEPR cycle, there was a significant  
16 focus on energy efficiency that had arisen from how the  
17 2005 and 2007 Demand Forecasts were used at the PUC.  
18 Concerns were raised about how much energy efficiency was  
19 in the base forecast and, then, how much further could be  
20 subtracted from it on the basis of additional policy  
21 initiatives. So from the outset, starting the '08 IEPR  
22 update and sort of morphing continuously into the 2009 IEPR  
23 process, doing a better job on energy efficiency was our  
24 goal.

25           This forecast retains the concept of committed

1 vs. uncommitted energy efficiency, as has been the  
2 Commission's practice for a long time. That practice was  
3 reviewed in the 2008 IEPR update and it was specifically  
4 ratified to be continued, but, given the interest in  
5 additional energy efficiency initiatives beyond those that  
6 are considered committed, staff undertook a project to  
7 develop a capability to actually generate incremental  
8 effects of such policy initiatives as part of the IEPR.  
9 That project is trailing behind and will be presented to  
10 the Commission in January of this year. That is a schedule  
11 that was worked out with the PUC staff because they are the  
12 primary client for that, and it will go into their  
13 forthcoming 2010 LTP proceeding, which has not actually  
14 yet been formally initiated.

15           The focus on improving our energy efficiency  
16 analysis, particularly for utility programs, and then this  
17 new effort to develop a capability for incremental  
18 uncommitted projections has been greatly aided by the PUC.  
19 The PUC has made available to us the resources of the  
20 consulting firm, Itron, and we have benefitted greatly from  
21 essentially a collaborative effort between Energy  
22 Commission staff, PUC staff, and the consulting firm Itron.

23           Our work in this sort of planning and forecasting  
24 area has to be as objective, and unbiased, and transparent  
25 as possible. There were three public workshops for various

1 versions of the demand forecasts in this IEPR cycle, they  
2 continued off of two workshops in the 2008 IEPR update  
3 process. As was discussed in the 2008 IEPR update, we  
4 decided there would be merit to forming a working group,  
5 and so roughly one year ago, we initiated what is now  
6 called the Demand Forecast Energy Efficiency Quantification  
7 Project Working Group; it consists of staff, of Energy  
8 Commission, PUC, all the five major utilities, the three  
9 IOUs, SMUD, and L.A., and various other interested parties  
10 like NRDC, who want to be better informed and contribute to  
11 energy efficiency analysis. That working group has met  
12 eight times in the ensuing year; we have another meeting  
13 coming up in two weeks from now to talk about the initial  
14 results of our incremental, uncommitted project. And we  
15 have had numerous conference calls and in-person meetings  
16 with the PUC staff, both in the procurement unit, as well  
17 as in the Energy Efficiency Measurement and Evaluation  
18 Group, to built those linkages, and to make sure that we  
19 are both taking advantage of the data that exists, and that  
20 the products that we are developing are useful to them.

21           Staff also stretched itself in assessing both  
22 higher and lower economic and demographic projections  
23 which, of course, turned out to be a major issue with this  
24 recessions, we had not anticipated that a year and a half  
25 ago or so, when we were developing a focus on energy

1 efficiency, so Chris and his team had to really scramble to  
2 quantify the impacts of alternative economic and  
3 demographic projections, and try to see how it is  
4 California's economy will recover from this recession and  
5 what assumptions we should make for the long-run forecast.

6           Beginning last year in 2008, staff started a  
7 process to reexamine its forecasting methods, which was in  
8 part connected to the obvious increased attention to energy  
9 efficiency, and along the way we have received a number of  
10 comments that say conducting that sort of review is very  
11 appropriate. U.C. Energy Division, for example, is  
12 suggesting that we should have models that are less data  
13 intensive and more transparent, and more adaptable to  
14 making multiple projections. On the other hand, NRDC has  
15 been pushing us to focus a lot on energy efficiency program  
16 evaluation and attribution issues between programs,  
17 standards, what we call naturally occurring energy  
18 efficiency through price response. ISO, for a number of  
19 years, has been asking for more geographic disaggregation,  
20 which is essential to their use of these results in  
21 transmission planning and local reliability assessments.  
22 And, of course, staff has some of its own desires, for  
23 example, these models and gray-haired people like myself --  
24 and Tom Goren was in the room earlier -- you know, wrote  
25 them in Fortran years ago; we need to update them to more

1 modern computer language, you know, let some of the newer  
2 capabilities help us out.

3           So there is a lot of interest in not only the  
4 forecasts, but the methodology and the assumptions of  
5 generating forecasts. It is not likely we are going to be  
6 able to transform all of these models overnight, or to  
7 satisfy all of these desires with perhaps a single model,  
8 so the Demand Analysis Office may need to be moving in a  
9 direction of having multiple models that, you know, are  
10 customized to do particular purposes, and yet we would have  
11 to make those consistent and support multiple platforms for  
12 specialized purposes.

13           And finally, after Chris makes his presentation  
14 and we get more to the formality of introducing the  
15 forecast report itself, we have an Errata Sheet that is an  
16 attempt to clarify some issues about how energy efficiency  
17 program evaluation and attribution was designed, and I will  
18 speak to that once Chris does his presentation.

19           DR. KAVALEC: Good morning, Chairman Douglas and  
20 Commissioners. I am going to make a very brief slide  
21 presentation basically to do two things, present the main  
22 results at a statewide level, or a forecast for the benefit  
23 of those who have not been able to share in our joyous  
24 forecasting process to this point. And I will also talk  
25 briefly about some final changes that we made to the

1 forecasts since we last presented a forecast publicly in  
2 September, which are in the final report, the changes, but  
3 we have not formally presented them at a public meeting  
4 yet.

5           Okay, Statewide Electricity Consumption -- the  
6 blue line with the squares is our final forecast for 2009,  
7 the red line is the 2007 forecast, the previous forecast,  
8 and the solid line to the left is historic consumption.  
9 You will note an initial drop in consumption from 2008 to  
10 2009, and it looks like this is actually happening in 2009.  
11 For example, Southern California Edison reports a sales  
12 drop of almost five percent in 2009 relative to 2008, and  
13 our prediction was a little bit over a 4 percent drop, so  
14 it may be that we are actually under-estimating the drop-  
15 off in 2009. Anyway, after 2009, from 2010 to 2020, the  
16 growth rates for consumption in the two forecasts are  
17 almost identical, around 1.2 percent. For the peak, this  
18 is a non-coincident statewide peak, meaning it is just the  
19 sum of the individual planning areas. Unlike the  
20 consumption case, there is no drop-off from 2008 to 2009,  
21 you see it remains level, and that is because we adjusted  
22 our peak forecast based on peak observations in the state  
23 through the summer of 2009. And basically it looks like  
24 the peak is not dropping like consumption is, so while  
25 energy use is going down, folks are still using their air

1 conditioners. However, it is not going up, so the peak  
2 forecast is below that of 2007 throughout the forecast  
3 period. But, again, like consumption, the growth rate is  
4 almost identical from 2010 to 2020, relative to the  
5 previous forecast.

6           Okay, so a hot issue, as Dr. Jaske mentioned in  
7 this forecast, in the future is measuring the amount of  
8 efficiency savings in the forecast. So this slide shows  
9 efficiency/conservation impacts incorporated in the  
10 forecast, broken out by category. Standards, utility  
11 programs, and naturally occurring savings, which means  
12 basically the impacts from increasing rates. Folks use  
13 less electricity as rates go up. You will notice in 1990,  
14 the beginning there, the savings are greater than zero and  
15 that is because our models track savings back to 1975.  
16 And, as Dr. Jaske mentioned, we are only including in this  
17 committed savings, meaning savings from programs that have  
18 either already been implemented, or have firm funding and a  
19 specific program plan. We are also doing what we are  
20 calling an uncommitted forecast for the CPUC long-term  
21 procurement process, which incorporates uncommitted  
22 savings, savings that are reasonably expected to occur, but  
23 are not yet committed.

24           Okay, so this is basically telling us, this  
25 slide, that a rough approximation of the world without all

1 our efficiency efforts would result in consumption around  
2 50,000 gigawatt hours higher by 2020, and 80,000 gigawatt  
3 hours higher if you added in the naturally occurring  
4 savings. And I will say that I believe we have done all  
5 humanly possible in this forecast cycle with respect to  
6 efficiency, given our time constraints and other priorities  
7 that have developed, for example, the economy and the  
8 recession rising to the forefront and us thinking it was  
9 important to do an economic scenario analysis.

10 But there is still more work that needs to be  
11 done here. We made some simplifying assumptions that we  
12 will need to revisit for the next forecast. So for the  
13 2011 version of the forecast, we will be refining this  
14 efficiency work, improving on it, as well as potentially  
15 the methodologies we used to do the forecast.

16 Okay, some last minute changes that we made in  
17 the forecast since the September 21<sup>st</sup> workshop, that we made  
18 out of necessity, and in response to public comments, and  
19 because of our own internal concerns, we updated the  
20 forecasts to incorporate the shift in program cycle from  
21 2009 to 2011 to 2010 to 2012; we added the electric vehicle  
22 forecast brought to us by our Fuels Office into the  
23 forecast; and we revised slightly downward photovoltaic  
24 self-generation impacts, basically the adjustment here was  
25 going from nameplate capacity for photovoltaic to what is

1 called PTC, or Performance Test Conditions capacity. This  
2 is akin to adjusting mileage estimates for a car and a  
3 truck from EPA lab results to actual on road results, so it  
4 was an adjustment downward.

5           And the results of these changes, first of all,  
6 for consumption, the red curve shows the final forecast and  
7 the blue shows the forecast from September. Initially,  
8 consumption is lower in our final forecast, and that is  
9 because of the shift in program cycle from 2010 to 2012, so  
10 there are more savings in 2012, therefore less consumption.  
11 And then, beyond that point, as electric vehicles begin to  
12 accumulate in the forecast, we have higher consumption,  
13 around 1 percent by 2020, relative to the September  
14 forecast.

15           Finally, the impact on peak is up slightly  
16 throughout the forecast period from reduced projections for  
17 photovoltaic systems. When we say "peak" here, we are  
18 talking about peak demand that has to be met by utilities.  
19 So if you have less PV systems, then you have more peak  
20 demand for the utilities to meet, so less PV means a higher  
21 utility peak. Also, adding into that, electric vehicles  
22 give us a roughly 1 percent increase in peak in 2020 versus  
23 the previous forecast we presented in September.

24           So with that, we can go into -- or, Mike, you had  
25 the Errata.

1 DR. JASKE: Yes. You should have a one-page  
2 Errata. Staff is proposing to modify its Staff Report by  
3 essentially inserting the entirety of this page, other than  
4 the header information, into page 236 of the Staff Report,  
5 so it is a large staff report and there is this one-page  
6 insert. The essence of this insert is to clarify that  
7 there are remaining issues about the attribution of savings  
8 among principally utility programs and naturally occurring  
9 energy efficiency. These various bullet points in effect  
10 highlight things that are already stated to some degree in  
11 the body of Chapter 8, which is the energy efficiency  
12 discussion of the report, and sort of make more clear that,  
13 as Chris said, while we made significant strides in this  
14 cycle, there is still work to do, and part of that is this  
15 issue of attributing savings, either to programs or to  
16 naturally occurring effects. And these points stem from  
17 comments that were filed earlier this month from NRDC that  
18 thought this dimension of the forecast report just needed  
19 more clarification, so we put forward this page Errata to  
20 make it clearer how to understand the results that are  
21 presented in the report.

22 So with that, I believe we are now available for  
23 questions.

24 COMMISSIONER BYRON: Madam Chair, if I may, I  
25 would just like to ask the staff to clarify a couple of

1 things. First of all, gentlemen, has it occurred to you  
2 that maybe the reason that there is so much controversy  
3 around your demand forecast is that we do not like the  
4 results? I count myself among that group, Drs. Kavalec and  
5 Jaske. We have drilled down on this a great deal, and I  
6 have kind of gotten past the fact that I do not like the  
7 results and tried to understand why I do not like them.  
8 Dr. Kavalec, what is the biggest reason I do not like these  
9 results? Why is the forecast so low?

10 DR. KAVALEC: Well, you have a combination of  
11 efficiency impacts that have a large effect in the near  
12 term, plus the economic recession.

13 COMMISSIONER BYRON: Isn't it really the economic  
14 issue that drives this?

15 DR. KAVALEC: Yeah, and most of that impact, that  
16 dip, comes from the recession. And then, afterward, we are  
17 basically going back to the rate of growth that we had in  
18 the previous forecast, when everything is "normal" again.

19 COMMISSIONER BYRON: We spent a lot of time  
20 discussing this, so I am being a little rhetorical when I  
21 ask you this, but I want to make sure everyone understands  
22 that I think we have conducted three workshops this past  
23 year, and a couple even last year on this issue. We do not  
24 like the results, it is not very exciting to see demand  
25 down the way it is, given when we occasionally have the

1 enormous heat storms and such that we do, such as in July  
2 of 2006, when demand was so high, and of course we see some  
3 of the utilities not being very excited about seeing their  
4 procurement numbers going forward into the future coming  
5 down somewhat, so these are troubling issues. And I have  
6 some comments I will make with regard to that later on.  
7 But let me ask another quick question or two. One of the  
8 issues that is raised or requested is that we make this  
9 model available so that others can do independent  
10 verification and/or run their own scenarios, so I am  
11 reminded of the Public Utilities Commission contracting to  
12 create a model that they made available publicly to  
13 calculate the GHG reduction that from various cases you  
14 could input. Why can't we make our model available so they  
15 can do the same thing?

16 DR. KAVALEC: We can. The problem is, as Dr.  
17 Jaske mentioned earlier, is the model is still in a very  
18 arcane language that most people do not use anymore, so one  
19 likely possibility going forward is to put that model in a  
20 new, more modern platform, and that by itself will make it  
21 more accessible. But it should be noted that these end-use  
22 models are relatively complex and relatively data  
23 intensive, so it would take some work on the part of the  
24 person interested, the user, to come up to speed, which we  
25 are always happy to help with.

1           COMMISSIONER BYRON: How many working group  
2 meetings did we have this past year?

3           DR. JASKE: I believe I have counted eight.

4           COMMISSIONER BYRON: Okay, and can you just give  
5 us a sense of the participation in those working groups?

6           DR. JASKE: Usually we have 15-20 people around  
7 the table. As I mentioned earlier, most of the five major  
8 utilities, Southern California Edison has probably been our  
9 most devoted participant.

10          COMMISSIONER BYRON: "Devoted," I like that term.  
11 And wasn't the National Resource Defense Council involved,  
12 as well?

13          DR. JASKE: Oh, yes. Miss Edison and other NRCD  
14 staffers have participated in many of them.

15          COMMISSIONER BYRON: Okay, and Dr. Jaske, I just  
16 want to make sure I understand the Errata that you  
17 circulated, that primarily is as a result of comments we  
18 received from NRDC. Is that correct?

19          DR. JASKE: That is correct. I understand they -  
20 - well, I know that they filed comments and I understand  
21 they visited a number of Commissioners and expressed some  
22 concerns, and so this insert is an attempt to both clarify  
23 things that may not have been as clear as they ought to  
24 have been, and also to respond to their concern.

25          COMMISSIONER BYRON: I have a lot of other

1 questions that I am going to forego because I do not want  
2 to drag this on any longer than is necessary, but suffice  
3 it to say to my fellow Commissioners that, as we drilled  
4 down into this over the course of the last two years, there  
5 are a great number of assumptions that staff must make.  
6 Where they get the information that they use to create this  
7 forecast is rather extraordinary, I am looking at a table  
8 that you provided me in a previous correspondence, and I  
9 cannot even begin to explain how complicated it is to pull  
10 together all the different annual, monthly, and quarterly  
11 reports from various sources. Suffice it to say this model  
12 and the analysis does not lend itself easily to  
13 distributing it and providing the data sets; however, could  
14 we do that? Could we provide data sets going forward if  
15 those folks were as interested in that level of detail?

16 DR. JASKE: I believe there are no barriers to  
17 releasing the input data sets and the model codes  
18 themselves. As Chris said, it would take a rather  
19 sophisticated team to be able to assimilate and try to  
20 actually run them successfully.

21 COMMISSIONER BYRON: It is much easier to say we  
22 think it should be more transparent and be made publicly  
23 available. So the last question is, what are we going to  
24 do going forward to make sure that we improve this model in  
25 the next forecast? I know you have covered that in a bit,

1 but if you would give me the short version, I would  
2 appreciate it.

3 DR. KAVALEC: Yeah, as Dr. Jaske mentioned, we  
4 have an effort going on within the Commission, examining  
5 our methodology, determining what we need going forward,  
6 given the outside environment, and in conjunction with  
7 that, the GFEEQP working group has formed a subgroup  
8 specifically to look at modeling methodology issues, so  
9 there is going to be a connection there, and that  
10 connection, we are hoping, will ensure because that  
11 subgroup includes members from the CPUC, that our forecast  
12 is going to be meeting all the needs that the CPUC has,  
13 going forward. So we have internal effort going on with  
14 assistance from GFEEQP. So, as Dr. Jaske mentioned, not  
15 everything will be revamped by 2011, but I think a  
16 significant part of our modeling methodology may be  
17 modified or changed by then.

18 COMMISSIONER BYRON: Madam Chair, thank you for  
19 allowing me to just ask a few more questions. I have some  
20 comments that I would like to make when we close, but I  
21 prefer to open it up at this time if any others have  
22 questions. Maybe I will ask one more thing. Gentlemen, is  
23 there anything else we need to add here, that you wanted to  
24 add that maybe I did not ask you about?

25 DR. KAVALEC: The one thing I will add is that,

1 while we are focusing on modeling methodology, I want to  
2 say that the input data that we get, the continued quality  
3 input data and surveys are just as important to our  
4 forecasting process.

5 MS. JONES: And I think I would just add that,  
6 having been through IEPR since the first in 2003, I believe  
7 that this year there has been a marked improvement in the  
8 release of assumptions and the explanation of assumptions  
9 that go into those models, and so I think that helps with  
10 the transparency issue.

11 COMMISSIONER LEVIN: I agree with that, Ms.  
12 Jones, and I think that is really important going forward.  
13 I had many similar questions, I am glad Commissioner Byron  
14 asked them first. As you know, the Energy Efficiency  
15 Committee has also been looking into this and has had a  
16 number of meetings recently. I appreciate all the work  
17 that staff has put into this, and staff's willingness to  
18 review things and take input -- I would say kind of late  
19 input from NRDC and others, and I think the IEPR Committee,  
20 the IEPR staff, as well as the Demand Forecast staff,  
21 really, to their credit, were very open to late comments  
22 and feedback, and I think that is exceptional and  
23 important. My comments, really more than questions, are  
24 sort of two-fold. I think one of the other assumptions, if  
25 I understood correctly from Ms. Bender, is we do not

1 include assumptions that the Building Code and other  
2 standards will be updated. Is that correct? So we only  
3 build in the efficiency gains from the current Title 24 and  
4 current laws that are already being implemented?

5 DR. JASKE: Yes, that is correct. And --

6 COMMISSIONER LEVIN: You do not have to say more.

7 DR. JASKE: -- given the --

8 COMMISSIONER LEVIN: I am sorry, go ahead.

9 DR. JASKE: -- I almost sort of feel compelled  
10 to. And given the emphasis on not only the consequences of  
11 existing programs, but the prospects of new programs, that  
12 is where the necessity for developing an incremental impact  
13 assessment capability for those new initiatives comes from.  
14 So we, in effect, made a bargain, or made a decision in the  
15 '08 IEPR update that we would continue the committed-  
16 uncommitted paradigm and only include committed things in  
17 the Base Forecast. But we would create this capability to  
18 evaluate going forward policy initiatives, whether they are  
19 our own ratcheted building standards, or federal appliance  
20 standards, or continued utility programs, and that is what  
21 will be coming forward in January as an initial product,  
22 evaluating three scenarios that the PUC staff have  
23 identified, and for use in their procurement proceeding,  
24 and beyond that initial effort, we will continue to be  
25 looking for adaptations of the existing models, or new

1 models that let us take on that task on an ongoing,  
2 permanent basis.

3           COMMISSIONER LEVIN: I think that is really  
4 critical because I think a large part of the public  
5 perception and, to some extent, misperception of the demand  
6 forecast is that we do not build in things. Chairman  
7 Douglas just asked me about television standards, which we  
8 have now adopted, and we know the Building Code will be  
9 updated every so many years. I mean, I think that there  
10 are different categories of extremely likely scenarios, and  
11 then the stretch scenarios that may or may not happen, and  
12 somehow the ones that are on the books now, or virtually  
13 certain business as usual will be on the books every so  
14 many years, somehow -- maybe separately, but somewhere we  
15 do need to build those in because I think that is a really  
16 critical gap. And another starting place would be the  
17 assumptions built into AB 32 on energy efficiency and what  
18 that model looks like. So I think these are important gaps  
19 that we do need to fill in quickly. And for me, it is  
20 actually more about the assumptions, and this goes back to  
21 the transparency issue. I think the more we clarify the  
22 assumptions, what is really in and what is not, the better.  
23 And I think you have done a good job with the Errata, that  
24 is really important, and I think we probably need to  
25 continue to do that as a matter of course so that the

1 stakeholders, including other policy makers, understand  
2 what is in and what is out. I did also want to say, I  
3 think the staff have done a great job of working with the  
4 Public Utilities Commission on this, again, including some  
5 of these late kind of developments and concerns that were  
6 raised, coordinating with the PUC, because I think it is  
7 important to separate out what our role is in terms of the  
8 demand forecast, generally load all of that compared to the  
9 PUC's role of attributing this to specific programs and  
10 compensation. But for all these reasons, in looking at the  
11 assumptions, I think there is a lot of work still to be  
12 done on this and I look forward to hearing more in the not  
13 very distant future because this is critically important.  
14 Anyway, those are my comments. But, thank you.

15 CHAIRPERSON DOUGLAS: Well, thank you,  
16 Commissioners Byron and Levin. You have asked most, if not  
17 all, my questions. I did want to verify, the TV Standards  
18 that were recently adopted are not assumed in the demand  
19 forecast. Is that right?

20 DR. KVALEC: They are not.

21 CHAIRPERSON DOUGLAS: So, you know, I appreciate  
22 your work on this and the changes the demand forecast has  
23 gone through, the increased transparency, the release of  
24 the input assumptions. I think that moving forward we will  
25 be able to continue to move in that direction and continue

1 to provide ever greater openness about the tool, while  
2 obviously also maintaining its effectiveness as a forecast  
3 and the methodology that is needed to do a sound forecast,  
4 and so I know that you are moving in that direction and  
5 will continue to. And, obviously, the demand forecast is  
6 one of a number of very important analytical exercises or  
7 products, this one coming out of the Energy Commission, but  
8 there are a number of analytical products coming out of the  
9 ISO and the PUC, and increasingly it is, of course, I  
10 think, increasing important and helpful for us to be  
11 closely coordinated with other agencies so that, when we  
12 look at our analyses vs. theirs, we are comparing apples to  
13 apples, and we can create in that way greater transparency  
14 for stakeholders and for each other in analyzing  
15 California's energy system in its many and various  
16 manifestations. So I appreciate your hard work on this and  
17 I am strongly supportive of it. I think that is all I  
18 wanted to say. I have no blue cards. Is there any public  
19 comment on this item?

20 COMMISSIONER LEVIN: I do have one question  
21 before there is a motion. Is it possible, still, to add  
22 one more point to the Errata from the Dais? Because I  
23 think that adding as part of the caveats, it would be  
24 helpful now to explicitly -- the television -- energy  
25 efficiency gained from the Television Standards is not

1 included. I would propose adding that if that is possible  
2 procedurally and if my fellow Commissioners agree.

3 COMMISSIONER BYRON: I believe so, in fact, it  
4 probably should be made more general, should it not, you  
5 know, given that these forecasts take time to do and there  
6 is probably -- there may be other things that are not  
7 addressed here, other standards perhaps? Or is it just the  
8 TV Standards that have happened since we began the  
9 forecast?

10 DR. KAVALEC: Well, we have the 2008 ratcheting  
11 up of Title 24 that is actually not going to happen until  
12 2010, so that should probably be mentioned, too, since that  
13 is a near term standard change.

14 COMMISSIONER BYRON: So, Commissioner Levin, my  
15 suggestion would be that they add a caveat that makes it  
16 clear that certain information -- certain action by this  
17 Commission with regard to updating standards since a  
18 certain date or something has not been included, and that  
19 would cover it, wouldn't it? Unless you explicitly want to  
20 say TV Standards?

21 COMMISSIONER LEVIN: Only because we have  
22 formally adopted those already, I think it is appropriate  
23 to call them out, but then also with a more general caveat  
24 of upcoming standards.

25 COMMISSIONER BYRON: Then let's list those, as

1 well.

2 CHAIRPERSON DOUGLAS: It sounds like you have  
3 some work --

4 COMMISSIONER BYRON: Any difficulty?

5 DR. JASKE: No, that is fine.

6 DR. KAVALEC: That is okay with us, I do not know  
7 about the procedural part.

8 COMMISSIONER BYRON: We will give you latitude to  
9 add that additional caveat. If it is all right, Madam  
10 Chair, I would like to make a few closing comments with  
11 regard to the effort on behalf of the IEPR Committee.

12 We have been working on this for a long time.  
13 You know, this California Energy Demand 2010-2020 staff  
14 revised forecast is extremely important. I count at least  
15 three places that the document is used. At the Public  
16 Utilities Commission, they rely on the forecasts for the  
17 utilities procurement, as well as their 33 percent RPS and  
18 GHG planning, going forward; the ISO uses the forecast for  
19 its transmission planning purposes, and the way that energy  
20 efficiency is treated in the forecast is key, given the  
21 importance of this resource in our loading order and the  
22 influence those demand side assumptions have on the need  
23 for investment in other supply side infrastructure.  
24 However, historically our forecast has always, it seems,  
25 been somewhat contentious, it does not lend itself to easy

1 dissection and independent verification. The results are  
2 not always embraced by those that read the results;  
3 sometimes they are too high, sometimes they are too low.  
4 It is fair to say that we probably will never get it  
5 completely accurate. And the attribution of the energy  
6 efficiency savings is a deficit that the Energy Commission  
7 has begun to address with more detailed assumptions going  
8 forward. But these have always, it seems to me,  
9 contributed to the contentiousness of the results. The  
10 report's energy consumption and peak forecast are lower  
11 than the forecast from the previously produced IEPR in  
12 2007, and as we discussed earlier, primarily because of the  
13 worsening economic situation. In my estimation, this is  
14 the most important driver in our forecast, and there is a  
15 lot of discussion around the others, but this is really the  
16 key. And as Dr. Kavalec reported, consumption is down.  
17 Our forecast shows it is down by more than 5 percent and  
18 peak demand is down by almost 4 percent in 2018. This is a  
19 slight increase from the projections that we did earlier in  
20 the summer, and they were revised based upon less  
21 pessimistic economic projections. We have had the staff  
22 look at this very carefully because of the implications of  
23 under-estimating demand. We had a lot of workshops, as we  
24 have indicated, we also have the working group that has  
25 been meeting a number of times over the course of the last

1 year, and will continue to meet. We encourage the Public  
2 Utilities Commission, the utilities, and other constituents  
3 such as NRDC to participate, we welcome their input and  
4 their oversight.

5 In addition to the electricity and natural gas  
6 system assessments, this forecast includes a major staff  
7 effort to improve the measurement and attribution of  
8 efficiency impacts within the forecast. This expanded  
9 staff effort was initiated in response to stakeholder  
10 comments received in previous IEPRs. Also, revisions to  
11 the forecast reflects the valuable input, including adding  
12 projections for electric vehicles, impacts of photovoltaic  
13 systems, and re-running the model to include the recent PUC  
14 adopted energy efficiency programs for 2010 to 2020 have  
15 been included.

16 So we have received a number of public comments.  
17 If I could summarize, the comments in the last two weeks  
18 have focused in two specific areas, one is on more  
19 transparency and the second on questions on the attribution  
20 of energy efficiency. Now, that is primarily allocating  
21 the savings to utility programs, building in appliance  
22 programs pricing and market effects, and other things that  
23 I do not understand, not being an economist.

24 Let me summarize, I welcome the suggestions for  
25 continued improvement on the forecasts, and I believe that

1 we should continue be committed to conducting a transparent  
2 process, as I believe we have, and I encourage the parties  
3 to participate in the working group, which I will properly  
4 call out as the Energy Efficiency Quantification Project  
5 Working Group, an acronym that we do not like to use. With  
6 regard to attribution, our staff has initiated significant  
7 effort to account for energy efficiency savings in the  
8 forecast and to attribute savings to the various efficiency  
9 initiatives, including standards, utility programs, and  
10 those price and market effects I mentioned. And this  
11 initial effort has produced results and new questions have  
12 been generated. We agree with the parties' comments that  
13 more work is needed in this area and, again, I solicit  
14 their active participation. We also see greater  
15 opportunity to collaborate on the measurement and  
16 verification studies that are being conducted by the PUC,  
17 which can shed new light on the market transformation  
18 effects of both utility programs and standards. It is not  
19 enough to forecast and take the utilities at their words,  
20 we need to do the measurement and verification. It is also  
21 advantageous to us to only adopt one state demand forecast,  
22 it would be a waste of public and stakeholder resources to  
23 have separate forums, and good public policy decisions on  
24 renewables are the net short of renewables calculations,  
25 the GHG reduction targets, and needed new infrastructure

1 depend on getting a forecast that can be relied upon. I  
2 believe one forecast is the right approach. Demand model  
3 methodology evaluation project, the staff has committed and  
4 has begun an intensive and in-depth demand modeling  
5 evaluation that is probably the most intensive since the  
6 Commission's inception, and that is according to the  
7 Electricity Supply Analysis Division Deputy Director. So  
8 that will address modeling and process improvements, it  
9 also should be, and will be, done in close consultation  
10 with the PUC and the Energy Efficiency staff here at the  
11 Energy Commission. And it will be matched to the PUC's  
12 Long-Term Procurement Planning process. So, to conclude,  
13 the demand forecast that we are about to put out is most  
14 certainly wrong, no forecast except the one in hindsight,  
15 will be correct. I inherited this task two years ago and I  
16 have come to appreciate the complexity of the problem,  
17 there continues to be room for improvement, but I am also  
18 satisfied that the staff has done a thorough and objective  
19 job of creating this forecast. Gentlemen, to you and your  
20 staff, I think it is a job well done.

21 I recommend the adoption of the forecast with the  
22 Errata as modified by Commissioner Levin, and I also  
23 recommend that we get to work on improving the next demand  
24 forecast. We will conduct our first workshop next month.

25 If there are no further questions, I move

1 approval of the staff's Demand Forecast in Item 12 on the  
2 Agenda.

3 COMMISSIONER LEVIN: Just to clarify before I  
4 second, with the Errata and the addition to the Errata,  
5 correct?

6 COMMISSIONER BYRON: Correct.

7 COMMISSIONER LEVIN: Second.

8 CHAIRPERSON DOUGLAS: All in favor?

9 (Ayes.)

10 The item is approved. Thank you.

11 Item 13. Minutes. Approval of the November 18<sup>th</sup>,  
12 2009 Business Meeting Minutes.

13 COMMISSIONER LEVIN: Move for approval.

14 COMMISSIONER BYRON: Second.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 Item 14. Are there any Committee presentations  
18 or discussion today?

19 COMMISSIONER BYRON: Just a quick item if I may.  
20 The State Water Resources Control Board, and really, this  
21 is for the benefit of my fellow Commissioners, held a  
22 workshop yesterday on their proposed ruling on once-through  
23 cooling. Staff was in attendance and provided support of  
24 the approach that the Board is taking. I believe the  
25 Chairman of that Board also directed the three energy

1 agencies of the state to work together going forward, one  
2 of those agencies had the audacity, namely the Independent  
3 System Operator, to propose that they should be able to  
4 usurp the rule at any time and identify a power plant that  
5 might be needed for reliability purposes, and should not be  
6 shut down or retired as a result of this rule. Needless to  
7 say, that was not very well received by the Board. But I  
8 think that our staff has taken the right approach here, we  
9 will continue to provide leadership on the working group of  
10 these three energy agencies, and the State Water Resources  
11 Control Board. I also believe the director may have  
12 directed us to proceed with a Memorandum of Understanding,  
13 I have not verified that yet, but they seem to feel the  
14 need for some sort of long-term assurance that, over the  
15 next eight to 10 years, these agencies will continue to  
16 work together and address the appropriate shutting down,  
17 repowering, or re-cooling of these coastal plants without  
18 affecting reliability.

19           The other thing I wanted to mention, and I  
20 suspect that our Executive Director will bring it up, but I  
21 was just shocked and outraged to read about this recent  
22 audit that was conducted of our ARRA spending efforts, but  
23 I will reserve my comments around that until the Executive  
24 Director reports.

25           CHAIRPERSON DOUGLAS: Thank you, Commissioner

1 Byron. All right, we are nearly there.

2 Item 15. First, is there a Chief Counsel's  
3 Report?

4 MR. BLEES: Yes, thank you, Chairman Douglas,  
5 Commissioners. A brief report on transitions in the legal  
6 office. This past Monday, we said a sad farewell to Mr.  
7 Television, Bill Stack. We intend to have his replacement  
8 on board by the first week of the New Year. I am also very  
9 pleased to introduce to you today, on her very first day  
10 here, Renee Webster Hawkins. Renee served in the Armed  
11 Forces immediately upon graduation from high school, then  
12 attended Sierra College, then obtained a BA with Honors in  
13 History from U.C. Davis. She then attended the Stanford --  
14 no, Leland Stanford Junior University School of Law. We  
15 had to wait until Bill Chamberlain retired in order to sign  
16 her papers. Following her graduation from Stanford, she  
17 clerked for Judge Carlton of the Federal District Court.  
18 She has worked for the State Department of Fish and Game,  
19 has worked as well for one of the leading environmental law  
20 firms in the state, Remy, Thomas, Moose and Manley.  
21 Recently, she has served as both Chief Counsel and  
22 Executive Director of the Department of Community Services,  
23 which, as you know, has been, like our agency, distributing  
24 a fair amount of ARRA funds, and I believe that Renee has  
25 already done some work this morning on the MVE ARRA

1 contract, so no rest even for the newbie's. I want to  
2 thank Gina Tossi Smith and her staff, there were a few  
3 unexpected potholes along the way to bring on Renee,  
4 unfortunately, some of the potholes were dug by my own  
5 office, and thanks to Renee's patience and Gina's work, we  
6 were able to navigate around them and finally welcome  
7 Renee.

8 COMMISSIONER BYRON: Ms. Hawkins, welcome. My  
9 office is open, if you ever need a respite for whatever  
10 reason, downstairs.

11 CHAIRPERSON DOUGLAS: Absolutely. Welcome.

12 Item 16. Executive Director's Report.

13 MS. JONES: Good morning, Madam Chairman and  
14 Commissioners. I wanted to report on a couple of things  
15 related to ARRA. I will go to the issue that was raised by  
16 Commissioner Byron. The Bureau of State Audits did release  
17 a report addressing our preparedness to distribute ARRA  
18 dollars. It was not actually an audit, although that is  
19 how it has been cast, it was officially called a "Review  
20 for Preparedness." The BSA's findings concluded that the  
21 Energy Commission has made little progress with the State  
22 Energy Program, that the contract money has not been spent,  
23 and that there is a lack of internal controls to ensure  
24 funds are used appropriately. We strongly disagree with  
25 many of the findings of BSA in the report. We did file a

1 Letter of Comments rebutting some of the assertions that  
2 were made, which is attached in the back of the report, and  
3 we have distributed the report to all your offices. I  
4 would like to note that, in our response, we did point out  
5 that one of the reasons why it is taking longer than we  
6 originally anticipated to distribute ARRA funds is because  
7 we have an open, transparent public process that we have to  
8 go through. We also had to get legislative authority to  
9 develop guidelines, rather than regulations. And then  
10 again, we have internal controls with control agencies.  
11 And so all of these things have led to some delay, but we  
12 anticipate that the majority of SEP money will be  
13 encumbered in April of this year, and several months in  
14 advance of when it needs to be. We do agree that we could  
15 document our internal controls better and we are actually  
16 seeking assistance on our internal controls and on the  
17 issues of fraud and abuse. We have an RFP out on the  
18 street to assist us in taking on these new responsibilities  
19 and to beef up our internal controls and meet the fraud and  
20 abuse requirements that are fairly stringent from the  
21 Federal Government. And if you have any other questions, I  
22 would be happy to answer them.

23 CHAIRPERSON DOUGLAS: I believe that there are  
24 either questions or comments, or both, from all of us at  
25 this point. Commissioner?

1           COMMISSIONER LEVIN: I just have one question. I  
2 have not had a chance to read the report word for word, but  
3 I did notice it seemed to be assuming that the only monies  
4 we have spent so far are the agreement with GDS, and the  
5 green workforce training money, but I did not see any  
6 inclusion in the report of the ECCA loans that we have made  
7 with ARRA funds, which seemed like a fairly significant gap  
8 in money we have already gotten out the door.

9           MS. JONES: They did not include ARRA funds for  
10 ECCA loans, the ARRA funds that we are using. Mark, do you  
11 by any chance know the total?

12           MR. HUTCHISON: Yeah, we actually identified  
13 during their audit, and we provided I think Minutes from  
14 the Business Meetings where the loans were approved, and we  
15 also clarified in our rebuttal, in our response back, that  
16 not only did we have something on the order of \$6 million  
17 in ECCA loans approved, but we had -- I think we had  
18 reported back at the time it was \$35 million in  
19 applications in-house. By the time we finalized that  
20 response, that number had actually gone up to almost \$46  
21 million. So we provided information, but they chose for  
22 whatever reason, perhaps because they had been to a  
23 business meeting, but it had not been executed, in other  
24 words, signed by both parties, and that may be the reason  
25 why they did not include that. But we certainly provided

1 that information to them.

2 COMMISSIONER LEVIN: Well, and with today's  
3 approval, I assume that the number of actual approvals is  
4 also much higher, in addition to the number of applications  
5 received?

6 MR. HUTCHISON: Correct.

7 COMMISSIONER LEVIN: Okay, thank you.

8 COMMISSIONER BYRON: I will be very brief, Madam  
9 Chair. Call it an audit or an assessment, I think it was  
10 poorly poorly done and I am completely satisfied, after  
11 recent briefings from staff, from you, and the updates that  
12 I have read as a result of the response to the assessment,  
13 that this Commission is conducting this process in as  
14 expedited and thorough and with the best oversight I think  
15 we can possibly provide. I do appreciate the  
16 recommendations that you have embraced in the assessment,  
17 and I take it as a Commissioner that the intent of this  
18 assessment, for me, is to make sure we provide complete  
19 oversight, and we will continue to request you provide us  
20 with updates on a regular basis, if not at these meetings  
21 and other briefings. I will pay even closer attention to  
22 this than I have in the past. But, again, I want to  
23 reiterate my assessment that this was poorly conducted and  
24 really did not get at anything new that we are not fully  
25 aware of, and the conclusions I find wholly inaccurate.

1           CHAIRPERSON DOUGLAS: Thank you. I did take that  
2 audit home with me -- or the assessment home with me, and  
3 got through a fair amount of it, not quite all of it,  
4 although certainly the major assertions that were made  
5 there. I think that, as our Executive Director has just  
6 said, the recommendation, or the observation by BSA that  
7 internal control at the Energy Commission for expending  
8 this new chunk of money could be better is a fair point to  
9 make and, in fact, we know we agree with it because we are  
10 moving forward to put those controls in place, and I do not  
11 think that was adequately acknowledged. Beyond that, I  
12 think my main criticism of the report is its narrow focus  
13 on speed and its, I think, overblown concern that we might  
14 miss deadlines for obligating expending the money, where  
15 frankly we have a fairly comfortable margin of error for  
16 getting that money out. And we are looking at spending the  
17 money several months -- four or five months, at least,  
18 before the actual deadline. As we move forward -- or as we  
19 have developed these programs, I will say I think there is  
20 also a lack of recognition of other factors that need to be  
21 balanced and that are being balanced, besides speed, as we  
22 move forward to develop these programs. We need to move  
23 quickly and we want to get jobs. We want to get the money  
24 into the economy ASAP. We need to have controls,  
25 accounting, metrics, and in fact the stimulus requires

1 controls that go well beyond anything that has been  
2 required in the past from federal grants. So there are new  
3 controls that have to be put in place, and, in fact, I  
4 compliment staff for looking to keep those controls and  
5 institutionalize them in many cases, and apply them to our  
6 other programs. So I think that this exercise will leave  
7 us much stronger once we are through it, in terms of our  
8 internal controls, and I think that is all for the better.  
9 We also have to ensure that the programs we put in place to  
10 expend this money bring real and lasting benefits to the  
11 State of California. We can move quickly and we could  
12 account for every single job and every single dollar, but  
13 if all we are doing is paying people to dig holes and fill  
14 them in again, we have not done anything, we have not  
15 created any lasting benefit, and that is where I believe  
16 that the Commission and staff through our public process  
17 has done a very good job. I think that we have put in  
18 place programs that will over the long term increase the  
19 efficiency of the California economy, save local  
20 governments and private parties, homeowners, depending on  
21 who wins in public solicitations for the money, money on  
22 their electricity bills and on their fuels costs, over the  
23 long term I think there are opportunities to create not  
24 only lasting efficiency benefits, but programs that create  
25 a lasting demand; in other words, a sustainable higher

1 level of demand for certain types of jobs that will also  
2 increase the efficiency of our energy economy and bring  
3 lasting benefits to Californians. I was concerned and felt  
4 that it was a weakness of the report that the quality of  
5 the programs in place was not mentioned or a consideration.  
6 Beyond that, there is the concern for fairness and  
7 integrity of the process. It is important to all of us  
8 that the benefits of the stimulus are distributed on the  
9 basis of merit as opposed to, say, political connections  
10 for other means of accessing this one-time money, state  
11 contracting laws that put forth requirements for contracts,  
12 state laws that require us to put in place rules for how we  
13 will distribute the money, develop those rules through a  
14 public process, provide stakeholders with sufficient time  
15 to have real input, going above and beyond, in our case, by  
16 making sure that we went up and down the state to diverse  
17 areas, Central Valley, Central Coast, Southern California,  
18 Northern California, to get input was part of setting up a  
19 fair and open process, and it is also part of ensuring that  
20 there is some reasonable amount of geographic diversity,  
21 that programs are set up with recognition of the diversity  
22 of this state, that those most in need, both hardest hit  
23 regions and hardest hit populations, wherever they are in  
24 the state, have some ability to actually access the  
25 benefits of stimulus, and that state laws requiring us to

1 develop rules and guidelines through processes and obligate  
2 money through processes are followed. You know, obviously  
3 when we respond to concerns about speed by saying, "Well,  
4 we had to follow the process, we had to follow the  
5 process," there is a danger of sounding bureaucratic, there  
6 is a danger of sounding less responsive, but I believe, and  
7 I think this institution has internalized and believes the  
8 public benefit of these requirements, both the public  
9 benefit of having a fair and open public process, and the  
10 public benefit of having rules that guide our contracting  
11 and distribution of money, and oversight agencies that  
12 ensure that this is done according -- in an above-board way  
13 is really important. And it is okay. In some cases it  
14 costs us weeks, and in some cases these requirements may  
15 cost us a month, but they are an important part of the  
16 system, they are part of the world that we operate in. And  
17 we do operate under a system of state law, federal law, and  
18 in our own interpretation of our process, and in many cases  
19 I know we have gone above and beyond in looking for ways to  
20 shave a week off here, or a couple weeks of there, and  
21 still meet these policy goals and still comply with state  
22 law. I do not think that was acknowledged. And I do not  
23 think the public benefits that were served by going through  
24 a public process and complying with sometimes challenging  
25 requirements for expending funds were fully acknowledged.

1 These laws are not an inconvenience to be circumvented,  
2 they add value, and they protect the public interest. It  
3 is possible to develop programs in a reasonable timeframe,  
4 quickly, with controls, that provide real and lasting  
5 benefits through a fair and open process and in accordance  
6 with state contracting requirements, it is possible. And,  
7 Commissioner Byron, I agree with you when you say, "I  
8 believe that we are doing it." There are trade-offs, when  
9 you think about whether we need to work in an additional  
10 workshop, an additional part of the state, because we are  
11 not sure if we have heard from that constituency, or when  
12 we get comments in on proposed guidelines and we think,  
13 boy, we might need to make changes, but if we make changes,  
14 that means we have got to put it out for another 15-day or  
15 10-day review period and take more comments, so that there  
16 are trade-offs between these different factors. But  
17 nevertheless, I think it is possible to move forward in a  
18 reasonable way that fundamentally achieves these goals, and  
19 I think the Commission is on track to do that, and so I  
20 want to compliment staff. And I hope that we continue to  
21 work with BSA and other oversight in auditing functions,  
22 and move forward to articulate what we are doing, why we  
23 are doing it. I am not frankly surprised at the narrow  
24 focus on speed, but I think in the long run we are not just  
25 going to be judged on speed, and we are not just going to

1 be judged on whether we counted the dollars right, we are  
2 going to be judged on whether we have created a legacy of  
3 benefit for the State of California while acting quickly  
4 enough and creating as many jobs as we can, and through a  
5 process that has integrity, and hopefully providing  
6 benefits to a diverse constituency geographically and so  
7 on. So I want to compliment you for your work and also  
8 welcome, and I think from the Commission, we are very  
9 engaged and very focused on this, and I think we will need  
10 to be increasingly so as we move forward here because it is  
11 fair that questions will be raised, and it is inevitable  
12 that questions will be raised, and I think the values of  
13 this institution and the way that we work is to address  
14 them in the open process, and that is obviously what we  
15 will do and what we will continue to do.

16 CHAIRPERSON DOUGLAS: So anything else, Ms.  
17 Jones?

18 MS. JONES: I just wanted to mention that there  
19 is a legislative ARRA hearing that is scheduled on December  
20 9<sup>th</sup>, the Department of Finance is taking the lead on that,  
21 and all departments and agencies administering ARRA funds  
22 are expected to be there, so we will be planning for that.

23 On the Energy Efficient Appliance Rebate Program,  
24 I wanted to let you know that the Negative Declaration and  
25 Proposed Guidelines for the Rebate Program will be coming

1 to you at the December 16<sup>th</sup> business meeting, and we expect  
2 to issue RFPs for the rebate services following the  
3 approval of those guidelines in that environmental  
4 statement. That is a \$35.2 million program that is aimed  
5 at clothes washers, refrigerators, and room air  
6 conditioners. We tentatively are assuming that the rebate  
7 purchase period will be from March 10 through late April.

8           On the California Energy Work Force Training  
9 Program, today there is a meeting going on, it is an  
10 interagency meeting here at 2:00 in our hearing room, and  
11 so we are moving forward with our work force investments.  
12 And then I would just note one other thing that, at the  
13 Energy Action Plan Meeting between the Energy Commission  
14 and the PUC and the ISO, which is scheduled for December  
15 15<sup>th</sup>, we will be bringing forward summaries of all of our  
16 ERRA work and a number of other ongoing efficiency and  
17 other efforts within the Commissions.

18           CHAIRPERSON DOUGLAS: Thank you. Item 17.  
19 Public Advisor's Report?

20           MS. McMAHON: Good morning. I have a couple  
21 items, as well. Next week we have two site visits and  
22 informational hearings which I will be attending, as well  
23 as a new staffer that I have in my office, Jim Davis. The  
24 first one is Abengoa Mojave Solar, that is going to be on  
25 the 9<sup>th</sup> in Barstow; the second is Genesis Solar, that is



I, KENT ODELL, 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 \_\_\_\_\_ day of December, 2009.

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KENT ODELL