

Commissioners Present (*Via Phone)

James D. Boyd, Vice Chair
Anthony Eggert
Robert Weisenmiller*

Staff Present:

Jonathan Bles, Chief Counsel
Thom Kelly, Executive Officer's Office
Jonathan Knapp, Chief Counsel's Office
Jennifer Jennings, Public Advisor
Lynn Sadler, Assistant Public Advisor
Harriet Kallemeyn, Secretariat

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Others

Interested Parties:

Barry Hooper, City and County of S.F.,
Department of Environment

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P R O C E E D I N G S

DECEMBER 29, 2010

10:08 a.m.

VICE CHAIR BOYD: Good morning, everybody.

Sorry for the slight delay. We are connecting Commissioner Weisenmiller in by remote access and we had trouble getting him, and we have him now, as I understand. Bob, are you there?

COMMISSIONER WEISENMILLER: Yes, Commissioner Boyd, I'm here.

VICE CHAIR BOYD: Thank you. All right, I want to welcome everybody, then, to the December 29th, 2010 Business Meeting of the California Energy Commission, I will note, the last one for 2010.

Please join me in the Pledge.

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

VICE CHAIR BOYD: Thank you. Agenda revisions, there is only one, Item 1d on the Consent Calendar will be removed from the Consent Calendar and scheduled for discussion and I'll title it Item 2a and we'll take it up after Item 1.

So we have Item 1, items a through c on the Consent Calendar. Do I have questions or a motion?

COMMISSIONER EGGERT: I will move the item.

COMMISSIONER WEISENMILLER: I'll second it.

1 VICE CHAIR BOYD: Thank you. All in favor?
2 Oh, I forgot to - I've got it written here in big bold
3 letters, we have to do roll call vote with someone
4 phoning in, so -

5 MS. KALLEMEYN: Commissioner Eggert - Aye;
6 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

7 MS. KALLEMEYN: The motion carries.

8 VICE CHAIR BOYD: The motion carries, three to
9 nothing, thank you.

10 Item 2a, then, will be a discussion of the
11 previously listed 1d, Locally Adopted Building Energy
12 Standards. And we've removed the item because I
13 understand we have someone here from the County of San
14 Francisco, either here or on the phone, I'm not sure
15 which - here - who wanted to speak to the item. So, we
16 are ready to hear from the City of San Francisco. But, I
17 will say that the item is Locally Adopted Building
18 Standards. Possible approval of locally adopted building
19 energy standards for the Cities of Burlingame, Daly City,
20 Goleta, Sonoma, San Carlos, the town of Portola Valley,
21 and the City and County of San Francisco. Therefore, we
22 will move to hear the item with the gentleman from San
23 Francisco.

24 MR. HOOPER: Good morning. My name is Barry
25 Hooper. I'm with the Department of Environment with the

1 City and County of San Francisco and I'm here on behalf
2 of both our own department and the Department of Building
3 Inspection and the Mayor's Office to actually thank the
4 Commission and Commission staff for extraordinary efforts
5 to get this item on to the agenda for your consideration
6 today and to complete their administrative review. This
7 is actually a continuation of green building standards
8 that the City has had in place for several years starting
9 in 2008, and while the text of the ordinance before you
10 is substantially different than in years past, the
11 content is actually very similar in what the change
12 involved, integrating with the new California Green
13 Building Standards, while maintaining certain stricter
14 locally adopted standards in place. I just really wanted
15 to take a moment to thank you for your time and
16 consideration and for your efforts on this matter.

17 VICE CHAIR BOYD: I want to thank you for being
18 here, thank you for your kind words. Up until today's
19 item, we traditionally have heard each and every one of
20 these items, and there is getting to be so many cities
21 who are doing the very commendable thing of adopting
22 standards that exceed the guidelines that we've
23 established, that this is the first time we've done it as
24 a consent item. However, we're very glad to hear from
25 the City. I am doing this in an unorthodox way because,

1 now, I'm going to call upon Mr. Loyer, who can present
2 the item overall and the balance of the item, but I
3 wanted to give the gentleman from San Francisco, Mr.
4 Hooper, an opportunity to comment on the item first. Mr.
5 Loyer, will you sum up the item?

6 MR. LOYER: Commissioner, thank you. The City
7 and County of San Francisco is presenting this
8 Application for a Local Ordinance approval. The
9 Ordinance will ensure that residential projects under the
10 City and County of San Francisco will achieve 15 percent
11 or more exceedance of the 2008 California Building Energy
12 Efficiency Standards, Title 24, Part 6, using GreenPoint
13 rated checklist developed by Build it Green. The
14 Ordinance also estimates that newly constructed
15 commercial buildings will, as well as additions and
16 alterations, will exceed the standards by 15 percent or
17 more under the leadership and energy environmental design
18 checklist developed by U.S. Green Building Council, in
19 addition to the implementation of Title 24, Part 11, and
20 the implementation of an equivalency of Tier 1
21 requirements.

22 Staff has reviewed the ordinance and has
23 determined that it complies with all the necessary
24 requirements of Title 24, Part 1, Section 10106, and
25 recommends the application be approved and the Energy

1 Commission resolution be signed, which I have here.

2 VICE CHAIR BOYD: Okay, Mr. Loyer, since we
3 pulled the entire item, you referenced the City and
4 County of San Francisco, but you're going to need to tell
5 us that the same criteria applies to all the other cities
6 listed in the item. Are you prepared to do so?

7 MR. LOYER: I can do them individually or
8 altogether if you'd like.

9 VICE CHAIR BOYD: Altogether would be just fine
10 since no other City has asked to comment.

11 MR. LOYER: Generally, all the cities and towns
12 - in this case, we have one town - and counties, and city
13 and counties, are exceeding the Code by 15 percent, they
14 are generally using either LEED GreenPoint rated, or
15 implementing Tier 1, or, in one case, they're
16 implementing a sort of mix of several different measures,
17 but they all should exceed the Code by 15 percent, and we
18 do recommend all of them to be approved and their
19 resolutions to be signed.

20 VICE CHAIR BOYD: Okay, thank you very much.
21 And thank you, Mr. Hooper, for being here. Do we have a
22 motion?

23 COMMISSIONER EGGERT: Actually, if I might,
24 Commissioner, I just wanted to commend all of the cities
25 that are listed on this item, as well as specifically

1 really appreciate, Mr. Hooper, you're appearing here in
2 person here today. I know the City and County of San
3 Francisco, through the leadership of the Department of
4 Environment, has really shown great leadership on
5 environmental and energy issues on recycling, climate
6 policies and, of course, green buildings. So, appreciate
7 the opportunity to continue the partnership that we've
8 had with the state and the city and county, just wanted
9 to recognize your leadership on that.

10 VICE CHAIR BOYD: Thank you. Any other
11 comments from Commissioners? If not, we do have a motion
12 and a second?

13 COMMISSIONER EGGERT: Commissioner, I move the
14 item.

15 COMMISSIONER WEISENMILLER: I'll second it.

16 VICE CHAIR BOYD: Thank you; there has been a
17 motion and a second. Roll call.

18 MS. KALLEMEYN: Commissioner Eggert - Aye;
19 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

20 The motion carries.

21 VICE CHAIR BOYD: The motion carries, three to
22 nothing. Thank you, all.

23 MR. LOYER: One more item, we have the
24 resolution signed by the Commissioners for the City and
25 County at this point, and you have our congratulations.

1 VICE CHAIR BOYD: Oh, thank you, yes, indeed,
2 Mr. Hooper. I'm glad you're here to receive your
3 resolution in person.

4 MR. HOOPER: Thanks so much for your time.

5 VICE CHAIR BOYD: Okay, now, Item 2. Solaria
6 Corporation. Possible approval of amending Agreement
7 009-10-CEB to increase the loan amount from \$753,992 to
8 the requested amount of \$2,768,122. Marcia Smith will be
9 presenting for the staff. Ms. Smith.

10 MS. SMITH: Thank you. Good morning, Vice
11 Chairman and Commissioners. I work in the Clean Energy
12 Business Financing Program, which is in the Energy
13 Commission's Fuels and Transportation Division. The
14 Energy Commission, through the State Energy Program
15 identified \$226 million to develop various programs to
16 meet American Recovery and Reinvestment Act State and
17 Commission goals. Approximately \$30.6 million was
18 earmarked for the development of the Clean Energy
19 Business Financing Program. Agenda Item 2 is the
20 possible approval of an amendment to increase Solaria
21 Corporation's CEBFP loan amount from \$753,992 to
22 \$2,768,122, which is the loan amount the company
23 originally requested. At the time of the initial award
24 to Solaria, all the other CEBFP funds had been allocated
25 to other higher scoring Awardees; however, in the

1 following months, a CEBFP Awardee withdrew from
2 consideration, freeing up previously allocated funding.
3 This amendment allows the Commission to fully fund the
4 Solaria Corporation project to purchase and install
5 equipment, including a glass scanner and a photovoltaic
6 assembly machine, to increase capacity at their solar
7 panel manufacturing facility in Fremont, California. The
8 facility will have an annual capacity of 6 megawatts by
9 their expected completion date of October 2011. In
10 addition, the project will create or retain 79 full-time
11 equivalent jobs, and the annual production of solar
12 panels will offset an estimated 3,914 tons of carbon
13 dioxide per year. The total cost is approximately \$3.5
14 million, of which Solaria Corporation will provide
15 \$743,891 in leveraged financing.

16 Staff requests the Commission approve Item 2 to
17 amend the agreement with Solaria Corporation for the
18 total CEBFP loan amount of \$2,768,122. Thank you.

19 VICE CHAIR BOYD: Thank you. I have no
20 indication of anyone wanting to testify on this item in
21 the form of a blue card or anything else, so I will open
22 it up to any questions from Commissioners, or comments.

23 COMMISSIONER EGGERT: Commissioners, if I
24 might, just a comment. This came through the ARRA Ad Hoc
25 Committee and this was, I would say, a good sign that we

1 had a large number of highly qualified applications for
2 these manufacturing loans, and the fact that the solar
3 power withdrew their acceptance of the award allowed us
4 to go down the list to this company, which was previously
5 funded, but we were now able to provide a full funding
6 for their application, so it's great, I think, to see
7 that we do have more applications, more desire than we
8 have available resources, but that does allow us to
9 adjust when a particular company pulls out. So, I guess
10 I would recommend approval and I will move the item
11 unless there is any further comment.

12 COMMISSIONER WEISENMILLER: I was also going to
13 comment that I had met with them to discuss the Solaria
14 Corporation's interest in the loan, and I know they were
15 disappointed with the initial allocation, and it's good
16 to see a quality applicant getting the funding, full
17 funding, at this stage. So, I will second it.

18 VICE CHAIR BOYD: All right, we have a motion
19 and a second. I will just add in that I, too, was glad
20 to see such a positive project was able to get full
21 funding. You heard the attributes, they are fairly
22 significant, and it's meaningful to California to have
23 manufacturing done here, so we have a motion and a
24 second. Roll call?

25 MS. KALLEMEYN: Commissioner Eggert - Aye;

1 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

2 The motion carries.

3 VICE CHAIR BOYD: The motion carries three to
4 nothing. Thank you.

5 MS. SMITH: Thank you.

6 VICE CHAIR BOYD: Item 3. City Of Arroyo
7 Grande. Possible approval of Agreement 002-10-ECE-ARRA
8 for a loan of \$158,156 to the City of Arroyo Grande to
9 implement energy efficiency measures. Haile Bucaneg.

10 MR. BUCANEG: Good morning, Commissioners. My
11 name is Haile Bucaneg, and I'm with the Special Programs
12 Office. This item is a request for the approval of a
13 \$158,156 ARRA funded loan at an interest rate of 3
14 percent to the City of Arroyo Grande for the installation
15 of energy efficiency measures in City facilities. The
16 measures include upgrading HVAC units, upgrading existing
17 HVAC controls with programmable thermostats, upgrading
18 interior lighting equipment and controls, installing
19 vending machine misers, replacing computer monitors,
20 installing computer controls, and installing LED street
21 lights. The total annual energy savings for these
22 projects is 90,678 kilowatt hours and 1,085 therms. This
23 is equivalent to a reduction of approximately 37 tons of
24 CO₂ at an annual energy cost savings of \$14,431. The
25 simple payback for this loan is 11 years, and in addition

1 to this loan, the City of Arroyo Grande will also be
2 using a \$92,236 Block Grant obtained through the
3 California Energy Commission and will also apply for
4 approximately \$10,043.00 in utility rebates.

5 VICE CHAIR BOYD: Thank you. Again, I have no
6 indication of anyone wanting to speak to this item, so
7 comments, questions from Commissioners?

8 COMMISSIONER EGGERT: Again, I just think it's
9 another example of local jurisdiction taking advantage of
10 the resources provided through ARRA to make some
11 investments which will have long term savings, both for
12 the jurisdiction and for the State, so I'll move the
13 item.

14 COMMISSIONER WEISENMILLER: I will second it.

15 VICE CHAIR BOYD: Great, we have a motion and a
16 second, and I'll just concur on the very positive
17 attributes of this program. And the City of Arroyo
18 Grande is one that I've visited on several occasions, so
19 very good for them. Roll call, please.

20 MS. KALLEMEYN: Commissioner Eggert - Aye;
21 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

22 The motion carries.

23 VICE CHAIR BOYD: Motion carries, three to
24 nothing. Thank you.

25 MR. BUCANEG: Thank you.

1 VICE CHAIR BOYD: Item 4. Oil Price
2 Information Service (OPIS). Possible approval of
3 Purchase Order 10-445.03-007 for \$138,929 to renew the
4 Energy Commission's subscription to OPIS for two
5 additional years. Andre Freeman.

6 MR. FREEMAN: Good morning, Commissioners. My
7 name is Andre Freeman. I'm with the Fuels and
8 Transportation Division's Fossil Fuels Office. I'm here
9 seeking approval of the Oil Price Information Service
10 data subscription; the next subscription will be for two
11 years at \$138,929. OPIS currently provides us with
12 detailed pricing information on both conventional and the
13 emerging alternative fuels industries. They also let us
14 know about Federal legislation that's coming down the
15 pipeline, as well as general market trends that are going
16 on. The data is currently utilized in our transportation
17 energy forecasts, as well as the IEPR coming up this
18 year. It has previously been used in reports to the
19 Governor's Office, including the Multiple Price Bike
20 Reports and the Propane Shortage Report. More recently,
21 it's been used to support AB 118 activities such as the
22 CEPIP Program, the California Ethanol Producer Incentive
23 Program, to determine ethanol price margins and such.

24 The subscription has previously been approved
25 by the Transportation Committee. Are there any

1 questions?

2 VICE CHAIR BOYD: Thank you, Mr. Freeman.

3 Nobody has indicated the desire to testimony, so
4 questions or comments from Commissioners?

5 COMMISSIONER EGGERT: No questions again. As,
6 Commissioner, you're well aware, this came through the
7 Transportation Committee and was approved by the
8 Committee as an extremely valuable and useful information
9 that would take a lot of staff time to assemble if we had
10 to do it ourselves, but the ability to purchase it allows
11 us to take advantage of this resource, so I'll move the
12 item.

13 COMMISSIONER WEISENMILLER: I'll second it.

14 VICE CHAIR BOYD: Okay, we have a motion and a
15 second, and since the Transportation Committee is sitting
16 right here, we're both very familiar with the item and,
17 furthermore, for the long years I've been here now, this
18 has been a key source of information for our
19 transportation folks and all the reports we've produced
20 as a result thereof, including the IEPR and the
21 forthcoming IEPR for 2011, so this is a valuable and
22 reasonable piece of information. So, if we could have
23 roll call, please?

24 MS. KALLEMEYN: Commissioner Eggert - Aye;
25 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

1 Motion carries.

2 VICE CHAIR BOYD: Motion carries, three to
3 nothing. Thank you, Andre.

4 Item 5. Soladigm, Inc. Possible approval of
5 Agreement PIR-10-049 for a grant of \$400,000 to Soladigm,
6 Inc. to conduct research and development to improve the
7 manufacturing process of solid-state dynamic windows.
8 Mr. Fleshman.

9 MR. FLESHMAN: Good morning, Commissioners. My
10 name is Joe Fleshman. I'm with the PIER Program's
11 Buildings Efficiency Group. I'm here to request possible
12 approval of Agreement PIR-10-049 with Soladigm, Inc. for
13 a \$400,000 grant for development of these Solid State
14 Dynamic windows. This grant leverages a Department of
15 Energy, American Recovery and Reinvestment Act of 2009
16 Award. The DOE award was \$3,467,541. Soladigm is
17 providing \$1,911,696 of match funding, so the total
18 budget for the project, then, is \$5,779,237.

19 Dynamic windows are windows that can switch
20 from tinted to clear and back on demand. Existing
21 dynamic windows have fallen short of the cost performance
22 and quality requirements needed for wide scale adoption;
23 in particular, currently available Electrochromic windows
24 can cost upwards of \$100 per square foot. Soladigm has
25 developed a new approach to manufacturing those windows.

1 Low cost dynamic windows through an all vacuum in-line
2 production process. So, in a traditional process, you
3 create a vacuum, you perform some steps, semi-conductor-
4 type steps, and then you have to release the vacuum, do
5 some more steps, and then create another vacuum to do the
6 rest of the layers and the Electrochromic windows. What
7 Soladigm has developed is an all vacuum process, you only
8 have to create a vacuum once, which makes it less energy
9 and labor intensive compared to the traditional process.
10 So, Soladigm has developed a two-inch lab prototype of
11 the Electrochromic thin film technology, using this
12 process, and in this project Soladigm will transition the
13 two-inch prototype up to a 30-inch, and then a full 60-
14 inch, five-foot-wide product fabricated using a complete
15 scalable in-line production process.

16 The reason why this is important is it's
17 anticipated that Soladigm's new approach will allow us to
18 get Electrochromic costs down to about \$15.00 per square
19 foot premium over typical low-e windows by 2012, and
20 \$5.00 cost premium over low-e windows by 2019, so it will
21 bring the cost way down from the current price of upwards
22 of \$100 per square foot. So, further, with wide scale
23 adoption, California could save up to 14,000 gigawatt
24 hours per year in cooling and lighting costs, and peak
25 demand savings of about nine percent. So, I'm happy to

1 answer any questions and I request approval of this item.

2 VICE CHAIR BOYD: Thank you. I have no
3 indication of anyone wishing to speak to this item, so
4 questions or comments from Commissioners?

5 COMMISSIONER EGGERT: I do have a couple of
6 questions, Commissioner. So, I read this item with great
7 interest and particularly appreciated the fact that you
8 sort of highlighted one of the primary purposes for
9 investing in this, which is to reduce the costs of this
10 novel technology. I was fortunate to be able to tour
11 some of the Lawrence Berkeley Lab work on dynamic
12 Electrochromic windows. And I guess my question is, I
13 understand this is a PIER Grant. Is this connected to
14 any past PIER research with respect to the Electrochromic
15 window?

16 MR. FLESHMAN: No. PIER's past research with
17 Electrochromic windows has really been on the
18 performance, the energy savings that is at Berkeley Lab
19 at the Windows Test Bed facility. We've tested other
20 Electrochromic manufacturers' windows before, but that
21 was more to determine its performance. This is - we
22 haven't done - PIER has not done Electrochromic
23 manufacturing research before, to my knowledge.

24 COMMISSIONER EGGERT: And does this represent
25 sort of a new direction on this particular technology

1 with respect to manufacturing research?

2 MR. FLESHMAN: I believe that improving the
3 manufacturing process is how we're going to get those
4 costs down because I think that, up until now, the
5 assumption has been that we could get all of our cost
6 savings with Electrochromics through volume
7 manufacturing, and I think that if we can improve the
8 manufacturing process, that volume manufacturing is going
9 to be more likely, which is why we're estimating, you
10 know, \$5.00 per square foot premium by 2019.

11 COMMISSIONER EGGERT: Okay, thank you. Yeah,
12 like I said, this looks very promising, especially if
13 they can hit these price points, and it's good to be able
14 to support a company that has their operations here in
15 California in Milpitas. Do we know anything about their
16 plans for scale-up on a manufacturing side? Do they have
17 any current plans or intentions to build manufacturing
18 facilities?

19 MR. FLESHMAN: All their research and
20 development is in Milpitas, they have about 15 employees
21 here that will be supported by this project. They have
22 announced - Soladigm has announced that they will be
23 building a plant in Mississippi, actually, with a \$40
24 million loan from the State of Mississippi. So, that's
25 their initial plant, but they plan to scale-up and have,

1 you know, a dozen manufacturing plants across the country
2 once they scale-up.

3 COMMISSIONER EGGERT: Okay, hopefully we can
4 convince them to bring one of those to the state. I have
5 no further questions. And I guess if there are no
6 further questions or comments, I would move the item.

7 COMMISSIONER WEISENMILLER: I'll second it.

8 VICE CHAIR BOYD: We have a motion and a
9 second, and I will just add that Commissioner Byron and
10 I, constituting the Research Committee, reviewed this
11 proposal and recommended it to be presented to the full
12 Commission here today, and for a lot of the same reasons
13 you've heard, and the questions you asked about
14 manufacturing, and the fact that, while we'd like to lure
15 a manufacturing plant here some day, the idea of getting
16 the cost down is incredibly important, particularly since
17 California represents such a large potential market for
18 this technology, and it offers the opportunity for fairly
19 significant and hopefully affordable efficiency
20 improvements in the buildings and homes that utilize this
21 technology, so we are very hopeful that the scale-up is
22 successful. With that, we've had a motion and a second,
23 and I'll ask for roll call.

24 MS. KALLEMEYN: Commissioner Eggert - Aye;
25 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

1 The motion carries.

2 VICE CHAIR BOYD: The motion carries three to
3 nothing. Thank you, Mr. Fleshman.

4 MR. FLESHMAN: Thank you, Commissioners.

5 VICE CHAIR BOYD: Item 6. California Institute
6 for Energy and Environment. Possible approval of Work
7 Authorization MRA-02-088 for \$324,998 with the Regents of
8 the University Of California, California Institute for
9 Energy and Environment for a strategic analysis of energy
10 storage technology. Mr. Avtar Bining to present.

11 MR. BINING: Good morning, Commissioners. Good
12 morning, everybody. My name is Avtar Bining and I manage
13 the Energy Storage Program, Energy Research and
14 Development Division of the Energy Commission. This
15 Agreement that I'm going to present for your approval is
16 with Regents of the University of California, California
17 Institute for Energy and Environment, for \$324,998, to
18 conduct a strategic analysis of energy storage technology
19 and to develop a 2020 Energy Storage Vision for
20 California. For this project, California Institute of
21 Energy and Environment has assembled a research team of
22 Energy Storage Technology experts and policy experts from
23 the University of California campuses at Berkeley, Los
24 Angeles, and San Diego. This team will determine the
25 current status of the energy storage technology and will

1 also identify related issues, research gaps, barriers,
2 and opportunities, as well as specific actions and
3 necessity for development and deployment of energy
4 storage technology in California. The project results
5 will be used for the 2011 Integrated Energy Policy Report
6 Proceedings, and these results will also be provided to
7 the California Public Utilities Commission and others to
8 support their activities for meeting the requirements of
9 Assembly Bill 2,514 that is the Energy Storage Systems
10 bill recently enacted into law, and the project term is
11 about five months, and I request your approval of this
12 agreement. And I will be happy to answer any questions.

13 VICE CHAIR BOYD: Thank you. I have no
14 indication of anyone wishing to speak to this item, so,
15 again, I will turn to the Commissioners for questions and
16 comments.

17 COMMISSIONER EGGERT: Commissioner, again, I
18 really do appreciate the R&D Committee bringing this item
19 to the full Commission. I had the benefit of getting
20 briefed by Mr. Bining on this item and I think it really
21 does present a tremendous opportunity to establish
22 California as a leader and a strategic vision for energy
23 storage, both large scale utility scale and distributed.
24 And so I note that this has an extremely aggressive
25 timeline, I believe five months is the term, and we're

1 hoping to even get product out prior to that, to
2 contribute to the IEPR process. And so, I understand a
3 good team has been selected and hopefully they have a
4 good team manager to deliver a quality product in that
5 timeline. But I think this is very timely and extremely
6 important, especially as it also leads into the PUC
7 Proceeding that is related to the AB 2514 bill. So, all
8 of my questions were answered during the briefing, so I
9 have no further.

10 VICE CHAIR BOYD: Thank you. Commissioner
11 Weisenmiller, any comments?

12 COMMISSIONER WEISENMILLER: Yes, I was going to
13 say, I have discussed this contract with both
14 Assemblywoman Skinner, and with the transition team and
15 they are certainly appreciative of the Energy Commission
16 moving forward on this contract, and trying to flesh out
17 the analytical base, and I, too, would like to thank the
18 R&D Committee for its leadership in this area, and I
19 certainly would be happy to move this item.

20 COMMISSIONER EGGERT: Second.

21 VICE CHAIR BOYD: We have a motion and a second
22 on this item and, again, Commissioner Byron and I,
23 constituting the R&D Committee, we are very grateful for
24 the staff moving this issue right along. We had some
25 very enlightened legislation from Assemblywoman Skinner

1 to prod this subject of Energy Storage along, which this
2 Commission in its Integrated Energy Policy Report has
3 more than once commented on the need for, and the
4 desirability of, energy storage systems in California to
5 help complement many of the other activities we have
6 going on, particularly in the generation area, from
7 renewables. So, this is ambitious and we are very
8 grateful that staff has stepped up and is going to be
9 moving this, and the key personnel are impressive, so
10 hopefully we'll get a very good strategic plan that the
11 Commission can move forward on in concert with the Public
12 Utilities Commission. So, we have a motion and a second.
13 Roll call, please.

14 MS. KALLEMEYN: Commissioner Eggert - Aye;
15 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

16 Motion carries.

17 VICE CHAIR BOYD: Motion carries three to
18 nothing. Thank you, Avtar.

19 MR. BINING: Thank you and Happy New Year.

20 VICE CHAIR BOYD: Thank you. Same to you and
21 good luck moving this along aggressively.

22 Item 7. Solar Offset Program. Possible
23 adoption of proposed regulations, including the 15-Day
24 Language relative thereto, that will govern the
25 requirements of the Homebuyer Solar Option and Solar

1 Offset Program, as required by California Public
2 Resources Code Section 25405.5, which is a product of
3 Senate Bill 1 by Senator Murray, which was enacted in
4 2006. And we have Sherrill Neidich here to speak to it.

5 MS. NEIDICH: Thank you. Good morning,
6 Commissioners. My name is Sherrill Neidich. I work in
7 the Renewable Energy Office and I am the Project Manager
8 for the Solar Offset Program Rulemaking. I am here today
9 to request that you adopt the proposed regulations, 15-
10 day language, for the Solar Option and Solar Offset
11 Program. I am going to provide you with a brief
12 overview.

13 Public Resources Code Section 25405.5, as
14 enacted by Senate Bill 1, requires a seller of production
15 homes to offer the option of a solar energy system to all
16 prospective homebuyers, negotiating the purchase of a new
17 production home, constructed on land, or an application
18 for a tentative subdivision map has been deemed complete
19 on or after January 1, 2011, and directs the Energy
20 Commission to develop regulations for an offset program
21 that allows a developer/seller or production homes to
22 forego solar as an offer requirement by installing a
23 solar energy system on other projects.

24 At its January 13th, 2010 Business Meeting, the
25 Energy Commission approved an Order Instituting

1 Rulemaking to adopt guidelines for the administration of
2 the Solar as an Option and Solar Offset Program. In
3 February 2010, the staff conducted informal stakeholder
4 meetings to solicit comments. In May 2010, we developed
5 a staff paper to present the issues and possible
6 alternatives that were raised during the stakeholder
7 meetings. On May 20th, 2010, we held a workshop to
8 discuss the staff paper.

9 In September 2010, we developed a staff report
10 that presented proposed draft regulations to be
11 considered. Staff received comments from stakeholders
12 and considered those comments when developing proposed
13 regulations. On October 12th, the staff submitted the 45-
14 day language, the Initial Statement of Reasons, and the
15 Notice of Proposed Action to the Office of Administrative
16 Law. The Notice was published in the California
17 Regulatory Notice Register on October 22nd, 2010,
18 initiating the 45-day comment period. The comment period
19 ended on December 6th, 2010. On November 19th, staff
20 submitted 15-day language and revised Initial Statement
21 of Reasons to the Office of Administrative Law. The 15-
22 day language included a new definition, and the Initial
23 Statement of Reasons was revised to include additional
24 clarification regarding the proposed regulations. The
25 comment period for the 15-day language also ended on

1 December 6th.

2 On December 7th, 2010, the Renewables Committee
3 held a public hearing to receive public comments to the
4 15-day language. No negative comments were heard at the
5 hearing or about the deadlines stated in the notice. At
6 the hearing, we did receive comments in support of the
7 regulations from a stakeholder representing the
8 California Building Industry Association and the
9 California Business Properties Association. If the
10 regulations are adopted at today's meeting, staff will
11 complete the final regulation package to submit to the
12 Office of Administrative Law for final review and
13 approval. We are anticipating submitting this final
14 package to OAL in mid-January, 2011, with a possible
15 approval date in late March 2011. After the regulations
16 have been finalized by OAL, staff plans on providing
17 outreach by holding a workshop targeted at members of the
18 building industry and local government, Building and
19 Planning Departments, to provide an overview on complying
20 with the regulations. And if you have any questions, I'd
21 be more than happy to answer them.

22 VICE CHAIR BOYD: Thank you, Ms. Neidich. We
23 do have indication of one individual, at least, who wants
24 to speak to this item. Mr. Bob Raymer of the California
25 Building Industry Association.

1 MR. RAYMER: Thank you, Commissioners and
2 staff. I'm Bob Raymer, Technical Director and Senior
3 Engineer with the California Building Industry
4 Association. And, as staff had indicated, we are in
5 support of these Regs. We hope you adopt these Regs
6 today. And I would like to say that, initially, back in
7 May and June, we had a great many comments and questions
8 on this. And staff put a tremendous amount of time into
9 effectively responding to our concerns, our comments.
10 For the most part, just about everything we were seeking
11 either clarification on, or change on, has been
12 addressed. And so, unless you've got any questions, we
13 strongly support your adoption of these today. Thank
14 you, and thank you to staff.

15 VICE CHAIR BOYD: Well, thank you. Thank you
16 for being here. Thank you for your support of this item
17 and thank you for working so diligently with the staff.
18 I must say, Commissioner Weisenmiller and I, who are the
19 Renewables Committee, have watched and tended this item
20 for the year that you have, and are very appreciative of
21 the fact that both the staff and yourselves and other
22 stakeholders have found the happy middle ground on what
23 constitutes now proposed regulations for this program,
24 which we're anxious to see move forward. I am sure you
25 and the other stakeholders are, as well, particularly in

1 order to meet the 2011 need that has been established.

2 So, thank you very much for being here.

3 Commissioners, any questions or comments?

4 COMMISSIONER EGGERT: No questions. I thought
5 the item was well described and, Mr. Raymer, I appreciate
6 your comments here. It's always good to hear from the
7 stakeholders, especially when it's positive in terms of
8 the end product, and certainly looking forward to your
9 and your organization's participation as we address
10 existing homes through 758 in the coming year. So, I
11 have no questions. And I would move the item -

12 MR. KNAPP: Commissioners, before you rule on
13 the item, I'm Jonathan Knapp from the Commission's Legal
14 Office. I just have a statement regarding the
15 applicability of the California Environmental Quality Act
16 to the proposed regulations.

17 VICE CHAIR BOYD: Please. Automatic with all
18 regulatory actions we take.

19 MR. KNAPP: The Energy Commission's Legal
20 Office has considered the application of the California
21 Environmental Quality Act, CEQA, to the adoption of the
22 proposed regulations to implement and administer the
23 Homebuyer Solar Option and Solar Offset Program, and
24 opine that the adoption of these regulations is exempt
25 from CEQA under Public Resources Code Section 21084 and

1 Title 14, California Code of Regulations, Section 15308,
2 because this rulemaking proceeding is an action by a
3 regulatory agency that is authorized by State statute to
4 protect the environment. The adoption of these
5 regulations is authorized by California Public Resources
6 Code Section 25405.5 to promote the use of photovoltaic
7 solar energy systems and reduce energy demand for
8 conventional power plants and thereby reduce carbon
9 emissions that are generated by burning fossil fuels.
10 The Energy Commission's Legal Office also opines that the
11 adoption of those regulations falls within the Common
12 Sense exemption found at Title 14, California Code of
13 Regulations Section 15061(B)(3). Section 15061(B)(3)
14 stats that CEQA only applies to projects that have a
15 significant effect on the environment, which is defined
16 at Title 14, California Code of Regulations Section
17 15382, and has a substantial or potentially substantial
18 adverse change in any of the physical conditions within
19 the area affected by the project, including land, air,
20 water, minerals, flora, fauna, ambient noise, and objects
21 of historic or aesthetic significance. Although the
22 proposed regulations promote the use of photovoltaic
23 solar energy systems, the regulations do not require the
24 installation of any such systems. A seller or developer
25 of production homes located in a subdivision covered by

1 these regulations may comply with the Homebuyer Solar
2 Option by offering to install solar energy systems on
3 homes being purchased by prospective homebuyers; however,
4 the regulations do not require prospective homebuyers to
5 accept the offer and install solar energy systems.
6 Similarly, although the proposed regulations provide that
7 a seller or developer may forego the offer requirement by
8 installing a solar energy system on another project under
9 the solar offset program, the regulations do not require
10 a seller or developer to select this alternative, thus,
11 the Energy Commission is unable to forecast the actual
12 effects that the proposed regulations will have on the
13 physical environment. Moreover, it is also relevant that
14 any future effects which might result from Governmental
15 action related to the installation of solar energy
16 systems at specific locations will themselves likely
17 require analysis under CEQA. These opinions are
18 reflected in the Proposed Order adopting regulations for
19 the Homebuyer Solar Option and Solar Offset Program,
20 thus, in the event the Commission decides to adopt the
21 Proposed Order, it will be making the findings that I've
22 described. Thank you, Commissioners.

23 VICE CHAIR BOYD: Thank you. With that -

24 COMMISSIONER WEISENMILLER: I would like to
25 make a few comments.

1 VICE CHAIR BOYD: Please.

2 COMMISSIONER WEISENMILLER: First, as the
3 second member of the Renewables Committee, I'm glad to be
4 part of the process today of considering these
5 amendments. I had anticipated I would be on Jury Duty
6 today, but got a release of that yesterday, so sorry I'm
7 not there in person. But, certainly, I really appreciate
8 the staff's and the industry's activities on this. I
9 think, when I started at the Commission, it was pointed
10 out to me that new construction in California dropped
11 from about 250,000 units a year to about 40,000 or
12 50,000, with a great loss of jobs from that in the
13 building industry. And since then, it's become clear
14 that a lot of the associated manufacturing industry,
15 asbestos manufacturers, the glass manufacturers, etc., in
16 California, have been very hard hit by the drop in new
17 construction. And at the same time, I think all of us
18 are committed to trying to move photovoltaic into the
19 mainstream for new construction, and so this was
20 certainly a balancing act to come up with standards that
21 would encourage that, but not further hit the building
22 industry. So, I certainly appreciate the staff and
23 industry's activity to come up with a set of meaningful
24 standards that everyone could live with. So, with that,
25 I'd certainly second this item.

1 VICE CHAIR BOYD: Thank you. We've had a
2 motion and a second. Roll call, please.

3 MS. KALLEMEYN: Commissioner Eggert - Aye;
4 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

5 Motion carries.

6 VICE CHAIR BOYD: Motion carries, three to
7 nothing. Thank you very much, and commendations again to
8 the staff and all the stakeholders. This is a good end
9 to the year present to many of us, and particularly the
10 staff, I'm sure.

11 MS. NEIDICH: Thank you very much.

12 VICE CHAIR BOYD: All right, that is the end of
13 all scheduled items. We will move on now to Approval of
14 Minutes. And I just want to say my thanks to all the
15 staff as they're exiting the room for a job well done
16 this year, and commendations, and we'll look forward to
17 more work in this area next year.

18 Item 8. Minutes of the Commission Meeting of
19 December 15th, before us.

20 COMMISSIONER EGGERT: I would like to move the
21 Minutes.

22 COMMISSIONER WEISENMILLER: I would second
23 that.

24 VICE CHAIR BOYD: Roll call.

25 MS. KALLEMEYN: Commissioner Eggert - Aye;

1 Commissioner Weisenmiller - Aye; Vice Chair Boyd - Aye.

2 The motion carries.

3 VICE CHAIR BOYD: The Minutes are approved,
4 three to nothing.

5 Item 9. The next item will be any Commission
6 Committee Presentations or Commissioner Discussion. Do
7 we have any today?

8 COMMISSIONER EGGERT: Commissioner, if I might
9 just take a minute and also thank the staff for a
10 tremendous year, and it's been a great privilege to serve
11 on this Commission for the last year, and I was sort of
12 reflecting on all that's been accomplished with the
13 combination of ARRA, all of the efficiency programs that
14 were standing up, creating entirely new industries in the
15 retrofit area, my great pleasure of serving with you on
16 the Transportation Committee, and really getting the legs
17 under 118 and getting that program proceeding at full
18 speed ahead. And of course, all of the Siting activities
19 and the Renewables, as well as a tremendous number of
20 excellent projects under the PIER Program, some of which
21 we've heard about today and certainly we'd hope that that
22 continues in light of the reauthorization that the
23 Legislature will be contemplating this coming year. So,
24 I just want to sort of say thanks to you and the other
25 Commissioners Weisenmiller, Byron, and Chair Douglas, it

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1 has been a great pleasure, and then also thanks to the
2 staff, it's really been a remarkable experience, and
3 particularly because of the hard work of the staff to
4 bring such excellent ideas, projects and policies before
5 us. And I look forward to many more. So, no specific
6 item, but just wanted to put that on the record.

7 VICE CHAIR BOYD: Thank you, Commissioner.
8 Commissioner Weisenmiller, did you have any Committee
9 presentations or items you wanted to broach?

10 COMMISSIONER WEISENMILLER: I would certainly
11 second Commissioner Eggert's comments on the productivity
12 the last year and certainly all of us, I'm sure, again
13 want to thank the staff for their activity, and I look
14 forward to next year.

15 VICE CHAIR BOYD: Thank you. Well, I want to
16 join my fellow Commissioners in their comments. I have
17 written down here that it has been a heck of a year. In
18 less than mixed company, I might have been a little
19 stronger, but - and we certainly look forward to next
20 year, to reap the benefits, let's say, of the work that
21 has been done this year. It has been an incredible year,
22 as has been indicated. And hopefully next year we'll
23 settle in, while increasing our productivity, being as
24 gentle as we can to the staff, who have, I will say, the
25 staff has been absolutely superb this year under the most

1 incredible workload I have experienced here, and some of
2 the less than perfect working conditions, based on the
3 state of the economy and the state of the financing of
4 government, and the state of financing this agency, I
5 want to thank the staff for what they've been able to
6 accomplish, I want to thank the public and the
7 stakeholders for understanding the state of the economy
8 to the point that they understand the workload of this
9 agency and its ability to produce, and I hope they feel
10 also, now that most of them have gotten all their ARRA
11 Christmas presents from this Commission, recognize the
12 tremendous work that was done by the staff. So, I'll
13 join you all in your commendations. I have no specific
14 Committee Presentations to mention. I would welcome the
15 two of you standing in, starting next week, as I start my
16 jury duty responsibility this coming Monday, so I don't
17 know what it is this time of the year, other than many of
18 us perhaps asked to be relieved this year and put it off
19 until next year, and next year has come suddenly. I know
20 that was my particular case. So, thank you all.

21 I'll move on now to Item 10, which is the Chief
22 Counsel's Report.

23 MR. BLEES: Thank you, Vice Chair Boyd and
24 Commissioners. I will take advantage of this opportunity
25 and ask you to indulge me while I briefly thank my

1 colleagues for the heck of a year, as Vice Chair Boyd
2 just said. I know that whenever I came in here on
3 weekends, especially during the ARRA crunch, the solar
4 power plant crunch that my colleagues were very well
5 represented on the sign-out sheet, out at the security
6 guard's desk, and I want to thank them all for the
7 privilege of working with them, especially our new Chief
8 Counsel, who had to put up with not only a uniquely
9 difficult workload for our office and the whole
10 Commission, but also some very unusual transition issues.
11 And it's been a heck of a year, and a great year. So, I
12 thank them all. Thank you.

13 VICE CHAIR BOYD: Thank you, Mr. Bles. That
14 was very kind of you to say and you'll never find my name
15 on that sign-up sheet because I sneak in the back door
16 and don't bother to sign in. Maybe that was a mistake,
17 but we run into each other even during Cal Football
18 season down here.

19 All right, Item 11, Executive Director's
20 Report.

21 MR. KELLY: The Executive Office - the whole
22 Executive Office - joins in wishing the Commissioners and
23 staff a safe and Happy New Year.

24 VICE CHAIR BOYD: Well, thanks on behalf of the
25 Commissioners, and I'll speak for the staff, as well.

1 Item 11. Public Advisor's Report.

2 MS. JENNINGS: Yes, I'd like to second that, as
3 well, Happy New Year to everybody. I'd also like to
4 spend a moment to introduce the new Assistant Public
5 Advisor, Lynn Sadler. She started December 16th, the day
6 after the ARRA projects were through the Commission. But
7 I'm really excited about how she'll be able to look at
8 everything that we have, especially on the Internet and
9 other places, and make them, perhaps, a little bit more
10 public friendly. She comes to us with 30 years of
11 conservation experience with a wide range of
12 organizations, including the Mountain Lion Foundation,
13 Planning and Conservation League, and South Coast Wild
14 Lands. She continues to serve on several Boards of
15 Directors, she has worked in the Legislature on the
16 Committee on Science and Technology, as well as one on
17 Long Range Planning. She also worked previously in the
18 Governor's Office and was the Assistant Director of
19 Department of Personnel Administration. So, I am very
20 happy and I think we're very lucky to have her here.
21 Thank you.

22 VICE CHAIR BOYD: Well, thank you. And
23 welcome, Ms. Sadler. And let's hope next year is as
24 interesting for you as it has been for Ms. Jennings all
25 this current year. She can tell you some of the stories,

1 you maybe picked up the flavor. Any comments you'd like
2 to make?

3 COMMISSIONER EGGERT: I'd just also like to
4 welcome Ms. Sadler, and it sounds like you've got a
5 phenomenal background for your position here at the
6 Commission and I'm very warmed to hear that you'll be
7 involved in trying to make it easier and make the
8 Commission more accessible to the public, including
9 through the Web, I think. There's a tremendous amount of
10 opportunity there - we've made a lot of progress this
11 year, but we can do even more. So, welcome.

12 VICE CHAIR BOYD: Thank you. Item 12. Next
13 item is Public Comment. I have no indication of Public
14 Comment, so nobody is indicating the same, so we'll move
15 on.

16 Lastly, there is a question about any need for
17 Internal Organization and Policy Discussion. Any comment
18 from the Executive Officer or Mr. Blee in the Chief
19 Counsel's Office, a need for Executive Session? If not,
20 that pretty well exhausts the agenda for today. Again,
21 Happy New Year to everybody, and we look forward to
22 convening again in the New Business Meeting in January
23 with the new Administration in place in Sacramento, and
24 new challenges, I'm sure. So enjoy the fleeting moments
25 of 2010, and look forward to the new challenges of 2011.

1 Thank you, all. And we stand adjourned.

2 (Whereupon, at 11:00 a.m., the business meeting was
3 adjourned.)

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