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BUSINESS MEETING  
 BEFORE THE  
 CALIFORNIA ENERGY COMMISSION

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

WEDNESDAY, APRIL 7, 2010

10:00 A.M.

Reported by:  
 Peter Petty

 ORIGINAL

## COMMISSIONERS PRESENT

Karen Douglas, Chair

James D. Boyd, Vice Chair

Robert Weisenmiller

## STAFF PRESENT

Claudia Chandler, Deputy Executive Director

Jonathan Blee, Chief Counsel

Jennifer Jennings, Public Advisor

Harriet Kallemeyn, Secretariat

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

APRIL 7, 2010

10:09 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the April 7th, 2010, California Energy Commission Business Meeting.

Please join me in the Pledge.

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

CHAIRPERSON DOUGLAS: All right, beginning with the Consent Calendar, Item 1.

VICE CHAIR BOYD: I will move the Consent Calendar.

COMMISSIONER WEISENMILLER: Second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

The Consent Calendar is approved.

Item 2. California Alternative Energy and Advanced Transportation Financing Authority. Mr. Rillera.

MR. RILLERA: Good morning, Chairman, Commissioners. My name is Mike Smith. I am the Deputy Director for Fields and Transportation here at the Commission. And to my right is Mr. Larry Rillera, who will be managing the project that you are considering today. I want to make a couple of very quick points and then I want to turn it over to Larry to give you the details of the proposal. But the interagency agreement that you are considering today represents a very significant

commitment by the Energy Commission in implementing the first investment plan that was adopted by the Commission back in April of this year. So this is a major piece of our strategy in implementing that plan and moving fuels and vehicles into the marketplace. I also want to point out that this represents the Commission's commitment of AB 118 funds, for the most part, as part of the Clean Energy Business Finance Program. You may recall that that included both SEP money, Federal ARRA money, and AB 118 dollars. This interagency agreement allows that commitment of AB 118 dollars to occur. Lastly, I want to point out, acknowledge Ms. Jan McFarland and Mr. Michael Paparian. Ms. McFarland is the Executive Director for the Alternative Energy and Advance Transportation Funding Authority, and Mr. Paparian is the Executive Director for Pollution Control Authority. Both of these authorities, we will be working with and implementing this interagency agreement, and I must say that this has been a long and somewhat winding road to get to where we are here today. But I cannot express enough our gratitude for the openness and the motivation and the willingness of both Ms. McFarland and Mr. Paparian and their respective staffs in working with us and exploring opportunities, going down one road, hitting a dead end, exploring another road, they have been very motivated - they are very motivated partners and their expertise and their willingness to work with us has basically brought us here

today, so we are very happy to be having the opportunity to work more closely with them moving forward into the future. So with that, I will turn it over to Mr. Rillera to explain in detail what we are about to do.

CHAIRPERSON DOUGLAS: Thank you.

MR. RILLERA: Good morning Chairman and Commissioners, Larry Rillera with the Fuels and Transportation Division. I am here today to present on the interagency agreement between the Energy Commission and the California Alternative Energy and Transportation Financing Authority, also known as CAEATFA. CAEATFA is one of the many authorities underneath the State Treasurer's Office, and as Mike had mentioned, the Pollution Control Financing Authority is the other entity that the Commission staff is engaged with. As Mike had articulated, this has been a long journey and process that has been helpful on both sides, as we develop the tools and financing structures and mechanisms to implement the 118 program to success. The purpose of the agreement is to facilitate the implementation of the 118 program through the mechanisms and relationships and authority they have directly underneath CAEATFA and the Pollution Control Authority. The Agreement is up to \$100 million for CAEATFA to begin work in designing various financial assistance mechanism and structures needed to support candidate projects for the AB 118 program. Such financing structures will include the hiring of

financial advisors, trustees, and by staff of the various entities. Of the \$100 million included in this interagency agreement, \$40 million will be used initially as a disbursement for three upcoming solicitations. The types of financing assistance that CAEATFA will provide to the Energy Commission will include such things as loans, loan guarantees, credit enhancements, and structuring bonds and bond financing. There will be a need to develop interdepartmental coordination and partnerships with other state entities such as the Department of Finance, the Controller's Office, as well as the entire financial development community, as well.

Staff has been engaged with CAEATFA over the past year and, as Mike also articulated, it has been very very fruitful and we are looking forward to the next chapter and implementation of the 118 program. And with that, staff asks for your approval of the agreement.

VICE CHAIR BOYD: Madam Chair?

CHAIRPERSON DOUGLAS: Please.

VICE CHAIR BOYD: Some comments. I wanted to join Mr. Smith in his thanks to the staff of the Treasurer's Office and I want to compliment Mr. Smith, Mr. Rillera, and others on the staff who worked on this project. And Mr. Smith made reference to the long and winding road, Larry, you used "long journey," but I should compliment you for not saying "the long and winding and typically bureaucratic road" that we have to

travel in government. But the good news is you got to the end of that journey, or that long and winding road, in what in my long experience in government was a much shorter period of time than one would have predicted, even though it was long. And with a incredibly positive outcome. I mean, this is a very very - to me - very significant piece of work, and a significant process that has been established with regard to our ability to help those who have operations that will create jobs, will address green jobs and green tech, address our transportation issues that AB 118 so envisioned that we would be able to do in California with some money to help people through the Valley of Death, or just get over a couple of hurdles before their projects can catch on and get financing from the private sector, most appropriately and so on and so forth. So I think this is very significant. Ms. Chandler, I hope this is worthy of some kind of notoriety, and Lord knows we can use some positive notoriety these days. And in my humble opinion, this far outshadows the insignificance of some of the things that there have been criticisms of, of late. Picky picky. Let's see if the press is capable of talking about the good things that State employees do and that the California Energy Commission employees do. In any event, my hats off to the staff and the State bureaucracy for this project; we have been waiting, working with you in the Transportation Committee for quite some time to see you carry

this off, and this is a banner moment in terms of the significance of this, to moving 118 money into the California economy and, as I said, stimulating that economy. So thank you for the effort and, as Chair of the Transportation Committee, I would proudly make a motion to approve this proposal and with - well, that is my motion, end of motion. Last quick comment, although you did not say it, I think it needs to be stated that \$100 million is a lot of money and it is a scary sounding amount of money to some people with regard to a lump sum approval. But you will be bringing to the Commission the individual projects as they come up. This is a kind of blanket approval of an up to \$100 million worth of work, and I hope we can do that much. But in terms of the individual projects, I know we will be seeing them appear as you process them through to the Treasurer's Office. Correct?

MR. RILLERA: Staff will be bringing those forward.

VICE CHAIR BOYD: Thank you.

COMMISSIONER WEISENMILLER: I wanted to congratulate folks on getting this organized. I was going to indicate that I think, Mike, you have done very well in terms of getting this in good hands. I was going to say I have known Mike Paparian for decades, back to the time when he was the Sierra Club representative in Sacramento, and also Jan McFarland, who was an intern first in the Chair's office, and then in my office, again, decades ago. So, as said, this is a lot of

money and a lot of responsibility, but you are putting it in very good hands.

CHAIRPERSON DOUGLAS: And I will just add on my two cents. I am very pleased to see this item move forward and I am also very cognizant of the obstacles that you have overcome and the work you have done to get us to this point. This is going to be a tremendous benefit to the State of California. This funding is going to help put people to work, it is going to move our alternative fuels and transportation agenda forward in the way that AB 118 certainly contemplates, and it is a tremendous achievement. So great work.

COMMISSIONER WEISENMILLER: I would like to second this.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved. Thank you very much.

MR. SMITH: Thank you very much.

CHAIRPERSON DOUGLAS: Item 3. Perry-Smith, LLP. Possible approval of Contract 150-09-004 for \$3.75 million with Perry-Smith, LLP, to provide auditing and consulting services to the California Energy Commission for programs funded under the American Recovery and Reinvestment Act of 2009. Mr. Hutchison.

MR. HUTCHISON: Thank you, Chairman Douglas and good morning, Commissioners. Mark Hutchison with the Commission's

Executive Office. The contract before you will be instrumental in assisting us with improving internal controls and ensuring accountability and proper expenditure of Federal Stimulus Funds. This audit and consulting services contract will provide for risk assessments and financial reviews of all four ARRA grants awarded to the Commission, totaling \$314 million. Additionally, the contractor will conduct an organizational assessment of Energy Commission internal controls and procedures to provide recommendations for improvement, and assist staff with communication efforts to sub-recipients, stakeholders, and state and federal agencies. This contract complements the Monitoring Verification and Evaluation contract you approved at the March 24<sup>th</sup> Business Meeting. These combined efforts will provide both technical and financial reviews of ARRA funded recipients to ensure proper expenditure of funds, project completion and success, and collection and validation of performance data. Your approval of this contract is requested and I am available to answer any questions.

CHAIRPERSON DOUGLAS: Thank you, Mr. Hutchison. I appreciate your bringing this forward. This is another contract that we have looked forward to seeing and we are eager, obviously, to get the services of Perry-Smith underway, and to work with them. And obviously, transparency, audit trails, MV&E's, this is a very important part of ARRA, and it

is an important part of what we will be doing. So I appreciate you bringing this forward. Commissioners, do you have any questions or comments?

COMMISSIONER WEISENMILLER: Just to second your point. Obviously, the ARRA contracts are very important to the State, give back in terms of jobs in the economy, and certainly this contract is a key part of our program in terms of administering those contracts, so I certainly appreciate staff pushing this forward.

VICE CHAIR BOYD: I will move approval as kind of with the Chairman as a member of the Management Budget Committee, but I know the ARRA Ad Hoc Committee is the one that has overseen this. But this has those fiscal ramifications that we worry about and the protections that we are going to establish for ourselves, so it is very timely, indeed. So I move approval.

COMMISSIONER WEISENMILLER: I will second it.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved. Thank you, Mr. Hutchison.

Item 4. California State Controller's Office.

Possible approval of Contract 400-09-010 for \$334,000 with the California State Controller's Office to issue checks on behalf of the Energy Commission to eligible California citizens for the California Cash for Appliances Program. Ms. White.

MS. WHITE: Good morning, Commissioners. I am delighted to be before you today to present this item, which is an interagency agreement with the State Controller's Office to assist us in implementing the State of California's Cash For Appliances Program, which is a part of the State Energy Efficient Appliance Rebate Program being instituted by the Department of Energy. This is a very exciting program for us because it is the first of its kind at the State level. We, of course, have many utilities and manufacturers that issue rebates, but as a part of the Economic Stimulus focused here in California, we recognize that individuals need to get involved in making the economy move. One way of doing that is to provide them with incentives to buy highly efficient appliances that will not only save them money at the beginning, but over the life of the product.

The State Controller's Office will be working with us hand in hand in implementing the administrative portion of this program. We have established an excellent working relationship with them, and a team which essentially has committed to us shoulder to shoulder in making this program a success. Because of its uniqueness, we have had to look at traditional processes and allow them to still be state processes that meet all of our requirements, but wherever possible to make them lean, efficient, much more responsive to time requirements to ensure that the Stimulus dollars get out

in a responsible, transparent, but expeditious manner. We are hoping to institute a program that allows us to do turnaround of these checks in a way that we have not seen done before at the state level. And when a valid check comes forward, or a valid claim comes forward, working with the SCO, being able to turn them around in five to seven business days, getting them out to the public, is an exceptionally efficient program. The checks that we are going to be issuing are for the refrigerators, the washing machines, and the air-conditioners that Californians seem to demand the most of all of the appliances. We have chosen appliances that have the broadest appeal to consumers in California. We have set our rebate levels at levels that entice them to really choose those highly efficient products and not really see any of the price differentials, make them far more appealing and cost-effective in terms of these initial purchases. We are very happy that the State Controller's Office has committed to us to make this program a success, and I ask your approval of this interagency agreement. Oh, before you make any comments, I do have one correction to make, now given my initial presentation; we did find a typographical error in the actual amount that is before you. The contract amount is actually for \$339,000, not \$334,000. We really apologize for that error, but it was just noticed this morning.

CHAIRPERSON DOUGLAS: Thank you, Ms. White.

Commissioners, comments or questions?

VICE CHAIR BOYD: Well, I am going to let Commissioner Weisenmiller, who is involved in the Efficiency Committee, make most of the comments on this. I will make a quick comment, and then I will be glad to second his motion. This is another partnership with another government agency that we have brought before this agency today, another sign of government agencies working together, evidence that they can, and I am very pleased to see this, particularly Constitutional agencies all working together to try to move things along. So this is a very positive program and I am glad for that.

MS. WHITE: Thank you.

COMMISSIONER WEISENMILLER: No, I think all of us are excited about the opportunity of getting rebates out for appliances. Again, we would like to get the dollars flowing in the California economy and hopefully get the jobs for the more efficient appliances along with the long-term benefits to the State. So I would live to move this project.

VICE CHAIR BOYD: Second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

CHAIRPERSON DOUGLAS: This item is approved. Thank you again, Ms. White. As Commissioner Weisenmiller said, and I will underscore, this program launches on Earth Day and we are tremendously excited. And I will also underscore what

Commissioner Boyd said about working with other State agencies. We have developed through the AB 118 program, through ARRA, through other programs that are coming forward, some really exciting partnerships with other state agencies. This is another example of that. And we are very pleased.

MS. WHITE: And I just wanted to clarify that the approval was for the corrected amount of \$339,000.

CHAIRPERSON DOUGLAS: The approval was for the corrected amount.

MS. WHITE: Excellent. Thank you very much.

CHAIRPERSON DOUGLAS: Thank you, Ms. White. Item 5. Energy Efficiency and Conservation Block Grant Program (EECBG) -- Direct Equipment Purchase. And before I ask Ms. Godfrey to present on this item, I would like to pause and give a word of thanks to staff for their tremendous work on the Block Grant Program. What we are seeing today, Commissioners, on the Business Meeting is the first of what will be a wave, or several waves of block grants coming to the Commission for approval. These are per capita allocations to local governments. But in order to move the money to local governments, they either had to take part in our Direct Buy Program, which Ms. Godfrey is going to present on first, or they had to develop a energy efficiency project, or in some cases they did collaboratives where a collaborative helped a local government -- or helped a number of local governments --

take advantage of this program. So this was a tremendous amount of work; each and every project is a contract agreement, it has to be negotiated and reviewed and executed in painstaking detail, in every case, and so I would really like to acknowledge John Sugar, who is here today, John Butler, Deborah Godfrey, Cheryl Rydelle [phon], Sherry Mediati, Legal Office, and there were a number of attorneys who have jumped in and pitched in when needed, Gabe Herrera, Renee Webster-Hawkins (phonetic) [21:24], front and center, among others working on this project. This has been a tremendous amount of work. We are seeing these come to the Business Meeting, we are moving this forward, and I am tremendously pleased to be in a position to do so. So we will begin with Item 5, which is the Direct Buy portion of the Block Grants. Ms. Godfrey.

MS. GODFREY: Is it on? Okay, let me start again. Good morning, Chairman and Commissioners. I am Deborah Godfrey with the Special Projects Office. We do have a couple corrections that we have noticed. Item 5C, Greenfield, should not have the notation of the HVAC upgrade, and 5V for Piedmont should have high pressure sodium lights to LED's, not induction.

I am pleased to present for possible approval the first 23 Energy Efficiency and Conservation Block Grants under the Direct Equipment Purchase. Staff expects to bring a total

of 208 of these applications to the Commission by May 12<sup>th</sup>. Larger cities and counties receive their block grants directly from the United States Department of Energy with the smallest receiving their allocation via us. Interestingly, 265 of the 478 California counties, and 48 of the 55 California counties, were deemed small based on the Federal formula. I would like to give you a brief history of the grant program development, although you have mentioned a good portion of it already.

In developing the guidelines, Commission Special Project staff conducted workshops throughout the state, beginning in the fall of 2009. Then, after the grant solicitation was released, realizing that the eligible jurisdictions may not have resources, we conducted individual clinics and site visits, putting staff in the field to assist the smalls in completing the application and to identify potential projects to fully utilize the grant funding allocation of their city and county. Also to aid the smalls, we encouraged the collaborative applications between multiple jurisdictions, and we have 10 of those. We established a minimum grant amount, we realize that a straight per capita amount would be insignificant for many of the smalls, as little as \$450.00 for the smallest city, or \$6,100 for the smallest county, so we allocated a minimum of \$25,000 to the cities and \$50,000 to counties. The amounts are similar in the average of the per capita amount to the large cities and

counties received directly from the Department of Energy. We also added an additional percent based on the county unemployment rate. While we acknowledged that unemployment rates can vary greatly from city to city within a particular county, we discovered that, because of the extremely small size of many of these potential recipients, city unemployment data was frequently unavailable, necessitating the use of the county unemployment data.

There are three application types for this grant; first, the Energy Efficiency Projects, which will be covered as Item 6, and Municipal Financing Program, and as is the case for these 23, a Direct Equipment Purchase. The Direct Equipment Purchase was designed to assist the small cities and counties with the streamlined, easier application, lessening the administrative burden of the applicant through the use of the list of the energy efficiency measures that CEC staff had already determined to be cost-effective. Not surprisingly, most of the applications, about 63 percent, were for this option. These are the first of about 128 of this type. Combined, these 23 grants represent a reduction of four million Kilowatts per year and approximately 188 tons of CO<sub>2</sub>. Technical staff is available if you have specific questions for the city or county.

CHAIRPERSON DOUGLAS: I will just make a couple quick comments and then ask if Commissioners have additional

comments or questions. First, I should also acknowledge the 18 Technical Reviewers who are actually going to be managing all of these projects. And secondly, my understanding is that the exact number, there is a typo in the amount, instead of \$2,209,227.00, which is written, it should actually be \$297.00, a \$70.00 difference, so the amount should be \$2,209,297.00.

MS. GODFREY: Yes, the correction would be for 5U, which, the amount was \$223,770, not \$700. That is where these extra \$70.00.

VICE CHAIR BOYD: For the Town of Windsor, Item U?

MS. GODFREY: Yes, the collaborative, Windsor, Cloverdale, and Cotati.

CHAIRPERSON DOUGLAS: Right. And our counsel has told us that we are able to take up the entire item, Item 5, A through W, as one item.

COMMISSIONER WEISENMILLER: Correct.

VICE CHAIR BOYD: Well, I for one have no questions. I labored through all of this. Pleased to see, as with all the other actions we are taking today, such a significant effort to move to help these communities with Block Grants that are going to aid them and aid us statewide in terms of improving efficiency. So I want to compliment all the staff for the work they have done. Just the sheer size of this in terms of the number of individual items, I know we sit up here

week after week approving onezies and twozies, and here we have an incredible list of individual projects, which is very gratifying. So I would be very pleased to move approval of these items.

COMMISSIONER WEISENMILLER: Yeah, I obviously second my colleague in terms of saying this represents a lot of work on a lot of staff's part, I certainly appreciate those activities to move this forward. I was going to note that Commissioner Eggert and I visited LBL last Friday and got a presentation on a number of their programs, including their efforts to try to get a major center established there on the building site, and one of the things that they were very interested in hearing was our comment that, as we put out the ARRA funds, we are basically trying to really get monitoring of those results, and they are looking forward to that type of data being our contribution to that center, as they try to get real world experience tied into this sort of research and implementation they are doing. So with that, I would second this.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

Item 5 is approved.

MS. GODFREY: Thank you.

CHAIRPERSON DOUGLAS: Item 6. Energy Efficiency and Conservation Block Grants. Ms. Godfrey.

MS. GODFREY: Good morning, again. There is one correction to 6D, County of Yolo. It would add in a building management system at the Yolo County Courthouse. Again, I am pleased to present the first six of approximately 78 of the Energy Efficiency Conservation Block Grant under the Energy Efficiency Project Option. These six, as opposed to the 23 we have just presented, require the Applicant to identify projects, provide feasibility studies and other supporting documentation, and were far more complex than those submitted under the Direct Equipment Purchase Options. These options work for those eligible entities whose projects did not work in whole or in part with the Direct Equipment Purchase Option. Staff time to assist these jurisdictions with grant submissions in review of these applications is, of course, considerably more intensive than that needed for the Direct Equipment Purchase Option. I would like to commend all of the applicants for the quality of these projects and for their commitment and effort in this time of extremely limited resources. Some of these grants were quite large. Again, Commissioners, technical staff is available to answer any questions you may have on any of these projects.

CHAIRPERSON DOUGLAS: Thank you, Ms. Godfrey. We have a member of the public who would like to speak on Item 6A, Mr. Rothstein, could you come forward?

MR. ROTHSTEIN: [Inaudible] [31:00]

CHAIRPERSON DOUGLAS: Mr. Rothstein, let me ask either Ms. Chandler or Mr. Sugar to respond. I think it would be helpful if you talk about the Block Grant Program and what the Block Grant Program intends to achieve because it is one element of the many things that we are doing under ARRA, some of which certainly do cover workforce training and some of the broader issues that you raised.

MS. CHANDLER: Actually, Mr. Rothstein, that is an excellent question, and thank you so much for the opportunity to speak to it. First and foremost, we looked for energy efficiency. Of course, energy efficiency is number one in the loading order and these are Energy Efficiency Conservation Block Grants, so that was the number one priority that staff had when they went out and evaluated the projects. This money is a little bit different than the State Energy Program money because this money is allocated to specifically two small and local jurisdictions. It was our responsibility, then, and staff, to make sure that the projects that came forward from the local jurisdictions, because they were -- I am going to use the word "entitled" -- to this money, that those projects maximized the energy efficiency component before it went on to anything like renewable energy. That, of course, is the second criterion in the loading order, infrastructure is the third. Related to the rest of the ARRA commitments, greenhouse gas reduction, creating jobs in the community,

increasing energy efficiency, reducing dependency on fossil fuel, are the other elements that we looked for to align with the Federal programmatic goals. I love the job training component of that because that was one of the things that the Energy Commission invested in, in a different program, the SEP Program, but we urged the counties to look at the types of investments that we were making in the local workforce investment boards, and to partner up with these folks so that we could ensure that, when we trained these workers, or re-skilled them in the case of some who are sophisticated construction workers, but maybe not sophisticated in terms of energy efficiency technologies, that they would have a place to practice their skills. So, we have addressed the loading order, we have addressed the connection with the jobs, and creating jobs and partnering them, the other thing that we asked of the cities and counties, because some of them, as Ms. Godfrey had said, are less sophisticated than others. So that is why we had the Direct Buy component, which is primarily focused on energy efficiency, and a pre-approved list that our staff has developed and vetted that is all about energy efficiency technologies and allowing, then, the implementation of those technologies as part of the program. And I think we also heard Ms. Godfrey say -- and it is a great statistic -- that about 66 percent of all of these awards will be made in that direction. We also urged these local jurisdictions to

look at their projects and to determine how they could leverage funds from either their own local utilities, or their own monies, other communities, and you will see that later in terms of collaboratives, and then, third, to look at our own energy efficiency conservation 1 percent ARRA loans. So we really focus this in a very comprehensive approach and package that we vetted probably much more than staff felt necessary, but, thank you very much for doing it, with over 48 workshops and the clinics to make sure that we had real projects that stressed energy efficiency before we went on to any other technologies.

CHAIRPERSON DOUGLAS: Thank you, Ms. Chandler, for that thorough answer. John, you are looking like - jump in and add right now.

MR. SUGAR: This is John Sugar with Commission staff, and Claudia covered it very well.

CHAIRPERSON DOUGLAS: Very good. Thank you, both. Ms. Jennings.

MS. JENNINGS: Yes, Jennifer Jennings, Public Advisor. I would like to point out that Mr. Rothstein brought up an issue with regard to this program that I think needs some further attention. He had tried back in December to find out what Santa Cruz County had applied for and was told that, under the Guidelines, that applications were confidential until there was a Notice of Proposed Award. So I do think

that is an issue that we might want to address because I do think it is important that these Block Grants and the purpose to which Federal money is used should be available to the public, and I am not sure why it would be considered confidential prior to a Notice of Proposed Award.

MS. CHANDLER: We will have to check with our grants office. That is certainly common in any kind of competitive contracting process, but we will follow-up on that and determine if that was the case. Did he contact staff?

MS. JENNINGS: Yes, staff. Anyway, that is something we are following up on and I would talk to the Legal Office with regard to the confidentiality, because for a public agency to apply for Federal funds, I am not sure where the confidentiality arises from, but it may be as a result of the Federal source of the funds.

MR. SUGAR: We will -- I will check into it with staff. I will say, this was a very unusual program. Normally, our grant programs have been competitive; this one was not, and we encountered a number of situations where we had to modify our standard ways of operating to accommodate what we were doing here. This should not have been confidential, so we apparently erred and we will try to determine what happened and make sure we all have a common understanding of the ground rules for this program.

CHAIRPERSON DOUGLAS: Well, that would be helpful,  
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and why don't you report back when you do get to the bottom of that question? But there is no question, the Block Grant Program is a unique program because of the way that we approached it with per capita allocations to small cities and counties, and guidance and the need to work with our staff and develop specific contracts for what types of projects, or what exact projects would be implemented. So, please do look into that question. And thank you for raising it, Ms. Jennings. Very well, we are on Item 6. Commissioners, questions or comments about the proposals before you?

VICE CHAIR BOYD: No questions. I will move approval.

COMMISSIONER WEISENMILLER: I second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

Item 6 is approved. Thank you.

Item 7. City of Torrance. Possible approval of Agreement 026-09-ECE-ARRA for a loan of \$3 million to the City of Torrance for multiple energy efficiency upgrades. Mr. Suleiman.

MR. SULEIMAN: Good morning, Commissioners. My name is Adel Suleiman. I am with the Special Projects Office. This loan request to the City of Torrance will provide the funds needed to implement a number of energy efficiency measures at the City's Police Department, City Hall, as well

as the City's Communications Center and Civic Center. These measures include the following: Retrofits of inefficient T12 fluorescent lighting system with more energy efficient and less mercury content, the A-plant (phonetic) [40:44] system and controls, and the replacement of low efficiency HVAC units with new high efficiency rated HVAC units. An aging 50 ton chiller will also be replaced with a new high efficiency chiller. The installation of new energy management systems to control the operation of mechanical and lighting systems at all city-owned buildings. Illuminated street signs will also be removed and replaced with reflectors that require no power to operate.

This project has many benefits to the City of Torrance, as well as to the environment. Once completed, it will save the City \$261,000 annually in reduced energy costs, and thousands more in reduced maintenance costs. Energy consumption will also be reduced by 2.2 million Kilowatt hours and 31,000 therms annually, which is equivalent of removing 800 tons of carbon dioxide from the environment every year. The total cost of this project is estimated at \$3.1 million, in which \$3 million will be funded by this loan request from the American Recovery and Reinvestment Act funds at an interest rate of 1 percent; Southern California Edison, the serving electric utility for the City, will provide an estimated \$110,000 in cash incentives. This project has an

11.5 years payback based on the energy cost savings alone, and much lower payback if we include maintenance cost savings. This loan request complies with all requirements of the loan under the Energy Commission Loan Program Funds. This is a good project and I am seeking your approval on this item.

VICE CHAIR BOYD: I have no questions, Madam Chair, on this item.

COMMISSIONER WEISENMILLER: I move this item.

VICE CHAIR BOYD: I will second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved. Thank you, Mr. Suleiman.

VICE CHAIR BOYD: I guess I am glad to see multiple building facilities being addressed, as we have seen in some of the previous activities. Since efficiency is leading order job 1, we are seeing an awful lot of these on today's agenda, which is good.

CHAIRPERSON DOUGLAS: Absolutely. And Mr. Suleiman has two more items and these are all ECAA. Item 8, Fallbrook Public Utility District. Possible approval of Agreement 002-09-ECA for a loan of \$2,745,600 to the Fallbrook Public Utility District to install a one-megawatt alternating current photovoltaic system. Mr. Suleiman.

MR. SULEIMAN: Thank you, Commissioner. Fallbrook Public Utility District is a water district located in North

San Diego County. The District plans to use nine acres of existing open and available land within the district boundaries to install and own a 1 Megawatt AC Solar Electric Generation System, which will offset approximately 70 percent of all energy use at the District's wastewater treatment plant.

This project is expected to generate approximately 1.9 million Kilowatt hours and save the District approximately \$250,000 annually in reduced energy costs. The energy consumption avoidance due to this renewable project is equivalent of removing 660 tons of carbon dioxide from the environment every year. The total project cost is estimated at \$7.2 million, in which \$2,745,600 will be funded by this loan request from the Energy Conservation Assistance Act, ECAA funds, at an interest rate of 3 percent. San Diego Gas & Electric will provide the District with \$2.8 million in cash incentives paid over five years. The remaining balance will come from the District's own funds and other financing. This project has an 11-year payback based on the loan amount, and 17 years payback based on the total project cost. This loan request complies with all requirements of the loan under the Energy Commission Loan Program Fund, and I am seeking your approval on this item. I will be happy to answer any questions you might have.

CHAIRPERSON DOUGLAS: Thank you. Questions,

Commissioners?

VICE CHAIR BOYD: One quick question, Mr. Suleiman. Remind me of what the ceiling is on the payback period to qualify for this program.

MR. SULEIMAN: The ceiling is 11 years, 43 percent loan.

VICE CHAIR BOYD: I suspected we were right up against it here, but thank you.

MR. SULEIMAN: You are welcome.

COMMISSIONER WEISENMILLER: No questions. I move this item.

VICE CHAIR BOYD: Second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved.

And finally, Item 9. Town of Yucca Valley. And I will note, although Mr. Suleiman probably would mention this himself, this is an example of a local government using its Block Grant money and matching it with an ECAA loan to do a larger project than they otherwise would be able to do. Mr. Suleiman.

MR. SULEIMAN: Thank you, Commissioner. This loan request for the Town of Yucca Valley will make it possible for the Town to implement a lighting system and control retrofit, a total change-out of roof-mounted HVAC units at the Town's

community center and museum.

This project will save the City of Yucca Valley over \$10,000 annually in reduced energy costs and hundreds more in reduced maintenance costs. Energy consumption will also be reduced by 67,000 Kilowatt hours and 25 therms annually, which is equivalent of removing approximately 23 tons of carbon dioxide from the environment. The total cost of this project is estimated at \$180,000, in which \$65,000 will be funded by this loan request from the Energy Conservation Assistance Act, the ECAA Funds, at an interest rate of 3 percent. Southern California Edison will provide an estimated \$1,600 in incentives, and the City's Energy Efficiency and Conservation Block Grant funds, which are managed by the Energy Commission, will provide the remaining balance of \$115,549. This project has a 6.4-year payback, and complies with all requirements of the loan under the Energy Commission Loan Program Fund, and I am seeking your approval on this item.

VICE CHAIR BOYD: No questions. I will move approval.

COMMISSIONER WEISENMILLER: It has been great today to see the variety of programs here, and obviously this, I am sure, is a stretch for everyone to get the variety, and this last one is a good example of something which is in some respects -- I am sure the amount of time and energy that went into this for a small loan was significant, but also that it

is very important, I am sure, for the town to get this. And so, again, I certainly want to compliment the committee and the staff for working through these and coming up with a variety of what seem to be very strong programs. So I certainly second this.

CHAIRPERSON DOUGLAS: Thank you, Commissioner. All in favor?

(Ayes.)

This item is approved.

Item 10. And as you will see, we are now finished with the slug of ARRA items on our agenda and are moving on to other business. Item 10. RC Consulting. Possible approval of Purchase Order 09-409.009 for \$145,000 to provide vehicle reports and data for transportation energy demand forecasting and consulting services. Mr. Zipay.

MR. ZIPAY: Thank you, Commissioners. Good morning, my name is Gerald Zipay. I am with the Fuels and Transportation Division. We are seeking approval for the contract with RC Consulting for \$145,000, to process and analyze DMV Vehicle Registration databases. From this analysis, the contractor will provide the Energy Commission vehicle database information. These vehicle reports will provide us valuable information on vehicle populations and characteristics of vehicles throughout the state. This vehicle data is also used to assess baseline conditions,

trends, and as inputs into the development of transportation sector forecasts for the IEPR. It is also used in support of AB 118, the Renewable Fuels and Technology Program, to analyze and assess programs intended to promote alternative vehicles and market penetrations of those vehicles. This contract also includes funding for consultation to transition the analysis of the DMV vehicle databases to the Energy Commission, which was a condition of approval by the Office of the Chief Information Officer. Thank you. I am available to answer any of your questions.

CHAIRPERSON DOUGLAS: Thank you, Mr. Zipay.

Questions or comments?

VICE CHAIR BOYD: No questions. I will just comment that this came through the Transportation and Fuels Committee and we discussed this at length, including the request that this work be transitioned to us and our staff, which we found interesting at a time when staff is at a premium. But, nonetheless, we are going to comply with the requirement. And so the Transportation Committee recommended approval and I will move approval of the item.

COMMISSIONER WEISENMILLER: I will second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved and, although it is my understanding that we are really the only agency that gets

this DMV data and analyses it, so it is very important tool in our forecasting.

VICE CHAIR BOYD: Right, and actually other agencies pay us on occasion paltry amounts of money to process this data for them, for their particular needs, such as the ARB, or the Department of Parks and Recreation when it comes to the needs of off-road vehicles, and what have you. So, yes, this is a unique service.

CHAIRPERSON DOUGLAS: Well, that is great, and you are obviously transitioning us right into Item 11. Department of Parks and Recreation. Possible approval of Contract RMB 600-09-014 to receive \$105,000 from the Department of Parks and Recreation over three fiscal years. Mr. Zipay.

MR. ZIPAY: Yes, thank you. We are seeking approval for this interagency agreement with the Department of Parks and Recreation for \$105,000 over three fiscal years, and in the past the Energy Commission has entered into this agreement with the Department of Parks for three-year terms in an effort to assist in the analysis at the DMV Vehicle Database, as mentioned in the previous business item. The Energy Commission will provide the Department of Parks with off-highway vehicle reports and four-wheel drive vehicle reports, which Parks uses to assess the demand for off-highway vehicle facilities that they manage throughout the State of California. Also, for each fiscal year, Parks will reimburse

the Commission \$35,000 for these reports. The Energy Commission will also receive these reports, which will assist in analysis of off-road fuel demand. Thank you. I am available to answer any of your questions.

VICE CHAIR BOYD: No questions. I will move approval.

COMMISSIONER WEISENMILLER: I will second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

That item is approved. Thank you, Mr. Zipay.

Item 12. University of California, Davis. Possible approval of Contract 500-09-033 for \$299,949 with the Regents of the University of California, Davis, to assess how changes in the magnitude and timing of the Sierra Nevada spring snowmelt will affect hydropower operations and downstream ecological processes. Mr. O'Hagan.

MR. O'HAGAN: Thank you, Chairman. Good morning, Commissioners. My name is Joe O'Hagan. I am in the PIER Environmental Area Program. The proposed interagency agreement before you is to address changes in the timing and magnitude of spring snowmelt runoff in California and how that affects hydropower operations. As you are well aware, the snow pack in the Western Sierra and Cascade Mountains supplies a significant amount of California's water supply, but also a significant portion of hydropower generation within the state.

A large proportion of that hydropower generation is from hydropower facilities above 1,000-feet in elevation and, of course, the watersheds that feed water to those facilities, though much higher. One of the characteristics of those facilities, however, is they have minimal storage capability, and that is a concern because one of the things that has been documented since the 1950s is that there has been a diminishment in the spring snowmelt runoff, as well as a change in the timing of the snowmelt, moving up earlier in the year. It has been shown that, because of warmer temperatures, we are seeing more precipitation falling as rain, warmer March temperatures, in particular, air temperatures have led to earlier snowmelt runoff, so the amount of runoff occurring after April 1<sup>st</sup> has lessened, while the amount prior to April 1<sup>st</sup> has increased. And this causes operational issues for these facilities, how they can operate given their limited storage. It also affects how they handle in-stream flow requirements where they are downstream, and downstream ecological management requirements. So the purpose of this project is to evaluate how those downstream ecological processes will be affected by these changes, how the hydropower operation will be affected by these changes, as well as what they need to do to address those downstream concerns, identify the potential effects on generation from these changes, and what that would mean for revenue. The

purpose of this project, the goal of this project, is to inform the FERC re-licensing process. A significant number of facilities in California are still coming up for re-licensing, these licenses are from 30 to 50 years, under which we anticipate fairly significant changes in the hydrology, due to the warmer temperatures. Right now, FERC does not address climate change within their licensing process, but I believe studies like this will help us provide them good documentation and help inform the process. With that, I ask your approval of this proposed project.

VICE CHAIR BOYD: A question. This may be a little mildly off-base, Mr. O'Hagan, but maybe you can help me. I am very familiar with this activity; this is a very valuable activity, piece of work that we discussed, of course, within the Research Committee, which Commissioner Byron chairs. But in your discussion, you prompted a question, and that is, to what extent are we aware that agencies receive this information and actually modify their operations consistent with the data that you generate? Are the water agencies waiting and the dam operating agencies waiting anxiously to get this information? Do they put it into effect?

MR. O'HAGAN: I would not say they are waiting anxiously, they are aware of this effort. They are also concerned. A number of the agencies do recognize that climate change is occurring and could have profound effects on their

water supply. The purpose would be to work with one of the different hydropower operators within the Yuba or American River Watershed, there are quite a few different ones. To do this effort, we have interest from several utilities, but nothing has been firmed up. I would also mention that Mr. Salazar from the Department of the Interior of the U.S. has stated that, for at least long-term planning, which for the Interior agencies, they need to address climate change effects. So I think Forest Service, Fish & Wildlife, in terms of their FERC evaluations, are going to be making comments and input reflecting climate change concerns for these re-license facilities. In terms of actual implementation, the goal is that the researchers here would actually be involved in the FERC re-licensing process for the facility we select, they have advisory teams with which people can participate, and they would present those results and put it out there and it would be part of the evidentiary record for that re-licensing case, that it is explicit in the contract that they would be involved in that. And also, I should mention that the U.S. Forest Service is interested in this and they are providing matched funding to help with this effort.

VICE CHAIR BOYD: Thank you.

COMMISSIONER WEISENMILLER: Yeah, I was going to encourage you to make sure that the utilities were involved in this process. You know, and that as entities, for example,

PG&E has a very sophisticated program on how it runs its hydro-facilities and the mix there of one of the rivers in Pondage (phonetic) [59:13], certainly the re-licensing will add some complexity there. As you know, FERC cases are a couple notches up in terms of evidentiary process compared to, say, this Commission. So I hope people realize what they are getting into. Having testified in the first PGT expansion rate case, I can say it is pretty serious litigation there.

MR. O'HAGAN: No, I appreciate that. And actually, the researchers have been involved in several FERC re-licensing projects in terms of presenting environmental research that U.C. has done on this, and trying to have that reflected in the licensing.

COMMISSIONER WEISENMILLER: Okay, good. Thank you.

VICE CHAIR BOYD: I would comment that, during my tour of duty in the Resources agency, when the subject of FERC re-licensing began to be debated 10-plus years ago, the State Water Resources Control Board and the Department of Fish & Game were the primary agencies slaving away on those very difficult processes, and you can blame me for dragging the Energy Commission into the arena. And staff here has done a commendable job over the years in helping the state's position on these FERC re-licensing cases. But I would agree with Commissioner Weisenmiller, it is a complex and cumbersome task, to say the least. In any event, I know this is a good

project to process. As I say, we discussed it within the Research Committee, and I would move its approval.

COMMISSIONER WEISENMILLER: I will second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved. Thank you, Mr. O'Hagan.

MR. O'HAGAN: Thank you very much.

CHAIRPERSON DOUGLAS: Item 13. Lawrence Berkeley National Laboratory. Possible approval of Contract 500-09-034 for \$500,000 with Lawrence Berkeley National Laboratory to evaluate the potential effects of pressure changes from sequestering carbon in saline aquifers underlying the San Joaquin Valley. Mr. O'Hagan.

MR. O'HAGAN: Thank you, Commissioner Douglas. Just a small edit. The actual cost for the contracts is \$490,000. We found a \$10,000 savings. The proposed agreement with the Lawrence Berkeley National Lab is to evaluate potential pressure change effects from geologic carbon sequestration on groundwater supplies in this Southern San Joaquin Valley. As you are well aware, the AB 32 Scoping Plan identified natural gas combustion in California as a significant source of greenhouse gas emissions, and that geologic carbon sequestration is a promising mitigation measure. But there are issues that need to be addressed before I think, you know, geologic sequestration can be successful. One of the concerns

is that injecting significant amounts of CO<sub>2</sub> into the subsurface may have a number of water effects, including water quality, but the purpose of this study is to understand what the pressure effects are when the CO<sub>2</sub> and the other greenhouse gases are injected into the underground, there is a CO<sub>2</sub> plume, but there is also a much larger, under the right conditions, a much larger pressure change associated with that, that goes well beyond the footprint of the plume itself. These pressure changes may raise a number of issues like mechanical fracture of the cap rock and things like that, but one of the things is that pressure changes do affect groundwater behavior in the subsurface. And so the purpose of this study is to try to get a handle on how those potential pressure changes could affect groundwater supplies in the Southern San Joaquin Valley, which is an area that has been identified as a very promising source for geologic sequestration efforts. The first part of the project would address existing information collected by the Department of Conservation's Division of Oil and Gas and Geothermal Resources on pressure changes associated with oil and gas production in the Southern San Joaquin Valley, as well as re-injection of produced water which comes from the pumping of the oil and gas. That information would be evaluated to see if it serves as a useful analogue for pressure changes that would be associated with CO<sub>2</sub> sequestration. The second portion of the project would be to take DOE, which is funding

a simulation of sequestration efforts in the Southern San Joaquin and that portion of the Commission's project, if we fund it, is to take that information and then couple it with groundwater models covering that area, and see how the associated pressure changes from the sequestration would affect groundwater behavior in that area. With that, I ask your approval of this interagency agreement.

VICE CHAIR BOYD: Question. Of course, we have discussed this project in the past, and coincidentally in the past week I have been in another forum, at least, where this issue of pressure changes and its effect on what happens underground, even with reference to using deep saline aquifers as a place where CO<sub>2</sub> would be sequestered and what that might do to the surrounding geology, and what have you, have been discussed, and so it is an important issue to pursue. But your reference to the re-injection, which I believe is a longstanding practice of so-called produced water makes me want to ask a question. How well documented is that issue at the present time? Do you have any idea, Joe? I would hope and I would presume that DOGGR has pursued this question in the past and has pretty good data and/or in cooperation with the Water Boards, that they know that, because produced water does not necessarily go that deep when it is re-injected.

MR. O'HAGAN: That is correct. A large proportion is re-injected using injection wells, but there are also

unlined ponds where the water can sort of filter into the ground. I am not sure if there are requirements for the produced water re-injection to look at pressure changes associated with the receiving aquifer, but I know as part of the oil and gas operations that a lot of pressure change information is collected. I believe DOGGR has quite a bit that has not been analyzed, at least in the light of how that would be an ally for CO<sub>2</sub> production, and I also suspect that the different oil companies and things may have additional information that we will try to access on pressure change associated with their operations.

VICE CHAIR BOYD: And, of course, this steam injection they have used for years is steam under pressure, so interesting. In any event, this is yet another interesting area that is deserving of exploration. So I would move approval.

COMMISSIONER WEISENMILLER: Yeah, I agree that the science here is very important. I can recall -- I think OEO (phonetic) [1:06:49] was involved in a similar modeling activity to geysers, you know, decades ago trying to deal with the sort of depletion and re-injection, and obviously I think people are still learning what the impacts on that reservoir are from those changes over time. I assume it is more complicated than what you are trying to deal with here, but, again, it is good to get out in front of those issues. I

think the geysers have been more surprises in terms of the rate of depletion or some of the seismic impacts.

VICE CHAIR BOYD: Or how fast they went dry and we had to improve importing water --

COMMISSIONER WEISENMILLER: Exactly.

VICE CHAIR BOYD: -- from some other places, or at least treated water to re-supply the water table for steam production.

COMMISSIONER WEISENMILLER: So certainly given the importance of this, I would move it.

VICE CHAIR BOYD: It has been moved.

CHAIRPERSON DOUGLAS: It has been moved. Is that a second?

COMMISSIONER WEISENMILLER: Oh, second.

CHAIRPERSON DOUGLAS: We have a motion and a second. All in favor?

(Ayes.)

That item is approved.

MR. O'HAGAN: Thank you very much.

CHAIRPERSON DOUGLAS: Thank you. Item 14. University of California, Davis. Possible approval of Contract 500-09-035 for \$700,000 with the Regents of the University of California, Davis, to determine the efficacy of adding biochar to California's agricultural soil as a carbon offset for energy generators. Ms. Pittiglio.

MS. PITTIGLIO: Good morning, Commissioners. My name is Sarah Pittiglio. I am with the PIER Environmental Group. Biochar is produced when the residues from crops, forestry, and animal waste are burned. In the past two years, there has been a lot of research on biochar, it all sort of started with dozens of studies on the Terra Preta soils in Brazil where they have been adding charcoal to the soils for centuries, and they found that that charcoal has actually been stable for centuries, and those soils have remained incredibly productive since the charcoal acts as a nutrient reservoir, which increases yields. It also increases the water holding capacity, so there is less need for irrigation. So there has been a lot of interest in biochar for sequestering carbon in agricultural soils, but there have been very few studies done in America, much less California, and there have been very few studies looking at greenhouse gas emissions from soils. So while biochar obviously can sequester carbon, if it aids in the production of other greenhouse gases like nitrous oxide and methane, then obviously it is not going to be much of an offset. But preliminary data shows that it actually may reduce emissions, but it is sort of unclear right now. And it is important to do some studies on California soils because soils in Brazil are very different. So if biochar is practical and economically feasible, it could present a potential energy source in the production of biochar and also

in energy offset for energy producers in the future. If you have any questions, I would be glad to answer them.

VICE CHAIR BOYD: Well, I do not have any questions because we discuss this in committee. The time between discussing it in committee and by the time they get here, my memory begins to slip away, but not on the subject of biochar because, as you indicated, all of a sudden in the last several months, there has been a waterfall effect, I guess, an incredible amount of discussion of biochar and its potential. And it has come up in several forums that I have been in, and the California Secretary of Food and Agriculture, Secretary Kawamura, came over here a few weeks ago to talk to me about several issues, and this was at the top of his list of interests. So this is a very timely look at this particular subject as it relates to California and its value in the energy and climate change arena. So once again, we are being fairly timely, if not on the cutting edge of a subject that relates to our energy production and use, and climate change -- you cannot say a sentence about climate change without mentioning energy. So the relationship is pretty obvious. So I would support approval of this and make a motion to do so.

COMMISSIONER WEISENMILLER: I will second the motion

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

MS. PITTIGLIO: Thank you very much.

CHAIRPERSON DOUGLAS: Item 15. Sacramento Municipal Utility District. Possible approval of Contract 500-09-030 for \$50,000 with Sacramento Municipal Utility District to demonstrate the results of Public Interest Energy Research (PIER) projects at the 2010 Emerging Technologies Summit. Ms. Lew.

MS. LEW: Good morning, Chairman Douglas and Commissioners. My name is Virginia Lew with the Energy Efficiency Research Office. The Energy Commission is a member of the Emerging Technologies Coordinating Council, along with the California Public Utilities Commission investor-owned utilities and the Sacramento Municipal Utility District. The Council was created in early 2000 to provide an opportunity for members to meet, collaborate, and exchange information on ratepayer funded research programs, and also to provide a path for PIER funded technologies to enter into the marketplace. Every two years, the Council holds the Emerging Technologies Summit to showcase emerging energy efficiency technologies that are resulting from these California research programs. For 2010, the Summit will be held in Sacramento from November 7<sup>th</sup> through the 9<sup>th</sup>. The Summit provides an opportunity to demonstrate the results of PIER funded projects and how these advanced energy technologies can help reduce energy use and costs for Californians, while also striving to reduce greenhouse gas emissions and meet the state's Zero Net

Building goals. The theme for the Summit is "Energizing a Smarter Future." Since this is the first time that the Summit will be held in Sacramento, SMUD and the Energy Commission staff have taken the lead in organizing the Summit. Energy staff are on the Steering Committee and of developing discussion topics and speakers. And, for instance, Commissioner Byron will be a plenary session speaker. We are requesting approval of this contract now to pay for the planning of the Summit. The other Council members have contributed \$260,000 towards this Summit. The contract has been approved by the Research, Development and Demonstration Committee and the Budget and Management Committee, and this project meets the requirements of SB 1250, which requires that the Commission develop and bring to market energy technologies that provide tangible benefits to utility customers. I will be happy to answer any questions at this time. Thank you.

VICE CHAIR BOYD: No questions. I would just comment as a member of two of those committees that were mentioned, that this subject, in light of concerns about expenditures of state monies, has been through several screenings, just let me say, within this agency before reaching this point and it needed approval at all those previous points to even come on this agenda. And it was approved in some of those committees on the basis of the very significant contribution this can make to the subjects we are

trying to deal with in the electricity arena at this point in time, at a time when we are trying to facilitate new and green technology, and at a time when, in spite of these being difficult fiscal times, the ratepayers are paying for this and that is one of the stated purposes of the statutes that provided the PIER Program and what it invests in. So, through multiple pathways, we concluded this is a good expenditure, a reasonable expenditure, and that the Energy Commission should work with its very good partner, SMUD, in participating in and coordinating this conference. So, again, I would make a motion to approve this item.

COMMISSIONER WEISENMILLER: And just to have the comment, we seem to have smart meters and smart grids and "Smart Futures," so hopefully we do not have to have the PUC do an audit of the "Smart Futures," but anyway, with that, I would second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved. Thank you.

Item 16. Andes Consulting, LLC. Possible approval of Purchase Order 09-409.00-008 in the amount of -- and this is a correction in the amount of \$109,250, it came in under the amount allocated, resulting in the corrected amount -- to Andes Consulting, LLC, for Quality Management (QM) contract services to manage and coordinate the continued design,

developing, testing, and pilot phases for the Dynamic Simulation Model (DynaSim). Ms. Lawson.

MS. LAWSON: Good morning, Chairman and Commissioners. I am Laura Lawson from the Fuels and Transportation Division, presenting the Quality Management contract to Andes Consulting for the DynaSim project in the amount of \$109,250. The Quality Management Consultant will work to ensure that DynaSim deliverables from Stanfield Systems, Inc. (phonetic) [1:17:13] meet California Energy Commission expectations by organizing and monitoring tasks such as user acceptance testing, defect tracking, and change management. The DynaSim project will modernize the Fuels and Transportation Division models and provide for more defensible transportation fuel consumption forecasts. Do you have any questions?

VICE CHAIR BOYD: No questions. This was discussed in the Transportation Committee and we, the Committee, and the Transportation Division, if not the agency in total, are waiting anxiously for DynaSim and all that it promises to provide us, and this was deemed a very necessary piece of that activity, so the Committee recommends its approval and I so recommend to you and make a motion to approve the item.

COMMISSIONER WEISENMILLER: I will second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

CHAIRPERSON DOUGLAS: I will note that one of the first briefings I ever had as a new Commissioner was on the DynaSim Model, and so...

VICE CHAIR BOYD: I will not comment that I have had to take on a second term here on the Commission to see DynaSim come to fruition, but I am seeing light at the end of the tunnel.

CHAIRPERSON DOUGLAS: Well, that is a great thing. Thank you. This item is approved.

Item 17. California Building Performance Contractors Association (CBPCA) and Enalasy. Possible approval of CBPCA as a Home Energy Rating System (HERS) provider for those HERS Raters conducting field verification diagnostic testing. Mr. Holland.

MR. HOLLAND: Good morning, Madam Chairman and Commissioners. I am Jim Holland of the Buildings Standards Implementation Office and I am here to request Commission approval of the California Building Performance Contractors Association, or CBPCA, as a HERS provider for HERS Raters conducting field verification and diagnostic testing of alterations under the 2008 Building Energy Efficiency Standards and for Enalasy as a third-party quality control program. CBPCA was previously approved as a HERS provider and Enalasy was previously approved as a third-party quality control program for the 2005 Building Energy Efficiency

Standards, but are required by regulation to return for approval for the 2008 Building Energy Efficiency Standards. After a thorough review of their training materials, their quality control program, and their database, as well as a complete review of the Enalaysys computer-based third-party quality control program, staff has determined that CBPCA and Enalaysys meet the requirements put forth by the HERS Regulations, Title 20, Section 1670 through 1675. Based on this information, I ask that you approve CBPCA as a HERS provider for field verification and diagnostic testing of alterations for the 2008 Building Energy Efficiency Standards, and Enalaysys as a third-party quality control program for alterations. And this item has been approved by the Efficiency Committee.

CHAIRPERSON DOUGLAS: Questions or comments, Commissioners?

COMMISSIONER WEISENMILLER: A comment that just, obviously, very important for our standards to have this sort of independent verification in the field in testing, and so I certainly applaud the staff in pushing forward on this. So with that, I will move the item.

VICE CHAIR BOYD: Second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved.

MR. HOLLAND: Thank you very much.

CHAIRPERSON DOUGLAS: Thank you, Mr. Holland.

Item 18. Emerging Renewables Program Guidebook.  
Possible adoption of revisions to the Energy Commission's  
Emerging Renewables Program Guidebook. Mr. Goncalves.

MR. GONCALVES: Good morning, Chairman,  
Commissioners. The Emerging Program Guidebook addresses the  
requirements to receiving incentives for installing eligible  
fuel cell and small wind generating systems designed to offset  
onsite load located in specific, or specified investor-owned  
utility territories. Now, the Renewals Committee and staff  
are recommending the following changes to the Guidebook,  
changes to the rebate level and structure for small wind, the  
new rebate for small wind would be \$3.00 per watt for the  
first 10 Kilowatts through April 7<sup>th</sup>, 2011, and \$1.50 per watt  
for incentives greater than 10 Kilowatts and less than 30  
Kilowatts. The inverters certified under the ERP Program will  
no longer be required to conduct the conversion efficiency  
test, the reservation for applications reserved under the ERP  
would be extended to 12 months, lease system provisions would  
be clarified, and some additional minor clarifications to  
other program requirements would also be made. The Renewables  
Committee and staff recommend that the Energy Commission adopt  
the Emerging Program Guidelines and the proposed changes. I  
would be happy to answer any questions you have.

VICE CHAIR BOYD: No questions. As Chair of the Renewables Committee, and Mr. Goncalves is right, we discussed this change within that committee and had multiple interesting discussions, and did recommend that we move this forward to the Commission and recommended its approval. I would note that we are in receipt of an April 2<sup>nd</sup>, submission to the Docket from a Mr. Mike Bergey of Bergey Wind Power in support of changes to this, and he speaks also representing AWEIA, the Small Wind Turbine Committee, so it is good to see that those affected by these Guidelines and changes thereto are, at least for these folks, they are in support of the changes that the staff has recommended. So if there are no concerns or questions, I will move its approval.

COMMISSIONER WEISENMILLER: To comment, obviously as the second member of the Renewables Committee, I have also walked through this with the staff and would note, one of the first e-mails I got when I got here was comments from affected groups about where is this, and I think the Chair forwarded those to me as she had departed the Renewables Committee --

CHAIRPERSON DOUGLAS: Yeah, as a welcome to the committee!

COMMISSIONER WEISENMILLER: Right. So I am certainly happy to see this moving forward today and I would be happy to second this motion.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

Thank you, Mr. Goncalves, for your hard work on this. I actually am, as until recently member of the Renewables Committee, very pleased to see this come forward.

MR. GONCALVES: Thank you.

CHAIRPERSON DOUGLAS: Item 19. New Solar Homes Partnership Guidebook. Possible adoption of revisions to the New Solar Homes Partnership Guidebook. Mr. Goncalves.

MR. GONCALVES: The New Solar Homes Partnership Guidebook addresses the implementation of the Energy Commission's Solar Rebate Programs, our program pursuant to Senate Bill 1 and Senate Bill 1250 and Senate Bill 107. The New Solar Homes Partnership provides funding for Solar Energy Systems installed on new residential construction with the goal of 400 Megawatts of solar on efficient, new residential units by 2016. The Renewables Committee and staff are proposing a minor change to the Guidebook that would allow participants up to 180 days to secure their Solar Permit after receiving their Occupancy Permit. The Energy Commission recently adopted changes to the Guidebook that allowed participants up to 60 days to secure their Solar Permit; however, based on comments that were received after adopting the Guidebook, we are seeking to extend the period allowed to secure a Sola Permit after receiving the Occupancy Permit in response to these comments that were not adequately addressed

in the previous revisions. The Renewables Committee and staff are recommending adoption of the proposed Guidebook by the Energy Commission. I would be happy to answer any questions.

VICE CHAIR BOYD: Well, I would just note that the two members of the Renewables Committee are sitting here and obviously poured through this with the staff and did strongly recommend that, in these times, it was appropriate to make this change, and so for the Committee I will make a motion to approve this staff recommendation.

COMMISSIONER WEISENMILLER: Exactly. As Commissioner Boyd had indicated, we on the Renewables Committee have walked through this issue, certainly we are running into some hardship issues with some participants in this program, and in fairness to them, we want to move forward with this change, so I certainly second the motion.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved.

MR. GONCALVES: Thank you.

CHAIRPERSON DOUGLAS: Thank you, Mr. Goncalves.

Item 20. Waste Heat and Carbon Emissions Reduction Act Guidelines. Possible modification of the Energy Commission Final Guidelines for Certification of Combined Heat and Power Systems under Public Utilities Code section 2840.  
Mr. Soinski.

MR. SOINSKI: Good morning, Madam Chair and Commissioners. My name is Art Soinski. I am in the Energy Supply and Analysis Division. I am one of the staff members that was involved in preparing Guidelines for the implementation of AB 1613, the Waste Heat and Carbon Emissions Reduction Act. The Guidelines were approved at the January 27<sup>th</sup>, 2010 Business Meeting; however, at that meeting, Commissioner Byron made a motion to approve the Guidelines as posted, but asked staff to investigate the merits of a possible modification. And the efficiency standard for bottoming cycle combined heat and power systems that use supplementary firing from 62 percent, as in the Guidelines, to 60 percent. This motion was unanimously approved. The modified Guidelines were posted, the staff examined the record and the docket for the rulemaking on the implementation of AB 1613, and concluded that a 60 percent efficiency standard is not only justified by the docket in this proceeding, but is more consistent with AB 1613 and AB 32 than a 62 percent efficiency standard as applied to bottoming cycle CHP systems. Both the Modified Guidelines and the Notice of Availability were posted on March 17<sup>th</sup>, 2010, the Notice of Availability gave stakeholders until 5:00 p.m. on April 1<sup>st</sup> to provide comments. Only the Coalition for Sustainable Cement Manufacturing and Environment submitted written comments. The Coalition supported the reduction of the bottoming cycle

efficiency standard to 60 percent. The justification for the reduction is based on two factors, one is the fact that bottoming cycle CHP systems capture and use exhaust heat from industrial process that typically is done to the environment; the second factor is that there is a fundamental difference in the quality of the energy products produced from between a topping cycle and a bottoming cycle. Specifically, a bottoming cycle CHP system produces electrical energy and mechanical energy exclusively or predominantly. In contrast, a topping cycle produces a mix of electrical, mechanical, and thermal energy. Although the thermal energy is certainly one of the major reasons for, in fact, using combined heat and power, the electrical energy which is the product of a bottoming cycle has a higher value than the thermal energy. If you like, I could go through these points in some level of detail, but I would suggest that I would like to put more time on a consideration which is whether the small difference between a 60 percent efficiency standard and a 62 percent efficiency standard matters to a candidate for a bottoming cycle CHP system with supplementary firing. The answer seems to be that the difference between 60 percent and 62 percent would not affect an economic decision to either install or not install a bottoming cycle CHP system. However, the efficiency standard does affect the achievement of AB 1613 and AB 32 goals. This is because of the fact, as the amount of

supplementary firing increases, the amount of supplementary firing that can be employed actually decreases. So an increase from 60 percent to 60 percent [sic], or a change of roughly 3 percent in the efficiency standards, results in the decrease in the amount of supplementary fuel that can be used and, more importantly, a 3 percent decrease in the bottoming cycle CHP output. The reduced electricity generation under a 62 percent efficiency standard, as compared to that under 60 percent efficiency standard, has a perverse outcome. Namely, at either 60 percent or 62 percent, a bottoming cycle CHP system is the most efficient natural gas-fired electricity generator in the state. Secondly, at 62 percent efficiency, greenhouse gas emissions are lower, but so are the installed generating capacity and the electrical energy produced. So even though we are already very very efficient at 60 percent, we wind up with less combined heat and power under the more stringent efficiency standard. Given these considerations, I suggest that the 60 percent efficiency standard, as applied to bottoming cycles, is already extremely high and should not be raised for that for a topping cycle in the name of uniformity, which was one of the major reasons for imposing both a 62 percent standard on both bottoming cycles and topping cycles in the Guidelines that were adopted on January 27<sup>th</sup>. With that, I would request that you adopt the Modified Guidelines that have been posted and docketed.

CHAIRPERSON DOUGLAS: Thank you, Mr. Soinski. We have a member of the public who would like to speak on this item. Ms. Barkovich.

MS. BARKOVICH: Thank you. My name is Barbara Barkovich. We submitted comments, as Dr. Soinski noted, in support of the change in the Guidelines, and without belaboring the point, I am here in person to also support the change in the Guidelines and happy to answer any questions.

CHAIRPERSON DOUGLAS: Thank you. Commissioners.

VICE CHAIR BOYD: I would only note that Ms. Barkovich was the one who raised this to us last time and I remember the discussion well with Commissioner Byron, so I am pleased to see that the staff has made the recommendation that it has made after taking a good hard look at this situation.

COMMISSIONER WEISENMILLER: Yes, again, I would like to welcome Dr. Barkovich back here. Hopefully we can move forward on stuff. Barbara has a very distinguished career in the energy area in California and certainly, I think, has raised a lot of good points here, shared a very detailed spreadsheet with me and analysis on some of the tradeoffs. I am very grateful that she really helped make clear the distinction for us between the bottoming type cycle and topping cycle in this debate, and I think it is very important that the Commission move forward. Obviously, the cement industry has been hit by a lot of the construction downturn, I

am sure, and as it positions itself to deal with the greenhouse gas regulations, I think the more we can facilitate efficiency moves on their part to the bottoming cycle co-gen, will be very important. So I would certainly like to move this item.

VICE CHAIR BOYD: I would be glad to second the motion.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

This item is approved. And Commissioners, I should also note that Art Soinski will be retiring in May after a long and very distinguished career at the Energy Commission. He has done a tremendous service in shepherding this item through to fruition, and he may have thought he was done a few months ago, but had to come back for another bite. So we thank you and wish you the best.

MR. SOINSKI: Thank you, Madam Chair.

VICE CHAIR BOYD: Thank you, Art. I do not know if I should say this on behalf of Commissioner Byron, who would say that, you know, we can refuse allowing him to retire. In any event, good luck.

MR. SOINSKI: Thank you.

CHAIRPERSON DOUGLAS: Very well. We will not be taking up Item 21, the Minutes, today. That will move to the next business meeting.

Item 22. Are there any Commission Committee presentations or discussion?

COMMISSIONER WEISENMILLER: I would just note, and I think it would be more appropriate to pick them up later when Commissioner Eggert is here, that we were both at LBL and we can certainly give people more input on that, but I think again it would be more appropriate for both of us to be here in perhaps a less packed agenda. And also, we were both at Riverside at the Governor's event there, and I think it would be appropriate for both of us to cover that at a future event.

CHAIRPERSON DOUGLAS: Well, these days we have weekly opportunities to get together and so we will look forward to that next week.

VICE CHAIR BOYD: I have nothing to add.

CHAIRPERSON DOUGLAS: Very well.

Item 23. Is there any Chief Counsel's Report?

MR. BLEES: Yes. Thank you, Chairman Douglas, Commissioners. Briefly, I bring you news from all three Michaels in the Legal Office. First, our Chief Counsel, noting the large number of transactions with cities on today's agenda, has taken it upon himself to visit the City of Anaheim, along with assistance from the rest of his family, I believe they are looking at energy efficiency opportunities for some rather unique alternative vehicles at a large cultural institution in the City of Anaheim.

VICE CHAIR BOYD: You could have said Disneyland.

MR. BLEES: Well, I am glad you can still understand Lawyereese.

VICE CHAIR BOYD: He has young kids. I rest his case. It is spring break.

MR. BLEES: Yes, indeed. And truly work-related matters, two successes. Michael Doughton this week completed the successful settlement of the WRD, W-R-D, contract matter and Mike Heintz obtained a Federal Decision from the Department of General Services on a contract protest which actually allowed the Perry-Smith ARRA audits contract, Item 3, to move ahead today. So I am happy to offer kudos to both of them.

CHAIRPERSON DOUGLAS: Thank you, Mr. Blees. And I would like to join you in those kudos and those thanks for both of those achievements, which were very important.

Item 24. Executive Director's Report.

MS. CHANDLER: Thank you, Commissioners. Thank you for acknowledging the staff today -

CHAIRPERSON DOUGLAS: Actually, Ms. Chandler, before you go there, I realize that I should not have taken us out of the Chief Counsel's item quite yet because there is one other thing. I wanted to acknowledge Super-J, Jonathan Knapp, who has done a tremendous job of organizing the attorneys in the Legal Office to process the 200-plus Block Grants in a

uniformed and organized and consistent way, which I am sure Program staff greatly appreciates. So, Jonathan is here and we wanted to make sure that we recognized his achievements and his contributions on the Block Grant Program. Ms. Chandler.

MS. CHANDLER: We have done a tremendous amount of business today, we have put, as you noted, \$10 million on the street in ARRA, and even more than that related to the Clean Energy Business program, the 118 programs. I think the important thing that keeps us going here is that we all truly are creating real jobs for real people in the clean energy business world, whether it is energy efficiency or alternative fuels, this is an important endeavor. Staff work nights and they work weekends and they work furlough holidays to get this job done and they did do it, and I am grateful for this. They do it with passion. And they do it without grumbling, and it is delightful to come in and work with people who love what they do. So thank you for acknowledging them because I do believe we are making a difference here at the Energy Commission and you did an amazing job in approving all these awards today, so we can put jobs on the street.

I just received a report from creating the number of jobs that we created, so we expect that most of our jobs will be created in the summer. And the reason for that is just the technicality of how we report; we report on invoices, so we report on money drawn down, and of course we are just awarding

right now the bulk of our programs, so we do not expect to see this huge job creation hit us until the June-July timeframe when cities are actually -- the creation will hit us before that, but the reporting of that will not actually happen because of the way that the system works. But we have created 45 real jobs and so that is a pretty good accomplishment for last quarter, since we really -- the money is not on the streets that strongly yet -- so today is a big day for us in that return.

I am also pleased to announce that today is the day that the Clean Energy Business Financing Program that you approved a couple weeks ago now, applications go out on the street. So this is through our partners, Business, Transportation and Housing and their financial development corps., there are four financial development corporations that we will be using as our storefronts to process these loans. So that is \$30 million that went out on the street, the loan application went out on the street today. So that is exciting, as well. That is a program that I know is near and dear to our Vice Chair Boyd's heart and he was instrumental in helping us position that program. So we are looking forward to seeing what great applications we have in that regard.

And the last thing I would report on is that the Notice of Proposed Award for our third-party vendor for the Appliance Efficiency Program will be announced today. We have

Analys72

one successful vendor that we will be announcing, and that should keep us on track for all that we need to do to launch on the 21<sup>st</sup>. We are launching on the 21<sup>st</sup>, and we have Plan B and Plan C and Plan D, but it would be nice to have a vendor on board and included in Plan A, so that is where we are headed and then we are hoping to meet that target.

CHAIRPERSON DOUGLAS: Thank you, Ms. Chandler.

Item 25. Public Advisor's Report.

MS. JENNINGS: I have nothing to report.

CHAIRPERSON DOUGLAS: Item 26. Public Comment. We have one member of the public who has a public comment. Mr. Rothstein.

MR. ROTHSTEIN: Thank you again. Jim Rothstein, no affiliation. I want to raise again the California Jiangsu MOU that was signed October 2009. I now feel I have asked here in Sacramento just about everybody from the Governor's Office on down, including the Regulatory agencies listed on the MOU. I have asked everyone about it and I am still fairly clueless what is happening. I am aware that there is a working plan in development, there is a group called C3 that has met, and there is a steering committee being formed. I have two questions of you. First, are you aware of any of those three things, the working plan and the group C3, the steering committee? And I want to be positive about this. There is now some more money on the table, the U.S. Department of

Energy through something called the China U.S. Clean Energy Research Group, CERC, has a funding opportunity of \$75 million from the U.S. to be matched \$75 million from China. The U.S. money goes to U.S. researchers, and the Chinese money goes to Chinese researchers. This is a funding opportunity that I know many institutions in the state would be interested in, cooperating with China, it adds up to \$150 million, it is due in early May, and my question is where is the CEC on this, State of California? Thanks.

VICE CHAIR BOYD: A couple of comments. I have heard of C3, I do not know what it is, there is a steering committee being formed, I am advised, and was advised a couple weeks ago that I was going to be solicited for that committee, but I have not actually received the solicitation, and two days ago the Governor's Office, in effect, asked me to go to China starting next week to this province to help kick off the State of California Jiangsu Province Climate Conference. And while there, I will also be, besides giving a talk, moderating a panel, and, for the Governor, giving welcoming comments, will be visiting outside of Shanghai their zero carbon emissions city and commercial development proposal, they seem to have an island in the middle of the river there that is all agriculture, that is going to be devoted to commercial development, but as a basically zero emissions activity. U.C. Davis is involved in the zero emission vehicle component of

that, and I will be participating in an event there, and also fulfilling our commitments to discuss with China renewable energy in a much broader sense. So things are happening, but I am a little late to the table and catching up very rapidly with what is going on. I would note that, not only has the State of California signed this MOU, which I now have a copy of, which is replete with energy issues and commitments, this agency and the PUC a couple of -- well, several years ago -- signed a MOU with the very same province on the subject of efficiency. It was signed by Commissioner Rosenfeld and PUC Commissioner Kennedy at the time that it was implemented, so that is all on my list, and I have copies of all, thank you staff, and will be pursuing what are obligations are and try to fulfill them as best we can in this very short period of time, so I have a lot to learn and not a lot of time to learn it. But, in any event, I guess we are off and running.

CHAIRPERSON DOUGLAS: Thank you, Commissioner Boyd. It does sound like things are coming together on that MOU. I think that nobody could have guessed the workload that would hit this agency a couple years after signing on to those commitments, but at the same time, it is clear that the State of California has a lot to gain from coordination and cooperation and exchange with China and with other places, and the Department of Energy stepping in, and the Department of Energy Initiative definitely does raise the stakes and make

this an extremely interesting issue to pursue, along with the many many many issues that we are charged with on a day to day basis, and to fulfill our business meeting agenda, so I appreciate your taking this on.

VICE CHAIR BOYD: Well, and in these times, where virtually no one is being allowed to travel anywhere, the fact that the Governor's Office has asked for this is representative of their acknowledgement of an obligation on the part of the state, so I found that to be interesting and informative.

CHAIRPERSON DOUGLAS: Well, certainly a sign of their commitment to seeing this through.

VICE CHAIR BOYD: But, by the way, this is at absolutely no expense to the State of California because the Chinese are paying for some of this -- well, I will take that back, U.C. Davis is paying for a tiny little piece of this and we are paying nothing for this, except my time, which is cheap these days.

CHAIRPERSON DOUGLAS: Mr. Rothstein.

MR. ROTHSTEIN: Yes, thank you. And I am glad that Commissioner Boyd, you are involved. All of that is under the MOU? All the activities you mentioned?

VICE CHAIR BOYD: I believe not, no, just the conference in Shenzhen, which is a climate conference full of energy issues, energy efficiency renewables, and so on and so

forth. The other is just, "while you are there, would you..."

MR. ROTHSTEIN: Shenzhen is not in the province with the MOU. It sounds wonderful, but --

VICE CHAIR BOYD: The MOU is being highlighted as part of the discussion, interestingly enough.

MR. ROTHSTEIN: All right, what I am really after is, as a member of the public, where do we find out what is happening? I am glad the Governor calls you because they do not return my e-mails.

VICE CHAIR BOYD: Oh, believe me, he does not call me.

MR. ROTHSTEIN: So, you know, why is there no sunshine?

VICE CHAIR BOYD: I am not sure I can help with that question. You have all the sunshine that we have to offer at the present time. I will be glad to share more with you as I learn more. I intend to, in the few days left, to sit down with CAEPA which is apparently obviously instrumental in this whole process in creating MOU and what have you, and sit down -- I have asked for an appointment to sit down and understand all the background relative to this, and I will know more in the future and I will be glad to share it with you.

CHAIRPERSON DOUGLAS: Thank you. And hopefully there may be a way of keeping Mr. Rothstein in the loop on this outside of business meetings, although, of course, you

are always welcome to show up and ask questions at business meetings, but if you provide us, or provide Commissioner Boyd's office with your contact information, there may be a more expeditious way of looping you into information about this. Thank you. We do not have anything on the last agenda item, so we are adjourned.

(Whereupon, at 12:02 p.m., the business meeting was  
adjourned.)

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**REPORTER'S CERTIFICATE**

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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter

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And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF,

I have hereunto set my hand this 29th day of April, 2010.

A handwritten signature in cursive script, reading "Peter Petty", is written over a horizontal line. The signature is fluid and stylized, with a long, sweeping tail on the final letter.

PETER PETTY  
CER\*\*D-493