

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
)
Business Meeting)
_____)

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DATE	FEB 17 2010
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CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

 ORIGINAL

WEDNESDAY, FEBRUARY 17, 2010
10:00 A.M.

Reported by:
Peter Petty

COMMISSIONERS PRESENT

Karen Douglas, Chair

Jeffrey D. Byron

Anthony Eggert

Robert Weisenmiller

STAFF PRESENT

Claudia Chandler, Deputy Executive Director

Jonathan Blee, Acting Chief Counsel

Jennifer Jennings, Public Advisor

Harriett Kallemeyn, Secretariat

Agenda Item

Kenneth Celli	2
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Haile Bucaneg	3
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Ray Tuvell	5

Also Present

Scott Galati, Galati & Blek, For PG&E	2
Judi Moseley, PG&E	2
Michael Boyd, CARE	2
Rob Simpson, CARE	2
Robert Sarvey	2

By telephone

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2. GATEWAY GENERATING STATION (00-AFC-1C). Possible adoption of the Proposed Decision of the Siting Committee on the complaints against the Gateway Generating Station brought by the Association of Community Organizations for Reform Now (ACORN), Local Clean Energy Alliance (LCEA), and Californians for Renewable Energy (CARE).	5
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1 P R O C E E D I N G S

2 FEBRUARY 17, 2010

10:04 a.m.

3 CHAIRPERSON DOUGLAS: Good morning. Welcome to the
4 California Energy Commission Business Meeting of February
5 17th, 2010.

6 Please join me in the Pledge.

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

9 CHAIRPERSON DOUGLAS: Good morning, welcome again
10 everybody. We will begin with Item 1, the Consent Calendar.

11 COMMISSIONER BYRON: I move the Consent Calendar.

12 COMMISSIONER EGGERT: Second.

13 CHAIRPERSON DOUGLAS: All in favor?

14 (Ayes.)

15 The Consent Calendar is approved.

16 Item 2. Gateway Generating Station 00-AFC-1C. Mr.
17 Celli.

18 MR. CELLI: Good morning, Chairman Douglas and
19 Commissioners. Three complaints were filed alleging that
20 PG&E's Gateway Generating Station was constructed in non-
21 compliance with the Energy Commission's decision certifying
22 the facility, as well as operating without a PSD Permit. On
23 January 14th, 2010, the Siting Committee found that the Gateway
24 Project was constructed with a pre-heater different from the
25 pre-heater approved in the original decision, and was

1 constructed with a diesel engine powered fire pump instead of
2 the electric fire pump approved in the original decision. The
3 Siting Committee deferred to the Federal Court to resolve the
4 question of whether Gateway operated in violation of PSD
5 requirements. The Siting Committee concluded that most of the
6 allegations in the three complaints had no merit and that the
7 two violations found were insignificant. Nevertheless, since
8 any violation of Conditions of Certification is a series
9 matter, the Siting Committee imposed a \$10,000 fine on PG&E.
10 The order provided to the Commission contains seven findings.
11 The findings are 1) the complaint filed by Californians for
12 Renewable Energy, CARE, Bob Sarvey and Rob Simpson, is
13 dismissed based upon a determination of the insufficiency of
14 the complaint and a determination of the lack of merit; 2) the
15 Gateway Generating Station was constructed with a pre-heater
16 different from the pre-heater approved in the decision; 3)
17 Gateway was constructed with a diesel engine instead of the
18 electric engine approved in the Decision; 4) the PSD Permit is
19 a federal requirement, so it is appropriate for the federal
20 authorities, not the Energy Commission, to determine whether
21 Gateway was constructed or operated in violation of the PSD
22 requirements; 5) there is no substantive harm from the
23 unapproved substitution of the pre-heater because the new pre-
24 heater produces fewer emissions than the pre-heater approved
25 in the decision; 6) the substitution of the diesel engine for

1 the approved electrical engine appears to have been made in
2 good faith; that is, the diesel engine was installed in order
3 to meet the directives of the local Fire Marshall, moreover,
4 although the diesel engine will probably cause greater adverse
5 environmental effects than the electrical engine would have,
6 the difference is not significant; 7) a fine of \$10,000 is
7 appropriate. On February 9th, 2010, Complainants Rob Simpson
8 and Bob Sarvey, on behalf of Californians for Renewable
9 Energy, filed an appeal pursuant to Title 20, Section 1237 of
10 the California Code of Regulations, which requires the
11 Commission to issue an order sustaining the Committee's
12 determination, modifying it, overturning it, or remanding the
13 matter to the Committee for further hearings when a party
14 appeals the decision. CARE's appeal alleges a denial of due
15 process for failure to provide the parties an opportunity to
16 submit evidence, or argument on the penalty assessed against
17 PG&E, and disparate treatment in the dismissal of CARE's
18 complaint, but no other parties' complaints with similar
19 contents. With that, the Siting Committee respectfully
20 submits the adoption order for the Commission's approval.

21 CHAIRPERSON DOUGLAS: Thank you, Mr. Celli. Can we
22 hear from staff?

23 MR. BELL: Yes, good morning, Madam Chairman,
24 Commissioners. Kevin Bell, Staff Counsel on behalf of staff.
25 Staff has read and considered the Siting Committee's proposed

1 order and agrees with its findings and recommendations. It
2 appears to staff that PG&E acted in good faith and that the
3 installation of the dew point heater and the diesel fire pump,
4 absent prior Commission approval, has not resulted in any
5 significant adverse environmental impacts; however, staff also
6 agrees with the Committee that a message needs to be sent
7 regarding compliance with the Commission's siting regulations
8 and the seriousness with which the Commission views any
9 substantive violations of its decisions. Staff therefore
10 recommends that the Commission adopt the Siting Committee's
11 proposed order.

12 CHAIRPERSON DOUGLAS: Thank you, Mr. Bell. May we
13 hear from the Applicant?

14 MR. GALATI: Scott Galati representing PG&E.

15 MS. MOSELEY: And I am Judi Moseley, also with PG&E.

16 MR. GALATI: We appreciate the opportunity to speak
17 to you today. We have reviewed the order and, while we accept
18 the order, we wanted to point out a couple of things, first of
19 all, we appreciate that the Committee, after hearing evidence
20 recognized how that fire pump got installed and that it was
21 not a willful misbehavior. What happened is, once that did
22 get installed and it was discovered, the first thing that
23 happened was we called the Energy Commission staff and we shut
24 that down. So we appreciate that the Commission has taken
25 that into account with respect to that violation. We accept

1 the recommendation of the Committee and the proposed order on
2 the fine and would be available here to speak today to the
3 contents of the appeals that you have received, the petitions
4 from Robert Sarvey and Rob Simpson, one or both representing
5 CARE.

6 CHAIRPERSON DOUGLAS: Thank you, Mr. Galati. We
7 have three members of the public, actually all of whom took
8 part in this proceeding, who would like to speak, so I will
9 turn to them next, and then we will go to questions or
10 comments from Commissioners, beginning with Michael Boyd with
11 CARE. Are you on the line?

12 MR. BOYD: Mike Boyd, CARE. Essentially, I feel
13 like you guys, when we fought our appeal, we were told we
14 would be given a hearing on the penalty phase and it seems
15 like you reneged on that commitment to us to give us a hearing
16 on the penalty phase. We feel like the only reason we can see
17 that you would not give us the hearing after you told us you
18 would is because of prejudice against us because we are
19 representing poor people and people of color that live in the
20 community that is currently being affected by the operations
21 of the facility without a PSD permit, which is a requirement
22 for the same to be built and operated. And I have told you
23 before in the hearing that your actions have essentially
24 illegally authorized its continued operation without its
25 proper permit. It matters in the District Court and the

1 Consent Decree, and short of giving us a hearing like was
2 committed to us earlier on when we had our hearing, I imagine
3 the whole thing will just go back to that Federal Judge in the
4 Consent Decree, and the fact that the Consent Decree has not
5 been issued yet demonstrates the fact that the Judge is going
6 to be looking at what you guys do. So, essentially, I am
7 asking you to put it back to the Committee and that you give
8 us a fair hearing that you committed to. And that is all I
9 have to say. Thank you.

10 CHAIRPERSON DOUGLAS: Thank you, Mr. Boyd. Next
11 speaker is Robert Simpson.

12 MR. SIMPSON: Good morning, this is Rob Simpson.
13 Can you hear me?

14 CHAIRPERSON DOUGLAS: Yes, we can.

15 MR. SIMPSON: Among the issues that I have are,
16 well, starting with the notice for this hearing, this hearing
17 -- we did not receive notice of this hearing from the
18 Commission and the Agenda does not indicate that you will be
19 hearing our appeals of the decision. The agenda in this case
20 is that you will be hearing the complaint. Now, the first
21 thing that the Commission Siting Committee did was combine the
22 three complaints, one of the complaints merely joined ACORN's
23 complaint, our complaint joined ACORN's complaint and was
24 deficient in specificity to start this Department of Justice
25 action against PG&E, and our complaint. For some reason, our

1 complaint has been treated different. While it carries the
2 same issues and was part of the other complaints, ours was
3 dismissed. I do not understand the disparate treatment there.
4 The issue of whether this thing has a PSD Permit or not is
5 overly narrow; the question is, does this necessarily utilize
6 BACT, and that is what the PSD process was supposed to
7 determine, that it is using current BACT, not 2000 or 2001
8 BACT, which it utilizes. And the Department of Justice action
9 is going for a major overhaul of the equipment installed.
10 There will be significant changes to comply with present state
11 and federal law to bring this facility into compliance. So
12 the concept that, well, it complies with our opinion of BACT
13 in 2001 because we never stopped to look at should this thing
14 be updated for 2010 is overly narrow and, when this appeal
15 started, the Siting Committee also decided that they would
16 bifurcate this into -- into -- was there a violation, and the
17 second phase would be what is the appropriate penalty. Now,
18 you had the first half of that, and we held the evidence that
19 would be germane to what the appropriate penalty is, which
20 includes the evidence that PG&E knew that it needed a permit
21 and did not have it, and decided that it was a good business
22 move to just go ahead and operate the facility without a
23 permit. But you never had that second half of the proceeding.
24 So the concept of, well, you do not have any evidence that it
25 was not in good faith is because you would not accept that

1 evidence, and now we submit that evidence in the form of our
2 appeals, which I do not see any record of my appeal on the
3 Docket Log, I do not see that you have seen my appeal of the
4 Siting Commission's decision, and I am not hearing any details
5 of it in the explanation that has been given to you. So I do
6 not think that this apparent hearing of our appeals is
7 properly noticed, properly considered, or just. It does not
8 look at the fact that this is 10-year-old technology that
9 should have been updated as part of the Commission's process
10 and part of the Federal process. The Commission bills itself
11 as a one-stop-shop for licensing these facilities, but when an
12 issue like this federal permit, which it appears that you
13 would be in violation of the federal law to allow this
14 facility to operate without a permit, which is essentially
15 what this Siting Commission is offering to let it do, that the
16 Commission ignores the Federal aspects of this permitting.

17 CHAIRPERSON DOUGLAS: Mr. Simpson, I am going to ask
18 you to wrap up if you could in the next 30 seconds or so -- 30
19 seconds to a minute, if you would. Are you there?

20 MR. SIMPSON: Yeah, I hear you. Well, no, it sounds
21 like our appeal is not being heard. It sounds like you want
22 to move forward and make this decision despite federal law,
23 and it sounds like you do not want to hear what I have to say.
24 So thank you.

25 CHAIRPERSON DOUGLAS: Thank you very much. The next

1 comment is Robert Sarvey.

2 MR. SARVEY: Thank you, Commissioners, for hearing
3 my appeal today. I would like to thank Commissioner Byron and
4 Commissioner Douglas from the Siting Committee. I agree with
5 their findings that, 1) the project does not have a valid
6 FDOC, the project does not have a valid authority to
7 construct, and that they have constructed equipment without
8 prior Commission authorization in violation of 1769, and I
9 agree with all those things. The only thing that I do not
10 agree with the committee on this is that PG&E did not do this
11 intentionally, and I think the intention is demonstrated by
12 the fact that, in January of 2008, they filed a Petition for
13 Modification to add the fire pump and the dew point heater and
14 the other items that were in that petition, and then they
15 withdrew it after they began operation in January of 2009, and
16 in March of 2009 they withdrew that, and I do not believe that
17 shows good faith, and I also do not believe that a \$10,000
18 penalty is adequate to ensure that other power plant owners
19 get the message that the Commission's rules and regulations
20 must be followed, and I compare that \$10,000 fine to, say, a
21 \$400.00 fine I could get for lighting my fireplace on a Spare
22 the Air Day. Somehow that seems completely out of order. So
23 like I said, I want to thank the committee, I think they did a
24 good job; I just disagree with the penalty. And I want to
25 thank the Commission for hearing my appeal. Thank you.

1 CHAIRPERSON DOUGLAS: Thank you, Mr. Sarvey. I
2 would like to ask our Acting Chief Counsel, Mr. Blee, to
3 address some of the procedural issues that were raised and
4 particularly the appeal.

5 MR. BLEES: Yes. Thank you, Chairman Douglas,
6 Commissioners. First of all, with regard to the allegation
7 that this matter was not properly noticed on the Business
8 Meeting Agenda, it is entirely clear from the agenda that the
9 Gateway Complaint matter will be heard. Whether or not
10 particular parties' pleadings are listed is irrelevant.
11 Obviously, the three gentlemen involved with the CARE and
12 Sarvey complaints were adequately noticed that the matter
13 would be heard today because they are participating. With
14 regard to the allegation that the committee acted improperly
15 by canceling the penalty phase of the complaint proceeding,
16 the complainants and the appellants are correct that the
17 committee originally stated that there would be two phases,
18 the first phase would determine whether or not PG&E had
19 violated any conditions of certification, and the second phase
20 would be held if the committee determined that there was a
21 violation and would be held to determine the amount of the
22 appropriate penalty or sanction. What the committee found
23 after the first phase, the compliance phase, is that the
24 evidence presented on that phase was also adequate to address
25 the appropriate amount of the penalty. There are a number of

1 statutory factors in the Warren-Alquist Act that the
2 Commission has to balance in assessing whether a penalty is
3 appropriate and, if so, the amount of the penalty, and the
4 committee found, and I agree, that the evidence submitted on
5 the penalty phase -- on the compliance phase, excuse me -- is
6 sufficient to address all of those statutory factors. I might
7 also add briefly that what you have heard today and what is
8 the main subject of the alleged appeals and continues to be
9 allegations concerning the federal PSD Permit, which is not
10 properly before this Commission, and the committee properly
11 recognized that. Finally, with regard to the amount of the
12 penalty, while I can certainly understand the perception of
13 the Complainants that \$10,000 is not a large amount of money
14 for a business entity the size of PG&E, the law limits the
15 maximum penalty that the Commission can apply to \$125,000.
16 And given that the committee has found that the violations
17 resulted in minimal harm, and that the violations were not the
18 result of a deliberate attempt to violate the conditions,
19 \$10,000 in the spectrum of zero to \$125,000 is certainly -- I
20 am confident that the courts would uphold your discretion,
21 particularly given the number of different factors that you
22 are called upon to balance in assessing a penalty.

23 CHAIRPERSON DOUGLAS: Thank you, Mr. Blee. Are
24 there questions or comments from the Commissioners?

25 COMMISSIONER BYRON: I would be glad to give a

1 little bit more information to my fellow Commissioners I hope
2 might be helpful in their deliberation. As I recall, this
3 complaint came to us perhaps in the June timeframe of last
4 year and we took it very seriously. We elected -- the
5 Chairman and I elected as the Siting Committee to investigate
6 this through an evidentiary hearing. It is not like we did
7 not have enough to do during that time, the workload at this
8 Commission is rather substantial right now, but we took the
9 complaint very seriously, we looked into this, and I believe
10 sorted it out as best we could. I feel very comfortable with
11 the decision that we have rendered, and I think staff and
12 counsel has done a good job of parsing all the requirements
13 associated with our deliberations and the determination on the
14 fine. Once we determined that there was no deliberate attempt
15 here, that these were really issues somewhat determined by
16 other agencies that PG&E had to respond to, I was inclined to
17 make this a \$1.00 fine, but was persuaded otherwise by other
18 considerations that we needed to evaluate in our
19 deliberations. I would recommend the Commission approve this
20 matter, I think it is resolved. I would like to respond to
21 the individuals on the phone who are not here with us today in
22 person and I hope they can still hear me. We take very
23 seriously the complaints that you brought before this
24 Commission. Mr. Sarvey, I appreciate that you agree with our
25 findings, but however you do not agree with the fine. But

1 other accusations about any sort of discrimination of your
2 organizations are unfounded. I was not even aware of what
3 CARE's purpose is, for instance, until I read the recent
4 complaint, so it has no bearing on my determination in this
5 matter. We appreciate these organizations bringing forth this
6 kind of information to us and the complaints that they render,
7 it makes our process better. I make no apology for your lack
8 of support with regard to our determination, but I believe it
9 is based upon the law and facts of the case. I would like to
10 thank counsel and staff, but I recommend, my fellow
11 Commissioners, that we approve this and move on. We have
12 other things to do.

13 CHAIRPERSON DOUGLAS: Thank you, Commissioner Byron.
14 I will add as the then associate member of the Siting
15 Committee who was with you every step of the way as we went
16 through this process, we did take the matter very seriously,
17 Commissioner Byron and I dedicated a day to evidentiary
18 hearings on this matter, and took in a great deal of evidence.
19 And the nature of the violation that we found was such that we
20 are quite confident that we have the discretion and also have
21 the necessary information to set the level of the fine. So I
22 would just like to weigh in in support, Commissioner Byron, in
23 that respect. So --

24 COMMISSIONER BYRON: So -- I am sorry, go ahead,
25 Madam Chair.

1 CHAIRPERSON DOUGLAS: I was going to ask if there
2 were other questions from Commissioners. In that case, do we
3 have a motion?

4 COMMISSIONER BYRON: I am sorry to interrupt; I was
5 going to say the same thing. If there are no further
6 questions, I would move approval of Item 2 on the Gateway
7 Generating Station.

8 COMMISSIONER EGGERT: I will second.

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

11 (Ayes.)

12 This item is approved.

13 MR. CELLI: Thank you.

14 CHAIRPERSON DOUGLAS: Thank you. Our Chief Deputy
15 Director pointed out to me this morning that today is actually
16 the first anniversary of the Stimulus Act and so it was
17 exactly one year ago that the Energy Commission and other
18 agencies and entities like us around the country were given
19 the immense and important responsibility to administer Federal
20 Stimulus money, get the money into the economy, create jobs,
21 and build lasting -- foster lasting investments and
22 improvements in California's energy infrastructure. Last
23 week, we posted a NOPA for \$110 million in awards and, as of
24 that date, 87 percent of the State Energy Program money that
25 we are administering is spoken for. We continue to work on a

1 Clean Energy Business Financing Program as really our major
2 focus going forward. The next two items on the agenda, Items
3 3 and 4 are more Stimulus money that we are putting out, and I
4 would just like to take this opportunity at the one-year
5 anniversary to congratulate staff on how quickly and
6 effectively the Energy Commission has been able to move
7 forward here.

8 Item 3. Sonoma Valley Health Care District.
9 Possible approval of a \$1,966,762 loan to the Sonoma Valley
10 Health Care District to install high energy efficiency,
11 interior and exterior lighting. Mr. Bucaneg.

12 MR. BUCANEG: Good morning. This item is in regards
13 to the approval of a \$1,966,762 loan to the Sonoma Valley
14 Health Care District. This loan is being funded using ARRA
15 funds at a 1 percent interest rate. Sonoma Valley Health Care
16 District has identified a number of efficiency projects that
17 can be implemented at the Sonoma Valley Hospital. As stated,
18 the implementation of these projects will result in an annual
19 energy savings of approximately 758,000 kilowatt hours and
20 86,000 therms, and has the simple payback of 11.3 years. The
21 majority of the energy efficiency projects are typical energy
22 efficiency projects which are commonly implemented through the
23 California Energy Commission's low interest loan program. The
24 typical lighting projects identified include upgrading
25 interior lightings to third-generation T-8 lamps, installing

1 occupancy sensors in appropriate interior spaces, and
2 upgrading exterior lighting systems to LED lamps. Typical
3 HVAC projects that were identified include installing
4 economizers on HVAC systems and upgrading constant volume air
5 handlers with variable volume air handlers. In addition to
6 these typical energy efficiency projects, Sonoma Valley Health
7 Care District will also perform a desktop virtualization
8 project and a server virtualization project. The desktop
9 virtualization project involves replacing 150 desktop PCs with
10 a virtual desktop system network to two servers. The server
11 virtualization project is a similar type of project that will
12 allow for 10 standard servers to be replaced with two high
13 capacity virtual servers.

14 In addition to the California Energy Commission's
15 loan, Sonoma Valley Health Care District will be applying for
16 over \$170,000 worth of rebates through PG&E Programs. All of
17 the energy efficiency projects identified are eligible for
18 PG&E rebates.

19 California Energy Commission staff has reviewed the
20 energy efficiency measures identified in this application and
21 recommends the approval of this loan.

22 CHAIRPERSON DOUGLAS: Thank you very much.
23 Questions?

24 COMMISSIONER EGGERT: I just have a question
25 regarding -- this seems like -- it is an impressive list of

1 sort of a multitude of different actions taken. Is this all
2 on one facility?

3 MR. BUCANEG: Yes, it is all at the hospital, all at
4 Sonoma Valley Hospital.

5 COMMISSIONER EGGERT: And do you know, in terms of
6 determining which actions, was there something on the order of
7 like a whole facility assessment?

8 MR. BUCANEG: Yes, the Sonoma Valley Hospital
9 actually identified additional projects and they would have
10 liked to have come in for additional funding, but right now we
11 do not have additional funding under the 3 percent side. They
12 have additional projects that they would like to implement in
13 the future, as well.

14 COMMISSIONER EGGERT: Thank you.

15 COMMISSIONER BYRON: Thank you. I note that when we
16 make loans we think in terms of them buying things, hardware,
17 but in some cases it is schedules and software changes that
18 are made. I noted two other things on here that struck me and
19 I want to make sure I understood them correctly, and I hope
20 you can answer. It says "replace 150 desktop PCs with a
21 virtual desktop system, network servers, and 10 other servers
22 with high capacity servers." So are we using loan funds, as
23 well, to replace computing equipment that is more efficient
24 now?

25 MR. BUCANEG: Yes. The PCs that are being replaced,

1 each PC uses, I believe it was about 80 watts, they are run
2 24/7 because they cannot be shut down due to booting errors
3 that occur during the reboot of the systems, so because the
4 systems have to be run 24/7, it was determined that they can
5 actually replace these PCs with servers which are run 24/7,
6 and the two servers that will replace them will actually draw
7 less power. Each server, I believe, was about 600 watts each.

8 COMMISSIONER BYRON: So I have two questions. One
9 is I assume this is an appropriate use of these funds, then?

10 MR. BUCANEG: Yes.

11 COMMISSIONER BYRON: Good. And the second is this
12 changes the marketplace now. If we are now looking at buying
13 computer equipment based on its energy efficiency, which looks
14 to me as the primary criteria for this change-out, I remember
15 speaking to a bunch of Chief Technology Officers about a year
16 ago in Silicon Valley and chastising them that they do not
17 even put On/Off switches on a lot of their equipment now they
18 are selling, and they want to talk about energy efficiency.
19 Well, if the marketplace is now going to buy equipment based
20 upon the fact that it uses far less energy, we will begin to
21 see auto shutoff and those kinds of things into the server
22 equipment. This is good. This is a very good thing. I am
23 glad to see this is happening, of course, it is just a small
24 example, but I suspect that maybe other companies will be
25 making decisions based upon this, as well. Do you agree?

1 MR. BUCANEG: Yeah, basically, yeah, like you said,
2 the basis of this and our determination was the energy
3 efficiency savings, but hopefully it helps push the market in
4 that direction, as well.

5 COMMISSIONER BYRON: Thank you. I will be glad to
6 move the item. If I am not off on my count, I believe this is
7 Item 3, the Sonoma Valley Health Care District.

8 COMMISSIONER WEISENMILLER: Second it.

9 CHAIRPERSON DOUGLAS: All in favor?

10 (Ayes.)

11 This item is approved. Thank you.

12 MR. BUCANEG: Thank you.

13 CHAIRPERSON DOUGLAS: Item 4. City of Albany.
14 Possible approval of a \$290,805 loan to the City of Albany to
15 replace 451 high pressure sodium vapor street lights with
16 light-emitting diodes. Mr. Ehyai.

17 MR. EHYAI: Thank you, Madam Chair. Good morning
18 Commissioners. My name is Amir Ehyai and I am with the Fuels
19 and Transportation Division's Special Projects Office. The
20 City of Albany has requested a loan for \$289,805 to upgrade
21 451 city-owned street lights. The street lights are the cobra
22 head style and they currently use high pressure sodium lamps.
23 If approved for this loan, the city will replace the fixture
24 heads with new LED modules. It is estimated that the existing
25 street lights currently consume 335,000 kilowatt hours of

1 electricity per year, costing the city over \$41,000 to
2 operate. If replaced with LED, the same 451 street lights
3 will use 58 percent less electricity, thereby saving the city
4 nearly \$24,000 in annual utility costs. The city is eligible
5 to receive utility incentives of just over \$43,000, and as
6 such this project has a simple payback of 10.4 years.
7 Additionally, the city will leverage the loan funds with their
8 energy efficiency and conservation block grant allocation to
9 upgrade an additional 189 street lights to LED.

10 The item before you, though, today is only for the
11 loan request, the 451 street lights, and if approved it will
12 be funded by the Recovery Act funds at an interest rate of 1
13 percent.

14 The staff has determined that the loan request is
15 technically justified and meets eligibility requirements for a
16 loan under the Energy Commission's Loan Program. The item has
17 been previously approved by the ARRA Ad Hoc Committee, and I
18 am here today seeking your approval. Thank you.

19 CHAIRPERSON DOUGLAS: Thank you. Questions?

20 COMMISSIONER EGGERT: This is a similar question to
21 the one asked a while ago on a similar item at a previous
22 meeting. Are these technologies that are being evaluated or
23 have connections to our California Lighting Technical Center?

24 MR. EHYAI: If you may forgive me, I did not
25 research that to confirm that. I would imagine so, but I

1 cannot confirm it. I did not take the time to research that.

2 COMMISSIONER EGGERT: Okay, I guess I would just --
3 to the extent that there is the ability to connect to the
4 programs in terms of referencing that linkage, I think it
5 would definitely be helpful. But this is certainly a good
6 project.

7 MR. EHYAI: Certainly, okay.

8 COMMISSIONER BYRON: I chuckle that Commissioner
9 Eggert's association with UC Davis goes back a long way. I
10 would be happy to move Item 4 for the City of Albany, Madam
11 Chair.

12 CHAIRPERSON DOUGLAS: Is there a second?

13 COMMISSIONER EGGERT: I will second and I would say
14 I think the Association continues to come up because of the
15 excellence of their research and the work there, so I second
16 it.

17 CHAIRPERSON DOUGLAS: All in favor?

18 (Ayes.)

19 Item 4 is approved.

20 MR. EHYAI: Thank you.

21 CHAIRPERSON DOUGLAS: Thank you. Item 5.

22 Department of -- and actually, before we go to Item 5, I will
23 just comment on the last item. The great quality of the work
24 at UC Davis, notwithstanding, I strongly encourage staff to
25 bring forward connections with Lighting Center, other centers,

1 other PIER research, as we see the deployment fostered by
2 programs like ECAA, so I strongly support Commissioner
3 Eggert's request and hope that we can make a habit of it.

4 Item 5. Department of Resources Recovery and
5 Recycling. Possible approval of Contract RMB 600-09-010 with
6 the Department of Resources Recovery and Recycling to transfer
7 \$300,000 to the Energy Commission over two fiscal years. Mr.
8 Tuvell.

9 MR. TUVELL: Good morning Commissioners. Thank you
10 very much. The Department of Resources Recovery and Recycling
11 is the successor for the Integrated Waste Management Board
12 which is eliminated in the Budget of last year. AB 844, which
13 directs the Energy Commission to develop and implement a fuel
14 efficient tire program, directs that we consult with the
15 Integrated Waste Management Board in the pursuit of the
16 activities required to establish minimum standards for fuel
17 efficient tires. We have an active and ongoing cooperative
18 relationship with the staff at the Integrated Waste Management
19 Board. And in discussing the work required to develop
20 information necessary for the establishment of standards, the
21 Waste Board staff identified the potential opportunity to
22 assist us in co-funding the rather detailed and specific test
23 required to develop the information necessary. So we worked
24 together with them and developed this interagency agreement,
25 which will provide funding that will go directly into existing

1 and future contracts for this specialized testing services
2 required.

3 Now, one final matter I would like to bring to the
4 Commissioners' attention, you may recall back in October of
5 last year that you received a letter from the Integrated Waste
6 Management Board and, the Commissioners that were not here,
7 the Integrated Waste Management Board, in consideration of
8 this request for funding, it is concerned about two matters,
9 first of all, they wanted to make sure that they were not
10 exclusively funding any of our work, so they requested that
11 their funding be contingent upon us providing additional
12 funding also, and secondly, they wanted to ensure that we
13 continue with public input processes along the way throughout
14 our work. And in discussing how to handle this with my staff
15 counterpart at the Integrated Waste Management Board, we
16 decided it was not really necessary to write these conditions
17 into the interagency agreement. Staff counsel here, Mike
18 Heinz, who is our Contract Manager, agreed that it really was
19 not necessary to write that in, but that in fact there is a
20 clear understanding among us that these conditions exist, and
21 my counterpart at the Integrated Waste Management Board has
22 made it very clear to me that he has no intention of approving
23 any of our funding requests unless these conditions are met.
24 So this matter was considered and heard at the Transportation
25 Policy Committee Meeting possibly three weeks ago and approved

1 for consideration at the Business Meeting today. Thank you.

2 CHAIRPERSON DOUGLAS: Thank you, Mr. Tuvell. This
3 work has been something we have been living with for a very
4 long time at the Energy Commission and that you have,
5 certainly. And so I would like to thank you for your hard
6 work on this item. Commissioners, do you have questions or
7 comments on this. Commissioner Byron.

8 COMMISSIONER BYRON: First, Madam Chair, are there
9 members of the public that are going to speak on this, do we
10 know?

11 CHAIRPERSON DOUGLAS: I do not have any indication
12 that there are. I do not think so.

13 COMMISSIONER BYRON: Okay. Mr. Tuvell, having just
14 really paid attention to these two conditions recently, I am
15 curious as to what the justification was for not including the
16 conditions of the agency that is providing these funds. Why
17 wouldn't we put these in the Memorandum of Understanding?

18 MR. TUVELL: I referred to my counsel on that. He
19 said, well, these are -- he did not see a need to do it. My
20 counterpart at the Integrated Waste Management Board said he
21 did not see a need to do it. Mike Heinz said if it was
22 appropriate or desired by the Commission that this receive
23 more formal recognition, then we could simply include it as an
24 attachment or evidence to the interagency agreement itself.

25 COMMISSIONER BYRON: Well, I am perplexed. When an

1 agency is moving funds from one to another and they make two
2 conditions of the use of those funds, and we fail to
3 memorialize that in our agreement, it just does not make sense
4 to me. So I do not know all the details around this. I am
5 going to assume that the fact that we are now discussing this
6 matter and these two conditions are made known here in public,
7 that we understand that this is indeed what this Commission
8 will do in accepting these funds, provide remaining monies
9 needed to fund the study and agree to consider and address
10 stakeholder public input at appropriate stages during the
11 study period. If that is the case, then I will be happy to
12 support this issue.

13 MR. TUVELL: Let me expand, if you do not mind. As
14 to the matter providing matching funding, the initial \$150,000
15 proposed in this interagency agreement will go into an
16 existing contract that we have with Smithers right now, for
17 which the Commission is already committed to \$750,000. So we
18 are way in excess of Condition 1. And in Condition 2, I know
19 in discussing it with Mike Heinz, he said, "Well, we already
20 do public hearings anyway, and we would never not do them."
21 And so, as to this matter of putting a condition in there that
22 we do public hearings, well, we are going to do them anyway,
23 so I know that that was the logic he shared with me, and so it
24 was more a matter, I believe, by the Waste Board putting this
25 in here because they had had some comments by parties that

1 participated to memorialize this more than anything else.

2 COMMISSIONER BYRON: Mr. Tuvell, I am satisfied this
3 Commission will fulfill these two requirements, I am just not
4 satisfied that we failed to put it in the agreement.

5 COMMISSIONER EGGERT: I guess just to clarify,
6 though, that it is by your assessment that we will meet these
7 and that we will continue to --

8 MR. TUVALL: That is correct.

9 COMMISSIONER EGGERT: Staff to staff will make sure
10 that these are complied with. Okay.

11 MR. TUVALL: Absolutely.

12 CHAIRPERSON DOUGLAS: Right, and I do understand
13 that, from the perspective of our Legal Office, putting
14 something in an agreement that is something that we do anyway
15 could cause mixed signals if it is suddenly not in other
16 agreements because we typically just do not write it down. I
17 think that obviously the Energy Commission is committed to a
18 public process. We always do go forward with the public
19 process. The Waste Board's interest in this has been heard
20 and so I am sure that Commissioner Eggert is one of our two
21 members of the Transportation Committee, but I see him sitting
22 here taking all of this in, and I am sure that the
23 Transportation Committee will help ensure that we carry that
24 out in a very robust manner.

25 COMMISSIONER BYRON: I am sure they will, as well,

1 and I am sorry that this overshadows the whole discussion,
2 this particular issue, Mr. Tuvell. I am sure this work will
3 be done well and has been in the past. So I am more than
4 satisfied.

5 COMMISSIONER EGGERT: Yeah, and as one of the new
6 members of this committee, we will assure that these
7 conditions are followed through on. I move the item.

8 COMMISSIONER BYRON: I will second the item.

9 CHAIRPERSON DOUGLAS: All in favor?

10 (Ayes.)

11 Item 5 is approved. Thank you, Mr. Tuvell.

12 MR. TUVALL: Thank you.

13 CHAIRPERSON DOUGLAS: Item 6. Approval of the
14 February 10th, 2010 Business Meeting Minutes.

15 COMMISSIONER BYRON: I approve -- excuse me, I move
16 the item.

17 COMMISSIONER WEISENMILLER: Second.

18 CHAIRPERSON DOUGLAS: All in favor?

19 (Ayes.)

20 The Minutes are approved.

21 Item 7. Commission Committee Presentations and
22 Discussion. I have one item, but if there is anybody else who
23 has an item, please go ahead.

24 COMMISSIONER EGGERT: Maybe just to take a second
25 and expand upon something you had mentioned earlier, that the

1 SEP 110 Program is going forward and I had a chance to take a
2 look at those Notices of Proposed Awards and am really excited
3 about the potential that exists within those awards to really
4 provide a tremendous savings through retrofit activities for
5 commercial and residential facilities. I am looking forward
6 to bringing those forward before the full Commission and
7 really think that this is going to be a great sort of down-
8 payment on a number of other programs that we are considering
9 within the Energy Efficiency Committee, including the AB 758
10 program. So, very exciting and I think we are going to see a
11 lot of good things come out of that.

12 CHAIRPERSON DOUGLAS: Thank you, Commissioner. I
13 would like to just report out, the Commission had an Executive
14 Session on February 10th. We discussed a proposed settlement
15 of litigation and we conducted interviews for both Chief
16 Counsel and Chief Hearing Officer. So I expect that the
17 latter issues will be resolved in the near future in terms of
18 the Commission coming to a final decision and moving forward
19 with it.

20 Item 8. Chief Counsel's Report.

21 MR. BLEES: Nothing today, thank you.

22 CHAIRPERSON DOUGLAS: Item 9. Executive Director's
23 Report.

24 MS. CHANDLER: Good morning, Commissioners. As the
25 Chairman noted, today is the first anniversary of ARRA. Our

1 lives changed a year ago, we knew not what we would do. We
2 have all been very busy. I want to take this moment to also
3 acknowledge the hard work that staff has done. This has taken
4 a lot of our time. We have staff throughout the organization
5 who have done a tremendous job, not only in implementing the
6 State Energy Plan Program for \$226 million, we are working on
7 the Block Grant Program for \$49.6 million, that is a whole
8 different group of people, we have people working on the
9 Appliance Rebate Program, which is over \$35 million, and I
10 will go through this individually when I give you my report,
11 that is a different group of people.

12 When we started this program a year ago, we put in
13 for 14 total positions and we were very naïve. We have staff
14 being pulled from all over the organization. And not only are
15 we doing -- administering the programs that we are responsible
16 for administering, but we are also doing a full court press on
17 the competitive proposals. We are matching AB 118 dollars and
18 PIER dollars to try to bring -- to help California companies
19 be successful in getting ARRA awards from the Federal
20 Government that they are competing with. We are working hard
21 to leverage those dollars. I think at last count, we had
22 approximately \$45 million leveraged from PIER and AB 118 to
23 bring home about three times that amount in the competitive
24 proposals. Now, those numbers keep shifting on us because
25 these awards go in and out or, when contracts are negotiated,

1 dollars move, it drives me crazy because those decimal points
2 move around, but we are working very hard, and I do not know
3 anybody in this organization who does not speak ARRA. And I
4 am not even talking about the ARRA siting cases which, of
5 course, are near and dear to many of your hearts because you
6 are working on those, as well. So we have become the ARRA
7 Commission with a little bit of Building and Appliance
8 Efficiency Standards and other things on the side.

9 I will note that the Governor is hosting a media
10 event in Los Angeles today to announce an Interstate 405
11 Recovery Act project with Caltrans. They hit the \$2.5 billion
12 mark in terms of Recovery Act dollars obligated by the end of
13 the month. I do not want to take anything away from our
14 brethren at Caltrans, but we are talking about paving roads
15 here, we are not talking about the type of energy efficiency
16 projects, the innovation that we are doing here at the Energy
17 Commission, so we looked at it as an opportunity, we went for
18 the brass ring, it took us a little bit longer, but I concur
19 with Commissioner Eggert that we have got some amazing
20 projects and we are really excited about implementing them.
21 In terms of the Energy Efficiency Block Grants, this is the
22 \$49.6 million. We were required to give at least 60 percent
23 of this money to small local jurisdictions who did not receive
24 direct money from the federal government. We had over 300
25 cities and counties that were in our responsibility area. We

1 have now received applications from 237 cities, 42 counties,
2 have applied for the Block Grant Award. This represents \$33.7
3 million in funding requests. We matched our mark, we had to
4 allocate 60 percent, and we allocated 68 percent out of the
5 total of \$49.6 million. There were only 28 cities and two
6 eligible counties that did not apply. I want to acknowledge
7 that our Governmental Affairs staff called every one of those
8 entities to find out why. Many of them just felt overwhelmed
9 at the time of year that we were asking for this; some of them
10 have had staffs drastically reduced and did not feel that they
11 could respond to this, even though we made it very simple. It
12 left about \$1.2 million on the table. We will have to talk
13 about that, but many of them just said, "We would not even
14 apply, even if you gave us more time." But they very much
15 appreciated the fact that somebody called and that was the
16 repeated message that we got, that somebody actually called to
17 say, "You did not apply. Why?" We also found that a couple
18 did apply and we had them in a different place in the
19 organization, so we cleaned up that mess. So that leaves
20 about 12 percent -- I am doing math in public here, let's see,
21 22 percent of the amount of money left to allocate -- 32
22 percent.

23 COMMISSIONER BYRON: The number keeps going up here.

24 MS. CHANDLER: I know. Oh, my math is getting bad.

25 Anyway, if we allocated 68 percent, the remaining amount is

1 what we have discretion, and I think that is 32 percent, my
2 last number was correct. We are looking at working on how to
3 allocate that money, we have discretion over doing that as
4 long as it fits within the perimeters of the Energy Efficiency
5 Block Grant criteria. Right now, we are working with the
6 Department of Conservation on exploring collaboration with
7 them to use this remaining \$10.6 million to support SB 375
8 type activities such as regional and local government
9 planning. So that is where we are right now on that amount.

10 So, as we noted, as the Chairman noted, 87 percent
11 of our State Energy Plan money is out the door, that is a huge
12 success. The remaining amount of money that we have is for
13 the -- is earmarked for the Clean Energy Business Financing
14 Program. That is \$30.6 million. We are working with
15 Business, Transportation and Housing on an interagency
16 agreement. We hope to finalize that interagency agreement
17 this week, bring it to the full Commission in March at a
18 business meeting. They will be simultaneously working with
19 their Federal Development Corporations, FDCs, which are local
20 community financial institutions that are a part of BT&H.
21 They will be working with contracts with three or four of
22 those entities to then develop the loan application packages
23 and we are hopeful that we will have loan applications
24 available on the street in the April-May timeframe. So that
25 is where we are headed there, and that will be the last hurrah

1 until the real work starts, staff tells me, which is
2 administering these projects.

3 In terms of the State Energy Efficient Appliance
4 Rebate Program update, staff met with the State Controller's
5 Office last week and toured their Disbursement and Electronic
6 Claims Department to learn more about how they are going to
7 handle financing -- administering the rebate checks. So they
8 will actually be cutting the checks for the anticipated over
9 400,000 rebates that we are going to be receiving. I should
10 note that the criteria for this program is that the federal
11 government did not give us the full amount to administer the
12 program, they basically said, "We had to come up with 50
13 percent of our administrative costs," and they would then
14 match that 50 percent. So this has thrown a little hitch in
15 the giddy-up for staff because now what we have to do is we
16 have to go out there and market this program and get retailers
17 and other entities to donate time, services, advertisement,
18 translation services, all these things, so that we can count
19 on one side of the scale how much we are coming in with, so on
20 the other side of the scale we can go out and fund a contract
21 to help us administer this proposal on this contract, this
22 program. So we are counting on, and staff is doing a great
23 job on this whole deal, about \$2 million of in-kind services
24 coming in -- \$1.5 to \$2 million -- which will then allow us to
25 go out on the street as we have with a request for a proposal

1 for a third party administrator to help us with administering
2 this program. Now, you can imagine 400,000 rebate claims. We
3 are not in the rebate business here at the Energy Commission,
4 so we are looking for an entity to help us do that work, who
5 does that as their day job. So RFP is out on the street.
6 Tomorrow is the deadline for the bids to come in. We hope to
7 have the Notice of Proposed Award on February 25th, and staff
8 is hopeful that we will bring that to the business meeting on
9 March 24th with the launch of the program on Earth Day, which
10 is April 22nd. So you can see that our staff, Lorraine White,
11 who is heading this effort up, along with Suzanne Garfield
12 Jones and Amy Morgan and Bob Aldrich and a whole crew on the
13 Web team to come up with those in-kind services and to
14 administer this program, have been working nights and
15 weekends.

16 I think I spoke to you about the Clean Energy
17 Business Financing Program. The only other thing I would say
18 is that Pat Perez, our Stimulus guru, is going to be attending
19 a Town Hall forum in Los Angeles on February 26th to discuss
20 ARRA funding opportunities for small business. So he will be
21 talking about the Clean Energy Business Financing Program,
22 amongst other things. The forum is being sponsored by former
23 Speaker, Assembly Member Bass. The Recovery Team Head, Herb
24 Schultz, as well as Inspector General, Laura Chick, will also
25 be attending and speaking, and then this is just to give you a

1 heads up that, at a later date, we will be talking to you
2 about a March 18th hearing on work force development. And that
3 concludes my presentation.

4 CHAIRPERSON DOUGLAS: Well, thank you. Thank you,
5 Ms. Chandler for that presentation -- detailed and informative
6 as always, and you certainly covered the territory, I guess,
7 it is fitting on the first anniversary of ARRA that the
8 Commission hear from the whole gamut of activities, and I do
9 not even know how many people there are in this organization
10 who do not remember what they did before there was an ARRA.

11 MS. CHANDLER: Life before ARRA.

12 CHAIRPERSON DOUGLAS: And, of course, staff who were
13 not diverted to work on ARRA probably found many of their
14 colleagues, in fact, were, and so they are trying to hold
15 their programs together with dealing with that diversion of
16 resources, so this has been a tough road for us, and also a
17 very valuable road for us. And we are really looking forward
18 to moving into the implementation stage.

19 MS. CHANDLER: I think your point about a tough
20 road, but a valuable road, is the one that keeps staff going,
21 because we know that we are creating jobs, we know that we are
22 putting fellow Californians back to work, whether they are our
23 neighbors or our relatives. We know that we are transforming
24 how energy efficiency is being done in the state. And for
25 people who are passionate like the staff at the Energy

1 Commission, that does keep them going. And they are here on
2 weekends and Fridays. E-mails fly at all hours of the night.
3 So -- but it is such an important cause that that keeps them
4 motivated.

5 COMMISSIONER BYRON: Madam Chair, if I may for just
6 a moment, Ms. Chandler, thank you, that is very good, in fact
7 that kind of summarized part of what I wanted to say, as well.
8 You know, it is really unique we are not just creating jobs
9 here and we do not want to disparage the Department of
10 Transportation, that all they do is pave, but we are creating
11 transforming projects here. I like the way Madam Chairman has
12 put it in the past -- we could dig ditches and fill them back
13 up again to create jobs, but we are not doing that. And this
14 is a much more arduous effort, as a result. However, if I
15 look back at the impact this has had, and I am quite concerned
16 about this, we have dedicated staff, but we also have -- I
17 will use the phrase "borrowed staff," and there can indeed be
18 some long-term consequences to other programs that we should
19 be concerned about. I know that we are going to feel the
20 effects of this down the road. So I am pleased to hear you
21 say that, indeed, staff is personally satisfied as a group,
22 but it has also got to be frustrating for them as I look at
23 the fact that they are creating jobs, doing transforming
24 projects, being pulled to do extra time, and over-time on
25 these, while we at the same time, since last -- well, since

1 February -- have been reducing their salaries, and giving them
2 15 percent pay cuts. Given this anniversary date, I know if
3 it was a year ago and we know everything, the impact it would
4 have had on this Commission, both financially and otherwise, I
5 would have said no thanks, let's let another agency take care
6 of these things. But it fell upon us. I applaud the staff
7 and the way that Management and staff, the way they have
8 stepped up and done this under very difficult circumstances,
9 and you know, as well as I, the search for the guilty, as I
10 call it, will happen in the future when the look back at
11 whether or not we followed all the rules, which in and of
12 themselves are quite incredible in allocating these funds. So
13 I do not know the implications of Senator Steinberg's efforts
14 yesterday to pass out of committee a bill that would indeed
15 restore funding to non-budget agencies, I do not think he had
16 us in mind, he had DMV in mind and the tax-producing agencies,
17 but this agency certainly is going well beyond the call of
18 duty to create jobs and get these ARRA funds through and into
19 the state. So thank you. But given the choice, again, I
20 would have said no thanks.

21 COMMISSIONER EGGERT: Just maybe to add, I think the
22 other thing that, again in sort of reviewing more recent
23 project approvals that I think the staff has done quite
24 remarkably well, is the leveraging of other funds. And it
25 sounds like, even on the rebate program, we are sort of in a

1 position where we are required to go out and I assume that
2 \$1.5 to \$2 million is private sector investment or in-kind
3 services. You know, on the SEP 110 program, looking at some
4 of the expected leveraging activities, you know, we are doing
5 much much better than digging ditches and filling them back
6 in. I mean, there is a tremendous amount of leverage on all
7 of those projects. So I guess I would just echo the comments
8 and commend the good work of the staff in designing a program,
9 finding the good projects, and then we will hopefully see them
10 through over these next several years.

11 CHAIRPERSON DOUGLAS: It has been a constant
12 challenge here, I think, at the Energy Commission to keep eye
13 on the ball, on administering ARRA because, as the wave of
14 whether it is news articles or it is concern, one thing or
15 another becoming suddenly the only important thing, is it most
16 important to get the money out fast? Or is it most important
17 to get the money out well, into good projects and lasting
18 benefits? Or is it most important to care deeply about
19 distribution, or to count every job and track every dollar,
20 and follow the state contracting processes, and follow the
21 state approval processes to the letter, every step of the way?
22 And when you add all of that up, you have to make judgment
23 calls. You have to make judgment calls about whether, in this
24 case, we are going to put speed ahead of spending an extra
25 week really looking over one more time, over a solicitation,

1 whether we are going to hold things up in order to make sure
2 there are mechanisms for tracking every dollar and counting
3 every job are as good as they could be, or is it enough that
4 they are good enough to count the jobs and track the dollars?
5 And I think there is no question that there is going to be a
6 lot of scrutiny about those judgment calls that we have had to
7 make every step of the way and I think, at the same time, we
8 are compiling here a track record that we are going to be
9 proud of and that the State of California is going to be proud
10 of and benefit from. And while I never anticipated -- really
11 -- that administering the stimulus money was going to be quite
12 -- was going to entail quite what it entails, in all of the
13 many ways that it does, I do sit here glad that we got this
14 money and very much appreciative of the opportunity that we
15 have because, with all of the challenges it has given us, this
16 is an incredible infusion into not only our economy, but it is
17 an incredible opportunity to build the bases of a sustainable
18 system, sustainable programs and energy efficiency, in
19 particular, but also in manufacturing and other areas. So it
20 is a challenge and I think moving into implementation phase
21 for the Commission will bring all of us a huge sigh of relief,
22 but it will not relieve the burden on staff, and it will not
23 relieve the burden on the ARRA Committee to continue counting
24 those dollars and counting those jobs, and accounting for
25 every single benefit that we could possibly get out of this

1 program. It is an amazing challenge and it comes with a very
2 substantial impact on our other work that is sobering to all
3 of us, but we are moving forward and I guess, most of the
4 time, keep doing so. So, thank you. Thank you for the
5 update.

6 COMMISSIONER WEISENMILLER: Yeah, I was obviously
7 going to thank the staff again for their efforts. On behalf
8 of California and what I am sure has been a very challenging
9 time, but certainly the state needed the agency to step up and
10 respond appropriately, and I suspect it is by no means over;
11 that is, each step along the way, you are going to find new
12 challenges and new questions, but it certainly will, I am
13 sure, continue to be exciting. Thanks again.

14 MS. CHANDLER: Thank you. I mean, they come in the
15 morning and they smile. I mean, you cannot get better than
16 that, right? And they are ready to work, so --

17 CHAIRPERSON DOUGLAS: That is good.

18 Item 10. Public Advisor's Report.

19 MS. JENNINGS: I have nothing to report. Thank you.

20 CHAIRPERSON DOUGLAS: Item 11. Is there any public
21 comment? Very well. The Business Meeting is adjourned.

22 (Whereupon, at 11:03 a.m., the business meeting was
23 adjourned.)

24 --o0o--

25

CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Special Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of February, 2010.


PETER PETTY