

COMMISSIONERS PRESENT

Karen Douglas, Chair

James D. Boyd, Vice Chair

Jeffrey D. Byron

Anthony Eggert

Robert B. Weisenmiller

STAFF PRESENT

Valerie Hall

Jennifer Jennings

Melissa Jones

Michael Levy, Chief Counsel

Emily Oren

Katherine Nicholls

Angie Gould

Connie Sichon

Joseph Fleshman

Erik Emblem

Jamie Patterson

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P R O C E E D I N G S

June 2, 2010

10:04 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of June 2nd, 2010.

Please join me in the Pledge.

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

CHAIRPERSON DOUGLAS: We have three changes to the Agenda. Items 5, 7 and 10 will be moved to June 23rd.

Item 1. Consent Calendar.

VICE CHAIR BOYD: I move consent.

COMMISSIONER BYRON: Second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

Item 1 is approved.

Item 2. Inter-Con Security Systems, Inc. Possible approval of Amendment 4 to Contract 200-07-004 with Inter-Con Security Systems, Inc., to add \$116,614 to extend the contract to December 31, 2010. Ms. Oren.

MS. OREN: Good morning. I am Emily Oren and I am the Contract Manager for the Security Contract, and I am here today to request the approval of Amendment 4 to the existing contract which is 200-07-004 with Inter-Con Security Systems. The Amendment would add \$116,614 to cover the services of the

1 security guards. It will also extend the length of the
2 contract from July 1st, 2010 through December 31st, 2010. The
3 Amendment is needed until the negotiation of the Master Service
4 Agreement administered by the California Highway Patrol is
5 completed. If you have any questions, I would be happy to answer
6 them.

7 VICE CHAIR BOYD: I move the item.

8 COMMISSIONER EGGERT: Second.

9 CHAIRPERSON DOUGLAS: All in favor?

10 (Ayes.)

11 MS. OREN: Thank you.

12 CHAIRPERSON DOUGLAS: Item 2 is approved. Thank you.

13 Item 3. Ehlert Business Group. Possible approval of
14 Contract 170-09-002 for \$200,000 with Ehlert Business Group to
15 provide hearing reporting services for power plant siting case
16 hearings and workshops. Ms. Nicholls.

17 MS. NICHOLLS: Good morning, thank you. I am the
18 Contract Manager for this particular contract, and the item
19 before you is a request for approval of the contract with the
20 Ehlert Business Group. The purpose of the contract is to retain
21 Hearing Reporter Services for Siting Committee Hearings and
22 Workshops in order to produce verbatim transcripts of siting case
23 committee hearings and other hearings, as necessary. The term of
24 this contract is three years, June 2010 to June 30th 2013 in the
25 amount of \$200,000. Do you have any questions?

1 COMMISSIONER BYRON: Yes, I do have a question
2 or two. Really, it is a clarification more than anything else
3 because this comes up periodically in siting cases and such. The
4 transcripts are required within 15 calendar days; the contractor
5 must be prepared to deliver an expedited transcript in one to
6 three calendar days if requested by the Commission Contract
7 Manager. Could you help me a little bit on procedure, because
8 this comes up, but the question comes up, can we get these
9 transcripts faster? You know, we are trying to move these siting
10 cases along, but I know there are cost considerations here, as
11 well. Can you tell me how we could go about properly doing this,
12 considering the cost and getting expedited transcripts when they
13 are needed?

14 MS. NICHOLLS: Actually, we are addressing that in the
15 new contract. Because the Siting Committee wanted all of the
16 transcribed hearings expedited for all these ARRA cases, we have
17 moved up now to every transcript will be a three-day transcript,
18 so they will be expedited. The cost is going to be the same as
19 it would be for any other normal transcript, we have completely
20 done away with that 11-15 day. It is now all three-day.

21 COMMISSIONER BYRON: And that will be just for the
22 siting cases?

23 MS. NICHOLLS: That is for this particular contract,
24 yes.

25 COMMISSIONER BYRON: Excellent. Thank you.

1 MS. NICHOLLS: You are welcome.

2 CHAIRPERSON DOUGLAS: Any other questions or comments,
3 Commissioners?

4 COMMISSIONER BYRON: Madam Chair, I would move approval
5 of Item 3.

6 COMMISSIONER WEISENMILLER: I will second.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 Item 3 is approved. Thank you.

10 MS. NICHOLLS: Thank you.

11 Item 4. Community Redevelopment Agency of the City of
12 Los Angeles. Possible approval of Contract 400-09-022 for
13 \$4,676,513 with the Community Redevelopment Agency of the City of
14 Los Angeles to fund the City of Los Angeles Municipal Financing
15 Program: Large Commercial Buildings. Ms. Gould.

16 MS. GOULD: Good morning, Chairman Douglas and
17 Commissioners. I am here to ask for provisional approval of a
18 contract with the Community Redevelopment Agency of the City of
19 Los Angeles, or CRALA, to leverage private capital markets to
20 fund energy efficiency and renewable energy projects in
21 commercial buildings, using Property Assessed Clean Energy, or
22 PACE financing, with CRALA acting as an intermediary. The
23 program is based on a flexible owner arranged approach in which
24 individual property owners can negotiate financing with investors
25 of their own choice, on terms, scale, and schedule that best suit

1 their unique projects. This contract will be funded by
2 American Recovery and Reinvestment Act funds allocated to the
3 Energy Commission through the U.S. Department of Energy State
4 Energy Program, or SEP. The SEP funds will be used to establish
5 a loan loss reserve fund to conduct marketing and outreach to
6 targeted commercial building owners, to provide reimbursement for
7 retro-commissioning investigations when owners agree to install
8 recommended measures and cover program start-up costs.

9 The approximately \$4.7 million in SEP funds will
10 leverage the committed \$3 million in Energy Efficiency and
11 Conservation Block Grant funding, and an additional expected \$70
12 million in private financing. This program will create an
13 estimated 844 jobs in California over the contract period, which
14 ends March 31st, 2012. CRALA's program strongly coordinates with
15 the Los Angeles Department of Water and Power's Building
16 Commissioning Program, Energy Efficiency Rebates, and Energy Loan
17 Monitoring Program. The innovative use of on-bill Property Tax
18 Repayment Advantage is a PACE financing with capital that is
19 obtained through conventional financing agreements, models a very
20 low cost approach for local governments. The program focuses on
21 building retro-commissioning, which has been demonstrated to
22 achieve nearly double the median and whole building efficiency
23 improvement energy savings, and has a typical simple payback of
24 just over one year.

25 The City of Los Angeles Municipal Financing Program

1 will advance this powerful strategy for improving
2 efficiency in commercial buildings. And I ask you to
3 provisionally approve this contract with CRALA.

4 MR. LEVY: And just to be clear, Commissioners, this
5 one is contingent also on the outcome of the Western Riverside
6 Council of Governments litigation.

7 CHAIRPERSON DOUGLAS: Thank you, Mr. Levy. Questions
8 from Commissioners?

9 COMMISSIONER EGGERT: Maybe a quick comment. This is,
10 again, a great example of a really innovative implementation of
11 the goals of the SEP program, and especially the ability to
12 leverage so much private funding for retrofit activity. I would
13 also note that this one does include a mechanism for a loan loss
14 reserve, which is something that is getting a lot of attention
15 right now, which is, how do we make sure that we are protecting
16 mortgage lenders properly within these programs, and this is one
17 of those mechanisms, was to make sure that these programs can
18 deliver on their benefits, both in terms of energy efficiency and
19 the ability of the owners of the facilities to continue to pay
20 any other liens they might have on the property. So I think it
21 looks like a fantastic package.

22 COMMISSIONER BYRON: I agree, Commissioner. In fact,
23 Ms. Gould, you were so fast on some of this stuff you reported,
24 did you also mention in your remarks the estimated \$73 million of
25 leveraged funds?

1 MS. GOULD: Yes.

2 COMMISSIONER BYRON: Those were in there, okay. Well,
3 I would like to underscore them. It looks to me like a great
4 project, as well. It is unfortunate that it will be held up, but
5 that does not stop us from approving it at this point, does it?

6 MR. LEVY: We are approving it contingent upon the
7 outcome of the litigation, so your approval today is dependent
8 upon what may transpire in the rest of the litigation.

9 VICE CHAIR BOYD: I assume that is what Ms. Gould meant
10 when she said "provisional."

11 MS. GOULD: Yes.

12 MR. LEVY: Correct.

13 VICE CHAIR BOYD: Could I use this forum to just ask a
14 question? I had a meeting with some folks the other day, the Air
15 Pollution Control Officers of California, and they mentioned to
16 me, and I just have not had time to follow-up with this, that
17 Freddy Mac and Fannie Mae mortgages are running into difficulty
18 if a PACE-like program is involved in the situation. Is that -
19 you are shaking your head, so apparently we have run into some
20 kind of ...?

21 MS. GOULD: Yeah, they released letters on May 5th that
22 seemed to indicate that anyone having a Fannie Mae or Freddy Mac
23 loan would not be able to use PACE financing, but a lot of people
24 are working to get clarification on that issue for already
25 existing programs, or ones that are DOE approved, such as these

1 programs that are using DOE SEP funding.

2 COMMISSIONER EGGERT: Yeah, the Commission, as well as
3 the Administration, and our Attorney General's Office is very
4 actively involved in discussions with FHFA, as is the White House
5 and the U.S. Administration and the agencies, including DOE,
6 which strongly supports these PACE Programs. So I think the
7 original letters caused some concern, some confusion, I do not
8 think they specifically called out PACE, but they kind of
9 implicated that they were referring to these energy-related
10 liens, and so there is an ongoing effort to get FHFA to clarify
11 their position and to work with them to address their concerns.

12 VICE CHAIR BOYD: Thank you. I did not even have a
13 chance to ask my well-informed Commissioners on the committee if
14 this was an issue, and you just reminded me of it. I am glad to
15 hear it is being pursued.

16 CHAIRPERSON DOUGLAS: I would just note, in addition,
17 that, over my breakfast coffee, I noticed an editorial in today's
18 Sac Bee on this issue, calling for clarification and asserting
19 that there must be some way to allow these innovative programs to
20 move forward, and there is a real effort underway to try to
21 resolve this issue.

22 VICE CHAIR BOYD: Having an 8:00 speaking engagement, I
23 did not even get to open my Bee today, so, anyway, thank you all.

24 CHAIRPERSON DOUGLAS: Very well, other questions or
25 comments on this item?

1 MS. HALL: Commissioners, after your vote, if I
2 could give you a one or two-minute update on where we are in SEP
3 110?

4 CHAIRPERSON DOUGLAS: Absolutely.

5 COMMISSIONER BYRON: Madam Chair, I would move approval
6 of Item 4, based upon conditions advised by our Chief Counsel.

7 COMMISSIONER EGGERT: Second.

8 CHAIRPERSON DOUGLAS: All in favor?

9 (Ayes.)

10 This item is approved.

11 MS. GOULD: Thank you.

12 CHAIRPERSON DOUGLAS: Valerie.

13 MS. HALL: As of today, with the approval of this
14 contract, we have now brought before you 10 of the 12 contracts
15 under SEP 110, so four of the five contracts under the Municipal
16 Financing Program have been to you, the fifth one is scheduled
17 for the end of this month. All three of the Municipal and
18 Commercial Financing Programs have been approved by the
19 Commission and three of the four Comprehensive Residential
20 Retrofit Programs have been before the Commission, the final one
21 is scheduled to be before you by the end of this month. That
22 means that roughly \$87.5 million of the \$110 million that has
23 been allocated to these programs has been before the Commission
24 and approved.

25 CHAIRPERSON DOUGLAS: Well, thank you, Ms. Hall. And

1 did I hear correctly that the remaining contracts will be
2 before the Commission in June?

3 MS. HALL: That is correct. The other two contracts
4 will both be before you before the end of this month.

5 CHAIRPERSON DOUGLAS: Great. Very good, thank you very
6 much.

7 Item 6. Electric Power Research Institute, Inc.
8 Possible approval of Amendment 2 to Contract 500-05-030 for
9 \$2,877,453 with Electric Power Research Institute, Inc. (EPRI) to
10 extend the research period for 18 months, adding a new study
11 site for Carbon Capture and Storage (CCS) characterization and
12 underground storage assessments. Ms. Sichon.

13 MS. SICHON: Good morning, Madam Chair and
14 Commissioners. This amendment is for work that is federally
15 funded by the U.S. Department of Energy through a grant for Phase
16 2 of the West Coast Regional Carbon Sequestration Partnership,
17 known as West CARB. Phase 2 is to do Carbon Capture and Storage
18 characterization and CO₂ storage capability in the Western U.S.
19 DOE would like us to do further geologic characterization in
20 areas that are lacking in existing geological data. Therefore,
21 we are proposing to construct a new well in a saline formation on
22 Hopi Tribal lands and, instead of CO₂, water will be injected into
23 this new well, and this will simplify the permit process and
24 allow us to complete the post-injection monitoring activities by
25 DOE's deadline of September 2011. And DOE is agreeable to this

1 scope change and it will be completely federally funded.

2 I would be happy to answer any questions at this time.

3 CHAIRPERSON DOUGLAS: Thank you. Questions or
4 comments?

5 COMMISSIONER EGGERT: I have a technical question. It
6 was interesting to see the use of water as a substitute, and I
7 guess the question would be, how does that compare in terms of
8 its characteristics at the injection depths that are being
9 evaluated?

10 MS. SICHON: We will still be able to understand how
11 fluid behaves in a saline formation and see where it spreads, and
12 we would also be able to still measure the amount of pressure
13 that would be in the subsurface through the injection. The
14 saturated permeability is the same for all fluids.

15 COMMISSIONER EGGERT: And then I did note with some
16 interest that, I guess, one of the early wells met with some
17 challenges associated with the permeability of the reservoir?

18 MS. SICHON: That is correct.

19 COMMISSIONER EGGERT: And I am just curious, are there
20 things that we learned from that effort that are now being
21 applied to future assessment of either what the potential is, or
22 appropriate sites for injection?

23 MS. SICHON: Yes, we learned that we do not have enough
24 existing geological data, and this area is question is very
25 heterogeneous in nature, so the more data we have, the better.

1 COMMISSIONER EGGERT: Okay, thank you.

2 VICE CHAIR BOYD: Well, this came through the Research
3 Committee and Commissioner Byron and I vetted this with the staff
4 and this is part of the, really, R&D component of CCS and, this
5 being a piece of WestCarb, because it is often Arizona, we tend
6 to forget that we are managing that, as well. None of us seems
7 to have had time to go check the project site out, but in any
8 event, it is kind of interesting timing because I spent some of
9 this morning with our Blue Ribbon Task Force on CCS, which is
10 holding its second meeting down the street here, and this kind of
11 information that Commissioner Eggert referenced and other
12 information will be learned from the multiple projects ongoing in
13 WestCarb will be fed in as appropriate to this advisory model
14 body as they wrestle with giving advice and counsel to the State
15 of California to hold its jurisdictions, that we will have to
16 deal with CCS in the future, so, of course, never timely enough,
17 but at least it is being done and will be provided when
18 available, and this interesting little issue is part of that,
19 interesting finding of how complex, in reality, geologic
20 sequestration is going to be. So I would move approval of the
21 item.

22 COMMISSIONER BYRON: Second.

23 CHAIRPERSON DOUGLAS: All in favor?

24 (Ayes.)

25 This item is approved. Thank you.

1 Item 8. Institute for the Sustainable
2 Performance of Buildings. Possible approval of Contract 500-09-
3 046 for \$1,986,715 [corrected] with the Institute for the
4 Sustainable Performance of Buildings to develop workforce
5 education software for students, technicians, and industry
6 professionals. Mr. Fleshman.

7 MR. FLESHMAN: Thank you, Commissioners. Good morning,
8 my name is Joseph Fleshman, I am with the PIER Buildings Team.
9 There is actually a correction to the record. The dollar amount
10 is \$1,986,715. So this contract is with the Institute for the
11 Sustainable Performance of Buildings, known as SuPerB. And this
12 was selected through a competitive solicitation. Saving energy
13 in buildings is more than just developing new technologies, high
14 efficiency equipment that is not properly installed, calibrated,
15 tested, operated, or maintained will not save as much energy as
16 estimated. So the goal of this contract is to improve the
17 ability of the buildings industry to develop, deliver, and
18 operate energy efficient commercial buildings, but increasing the
19 skill levels through enhanced education and training of community
20 college students, four-year college students, designers,
21 architects, commissioning providers, service technicians, and
22 building operators. SuPerB will develop a comprehensive
23 computer-based education software platform and tools that use an
24 innovative approach to teach HVAC, green lighting, daylighting,
25 and building envelopes, of low energy sustainable buildings.

1 This project will expand upon the existing Learn HVAC
2 Program that was funded by the Energy Commission and National
3 Science Foundation, and extend its capabilities to lighting, day
4 lighting, and building envelopes, by tapping expertise of the
5 California Lighting Technology Center and others.

6 To get an idea of what these tools do, when using the
7 HVAC module of this e-Learning tools suite, students will be able
8 to view a 3D model of an entire HVAC system, and see how it
9 behaves normally, or when things are changed like faults are
10 introduced. When used in a curriculum, the instructor could test
11 students by introducing a fault like a stuck damper, and having
12 the student diagnose the problem based on the effects of that
13 fault on the system. So, in effect, the 3D model, when combined
14 with problem-based case studies acts like a hands-on sort of
15 experience, more like a field experience, than is typically found
16 in a classroom environment. SuPerB will disseminate these tools
17 and resources to two-year and four-year California colleges. The
18 tools will also be distributed to industry groups like AIA,
19 ASHRY, Union groups, and others, to make sure that this
20 technology, this learning technology, is not just shared with
21 students that are currently being educated, but also
22 professionals that are already in the workforce. Additionally,
23 we will be contacting ARRA workforce awardees and monitoring
24 future ARRA and EDD workforce grants and awards to make sure that
25 they are aware that this tool will be available. Potential user

1 groups, industry, and education, will be involved
2 throughout the software development process, and the software
3 will be released free and open source, and via a web domain
4 platform so that it can be used freely and expanded upon in the
5 future. So we request approval of this contract.

6 CHAIRPERSON DOUGLAS: Thank you, Mr. Fleshman, and
7 before we move to Commissioner comments or questions, we have a
8 member of the public who would like to speak. Eric Emblem, are
9 you here?

10 MR. EMBLEM: Good morning, Madam Chair, Commissioners.
11 I thank you for this opportunity to address you on this issue and
12 let you know that I am here to speak in favor of it, I think it
13 is very innovative and forward thinking. I would like to offer
14 some thoughts on this. Number one, I am here representing the
15 California Joint Committee on Energy and Environmental Policy,
16 now this is a joint committee that has been assembled by
17 California Sheet Metal and Air Conditioning Contractors National
18 Association (CSMACCNA), and the Western State Council of Sheet
19 Metal Workers, their Union workers. We have 25,000 workers that
20 work for these 625 contractors in the State of California, but we
21 train them in 15 training centers throughout the state, we fund
22 those training centers, over \$60 million a year, and we teach
23 HVAC technologies. We work with our sister group, the
24 International Training Institute in Alexandria, Virginia, who
25 develops curriculum for 150 training sites throughout the United

1 States and Canada, who has just completed a certification
2 program on energy auditors of HVAC systems, and is about to
3 complete a complete building envelope certification for building
4 commissioners that will be distributed through the training
5 centers throughout the United States and especially in
6 California.

7 We would like to offer our services and work with you
8 on this because I think it is very important to utilize the
9 expertise that we have with people who are, I would say, where
10 the rubber hits the road, that are working in these buildings,
11 that are installing these systems, that can help with the
12 development of the software, which I think is really really
13 needed throughout our training facilities. So I am here to offer
14 our services and, again, to speak in favor and commend you for
15 doing this, and offer whatever we can do to help. Thank you.

16 CHAIRPERSON DOUGLAS: Thank you very much for being
17 here. It is great -- I am very supportive of this type of
18 project and these workforce training initiatives, and it is
19 really great to hear that some of the community that would be
20 hopefully taking advantage of this tool is here to say, "Yes,
21 this is very useful," and, "Yes, we would like to be involved."
22 Mr. Fleshman, could you tell us maybe a bit more about the
23 Technical Advisory Committee and its role and its membership?

24 MR. FLESHMAN: Okay. The Technical Advisory Committee
25 will be formed when the project gets going and we want to have a

1 variety of people on the Technical Advisory Committee. I
2 was not aware that we would have this speaker today, but I will
3 definitely be getting his contact information and seeing if he
4 will participate. Like I said, we plan on having all the
5 subcontractors, like two and four-year colleges, U.C. Berkeley,
6 U.C. Merced, Laney College, City College of San Francisco, we
7 will have a variety of schools participating and we will be
8 getting in contact with Union groups and professional industry
9 organizations.

10 CHAIRPERSON DOUGLAS: Great, thank you. Commissioners,
11 are there questions or comments?

12 COMMISSIONER BYRON: One quick question. Mr. Fleshman,
13 this does look very innovative. I mean, I have participated and
14 I suspect my fellow Commissioners have, as well, in web-based
15 training programs. Is there any thought or way that you can
16 measure the effectiveness of these kinds of programs? Are there
17 tests that are done afterwards? Are there numbers that are kept
18 on how many people are viewing these? Can you give me a sense of
19 any thought put into that at this point?

20 MR. FLESHMAN: There is thought put into that. There
21 is actually parallel funding going on right now from the
22 Department of Energy for DOE at Stanford Research Institute. The
23 focus of this project is a lot more on the software development
24 and some sample problem, base case studies. What Stanford
25 Research Institute is doing is more on the content management,

1 data management, monitoring, so there is significant
2 opportunity running in parallel for this that Stanford is
3 investigating like student performance monitoring capabilities
4 that can be integrated into the software. And SuPerB, this
5 contractor is already working with them on that type of
6 technology.

7 COMMISSIONER BYRON: All right, good. And Mr. Emblem,
8 thank you for being here. It is always very helpful to hear from
9 folks that will be using or supporting the work that we do.
10 Thank you.

11 COMMISSIONER EGGERT: I guess I will echo that, I
12 appreciate your attending and offering your support. And I guess
13 one of the interesting things is that you were suggesting that
14 this thing can act as somewhat of a simulator, almost, to sort of
15 introduce faults and other potential mistakes that might be made
16 in the field. That is one of the areas where we see a great
17 potential for improvement upon our standards, which is actually
18 making sure that they are properly followed and implemented, and
19 it sounds like this program is going to help make sure that the
20 systems that are put into place are done so correctly. I was
21 almost imagining, you know, you might team up with Nintendo Wii
22 to make a Wii application, where you - maybe that is the next
23 round, but... And it is great to hear that this is based on sort
24 of open source, easy accessibility to the community, as well.

25 MR. FLESHMAN: Right. I would like to suggest that

1 there is the website up right now, it is LearnHVAC.org
2 for the existing version that we will be approving and expanding
3 upon in this project, that if anyone would like to take a look at
4 it, it is 3D and it zooms in, and it is really quite attractive.

5 COMMISSIONER EGGERT: I will move the item.

6 VICE CHAIR BOYD: Second.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 This item is approved. Thank you.

10 MR. FLEISCHMAN: Thank you.

11 CHAIRPERSON DOUGLAS: Item 9. University of
12 California, Berkeley. Possible approval of Work Authorization
13 MRA-02-085 for \$200,000 with the Regents of the University of
14 California, Berkeley, California Institute for Energy and
15 Environment, to participate in the U.S. Department of Energy
16 Adaptive Relaying Development project. Mr. Patterson.

17 MR. PATTERSON: I am Jamie Patterson. I am a Senior
18 Electrical Engineer with the PIER Program. This is a co-funding
19 opportunity for the Commission. I am asking for \$200,000 to co-
20 fund this award that would receive for CIEE from the Department
21 of Energy. The Department of Energy has awarded \$1.2 million of
22 CIEE for this project. Their partners are throwing in another
23 \$300,000, with our award, if you approve this award here for
24 \$200,000, that will make a total project cost of \$1.77 million
25 for this project. What this project is, we have two protection

1 system tools using synchrophasors will be developed, one
2 is a simple measurement tool to measure the impending change
3 within the protection zone provided by protective relaying on the
4 electric grid, and the other happens to be a voting tool to poll
5 the status of the protection of relays using a voting algorithm
6 for decisions on their operations. Voting tools are commonly
7 used in many cases such as on the Space Shuttle, they have five
8 computers, three out of five win, and so this is not an uncommon
9 thing to do, only this one will use syncer phasers to do this.
10 The consortium happens to consist of CIEE, Pacific Gas & Electric
11 Company, Southern California Edison, Virginia Tech, and
12 Mississippi State to perform this. Are there any questions?

13 VICE CHAIR BOYD: No questions, only a comment. I know
14 Commissioner Byron and I were intrigued and learned in the
15 Research Committee briefing that there are universities outside
16 of California that have competence in this area, so I am glad to
17 see CIEE was asked to leave, but we have got Virginia Tech and
18 Mississippi State, who we learned have Centers of Excellence in
19 these subject areas as part of this, which is very good, very
20 encouraging.

21 COMMISSIONER BYRON: And if I could add a comment, as
22 well. And California has definitely been a leader in this
23 synchrophasor development technology and this is part of the
24 Smart Grid, this is the high voltage side of the Smart Grid, the
25 monitoring side. And we also have the Department of Energy

1 participating in our Transmission and Research Advisory
2 Committee meetings, I do not want to say anything too derogatory
3 about the Feds, but they really look to us here, and they have
4 been participating in a lot of our projects, as I understand it,
5 for somewhat of a lack of a sufficient program at the Federal
6 level, so I think this is an area where PIER has definitely
7 demonstrated leadership and provided the State and the Federal
8 government, it would seem, with a great deal of needed research.
9 So, correct me if I am wrong on any of this, Mr. Patterson.

10 MR. PATTERSON: Oh, no, the Commission has actually led
11 the nation in synchrophasor research. We have received accolades
12 from the Department of Energy and many utilities nationwide. Our
13 research was key, and as a matter of fact, our business case
14 report was key to getting syncor phasers adopted throughout the
15 Western Electric Coordinating Council and at the Eastern - what
16 is it - EIPEP, well, it is now called NASPE, which is the big
17 synchrophasor effort that is going on nationwide that was started
18 on the East Coast, as well. So we are out there.

19 COMMISSIONER BYRON: So unless there are any further
20 questions, I would move approval of this item.

21 COMMISSIONER WEISENMILLER: Yeah, I was just going to
22 note that I think, as we have increasing levels of renewables in
23 our system, this technology is critical. In a way, it is
24 providing the MRI of the Transmission Grid Operation and it is
25 going to be very important to get that sort of real time

1 information on what is going on. So, again, I think this
2 has been a great success story for PIER and it certainly has
3 moved from the laboratory to the transmission grid, which is
4 typically not known for a lot of innovation creeping in, at least
5 not that fast. So, again, hopefully this is just in time. So I
6 would certainly second this.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 The item is approved. Thank you very much.

10 Very well, moving on to the Minutes, Item 11A, approval
11 of the May 19th, 2010 Business Meeting Minutes.

12 VICE CHAIR BOYD: Move approval.

13 COMMISSIONER EGGERT: Second.

14 CHAIRPERSON DOUGLAS: All in favor?

15 (Ayes.)

16 Item 11A is approved. 11B, approval of the May 27th,
17 2010 Business Meeting Minutes.

18 COMMISSIONER BYRON: I move approval of Item 11B, the
19 May 27th, Business Meeting Minutes.

20 COMMISSIONER WEISENMILLER: I will second.

21 CHAIRPERSON DOUGLAS: All in favor?

22 (Ayes.)

23 VICE CHAIR BOYD: Abstain.

24 CHAIRPERSON DOUGLAS: That item is approved with
25 Commissioners Byron, Weisenmiller and Eggert voting in favor,

1 Commissioners Douglas and Boyd abstaining.

2 Item 12. Commission Committee Presentations and
3 Discussion. Commissioners.

4 VICE CHAIR BOYD: Well, I mentioned one of my two items
5 already, the CCS panel is down the street holding its second
6 meeting, and we met socially last evening and were joined by the
7 Deputy Assistant Secretary for Fossil Fuels of DOE, who is very
8 much intrigued by and supportive of our collaborative efforts out
9 here in pursuing a lot of the scientific and legal questions
10 around CCS. And we now have a fully rounded out panel, a couple
11 of the original panelists withdrew because of other conflicts and
12 have been replaced, and so now we have a full compliment and I
13 think we will be putting some press out on that fact.

14 The other item I had made minor reference to, I spent
15 several hours one day last week with the Air Pollution Control
16 Officers of the State, who were holding their Annual Meeting, and
17 a much lengthier discussion was held than either envisioned. I
18 guess I was their entire afternoon entertainment, but getting
19 serious, the idea that there should be a better working
20 relationship between the Energy Commission and local Air
21 Pollution Control Officers, individually or through their
22 association on things other than just power plant siting cases,
23 is an issue I pushed pretty hard, and we went through a laundry
24 list of things, everything from legislation to working with POUs
25 in their community on paying attention to their renewable

1 commitments and assisting us in our coordinating and data
2 gathering role in that area since there is no regulatory
3 overseeing agency, so on and so forth, so these kinds of issues
4 were discussed and they were very open and committed throughout
5 the course of their couple day meeting to put this on their
6 agenda and discuss it in more depth. So I am looking forward to
7 hearing back from them what things we might do. It never hurts
8 to have a little more friendly help out there. And it did not
9 hurt for them to understand the extreme nexus that has always
10 existed between energy and air quality and the environment. So I
11 thought it was a worthwhile experience for both. It is kind of
12 too bad it did not happen several years ago, I have tried. But
13 the world has changed and I think they saw the benefits of doing
14 so. So we will see. Anyway, I thought it was certainly worth
15 the effort. That is it for me.

16 COMMISSIONER BYRON: A short item, Madam Chair. I
17 would just like to point out to you and Commissioner Boyd that
18 last week's business meeting was, I believe, less than five
19 minutes in duration, and Commissioners Eggert, Weisenmiller and
20 myself conducted very efficient meetings. I am kidding, of
21 course, there was only a single item on the agenda, but we have
22 gotten into this mode of weekly Business Meetings, it is
23 challenging for Commissioners, I think much more so for staff, in
24 preparation for all these meetings, and I think it always bears
25 reiterating that we are doing this in order to expedite the

1 approval of ARRA funding. But I am hopeful we are going
2 to get back to our bi-weekly meeting schedule soon. I have not
3 looked at the calendar, but I am assuming that will return.

4 CHAIRPERSON DOUGLAS: Well, I am hopeful, as well, but
5 we will at least occasionally not have weekly business meetings,
6 and I appreciate your presiding over the meeting last week, and
7 apparently snatching the record of the shortest one-item business
8 meeting. But I really do appreciate that because it was
9 important, obviously, to move forward with the changes on the
10 Appliance Rebate Program in a timely fashion. Maybe I will ask
11 the Executive Office to give us a look at the schedule going
12 forward and let's really look at where we are having weekly
13 business meetings and where we can at least occasionally move
14 back to our bi-weekly schedule. We really are nearly through
15 with the Commission's work of moving the ARRA money forward, of
16 course, as we have noted before. It says nothing about the
17 staff's work of continuing to oversee the execution of these
18 contracts. But then, of course, we may find ourselves having to
19 meet at a more frequent basis than usual towards fall due to
20 siting cases, so we will have to see how that goes. Other
21 comments? Commissioner Weisenmiller.

22 COMMISSIONER WEISENMILLER: I was just going to report
23 on two items. One of the was, I went to the DRECP Stakeholder
24 Meeting, which was quite interesting, and the part I found most
25 interesting, it only covered part of it, but the thing I found

1 interesting was, at this point, there are preliminary
2 conclusions from the Science Advisory Committee and they seem to
3 have done a lot of work, although certainly a lot of food for
4 thought in those conclusions, in that - I think it is being
5 posted now, but certainly anyone who is interested, I can provide
6 copies of the slides they have in their presentations. The other
7 thing I was going to mention was that I met with the Utility
8 Codes and Standards people at Davis at the Lighting Lab, and I
9 understand they have additional meetings set up, but one of the
10 consequences of the Utility Incentive programs is that, since the
11 utilities get incentives for - are the most successful - our
12 Codes and Standards Programs are - they are certainly here to
13 help us, and are interested in a partnership where they can
14 provide technical assistance in ways to extend our staff
15 capabilities and lead to more effective and efficient standards.
16 So an interesting discussion, certainly a lot of food for
17 thought.

18 COMMISSIONER BYRON: If I could, with regard to your
19 first item, Commissioner, it has come to my attention recently,
20 most recently conducting evidentiary hearings, a power plant
21 siting committee case with Commissioner Eggert last week, that
22 there is a great deal of information that is coming out of the
23 Desert Renewable Energy Conservation Plan activities out of work
24 with BLM with regard to cultural resources, etc. And I am very
25 keen on trying to make sure that we disseminate information of a

1 generic and programmatic nature to all Commissioners so
2 we have this for our siting work. My staff also attended the
3 DRECP meeting and learned at that meeting that, indeed, despite
4 the very optimistic and aggressive schedule that was set for
5 DRECP, I understand statements were made that, indeed, there will
6 be no benefit from that work for the current renewable siting
7 cases before this Commission by the end of the year.

8 COMMISSIONER WEISENMILLER: I think in terms of the
9 timing, I think the notion on DRECP is to do progressive mapping
10 of stuff and to keep building up the data. Obviously, I think we
11 have all struggled with data quality, and certainly you did in
12 RETI (phonetic), and I think at this point, certainly the siting
13 cases are really driving the data collection for those pieces of
14 the desert that are taking it to much higher quality, say, than
15 we have general coverage in the DRECP. And certainly it is a
16 very interesting question on how the Scientific Advisory
17 Committee's consensus, you know, how that interacts with the
18 siting cases in the sense that they are there as a panel to give
19 the best possible science in that context. Certainly, some of
20 the suggestions I found quite interesting, for example, I think
21 the last conclusion on our slides was that there are a lot of
22 preexisting partially funded, partially implemented, mitigation
23 plans that may be a vehicle for us to deal with some of the
24 mitigation. Some of the inside stuff in the Science Advisory
25 Committee are much more, if you can parallel existing linear

1 facilities loads or canals, and come up with appropriate
2 ways for the animals to get through that, that that is much
3 better than going to new areas. Now, obviously, I think the
4 developers were in the posture of saying, "Wait a minute, we're
5 looking at the sites from an electrical and a connection, and a
6 bunch of various reasons," so the notion somehow that our optimal
7 electric sites might not be by any means the optimal sites, the
8 scientists would suggest in terms of general principals. So we
9 are certainly going to be struggling, but I think a lot of the
10 DRECP and it is shame it was not done, say, four years ago, or
11 something where we would have that real framework in place for
12 responsible development, you know, in the desert with all the
13 data in hand. But, as it is, we are sort of, you know, again
14 cutting edge on a lot of the individual siting cases.

15 COMMISSIONER BYRON: And I do not mean to diminish the
16 importance of the work, it is extremely important, and it needs
17 to go forward, but it is just not going to provide assistance for
18 us in the course of this calendar year.

19 COMMISSIONER EGGERT: Actually, if I may add a couple
20 of points, actually that is encouraging to hear that there is at
21 least the possibility that it might actually provide some
22 information on mitigation, which actually I think this is the
23 first time I had heard that - in the near term. Certainly, in
24 the long term, it seems like the possibility of providing site
25 selection and mitigation information is its biggest benefit. And

1 I just wanted to echo Commissioner Byron's statements,
2 you know, definitely given how fast many different aspects of
3 this siting process is evolving, especially at sort of the
4 generic policy level, yeah, making sure that we are all properly
5 informed of those developments as they occur is going to be quite
6 useful. I did want - just two quick items, one is that myself,
7 Commissioner Weisenmiller, and Commissioner Byron last evening
8 were at an event announcing the new Executive Director for the
9 Energy Efficiency Center at U.C. Davis, which is also affiliated
10 with the California Lighting and Technical Center, and as a
11 Center of Excellence, that the Commission has a strong
12 involvement, and the new Director is Nicole Biggert, who has got
13 a fantastic resume, an interdisciplinary set of experiences, she
14 is fairly recently coming as the Dean of the Graduate School of
15 Management at U.C. Davis, but I think is going to do a good job
16 of leading that Center in their research, which is really focused
17 on trying to develop technologies, but really focused on taking
18 technologies into the marketplace, addressing the barriers that
19 exist to really wide-scale deployment and adoption. And we were
20 joined at the event by President Peavey from PUC and Mary Nichols
21 from the ARB, and it was a great showing of sort of interagency
22 support for the Center.

23 The second item, I had hoped to give a more
24 comprehensive update on the May is Bike Month, now that we are
25 through the month, and I could not get a print-out before coming

1 down, so a couple of tidbits and what I plan to do is, I
2 am actually going to invite anybody who actually logged even a
3 mile in the month of May is going to be invited to a Happy Hour,
4 which I will send out an e-mail on, and I still offer my original
5 one drink to those who beat me in the mileage, and there are a
6 number of folks who surged ahead in the final days, so I am going
7 to have to be digging deeper into my wallet, but CEC did come in
8 at a little bit over 10,000 miles, 10,319. We were unable to
9 catch up to the Sacramento AQMD, they beat us at about 12,000,
10 and REI really surged ahead, but we came in third of medium-size
11 entities. And in total, all riders cycled 1.3 million miles for
12 a savings, only counting commute and errand miles, of 387,000
13 pounds of CO₂ and about 20,000 gallons of gasoline. So, a
14 successful month, I think, for all and hopefully those that
15 participated will continue to cycle and save fuel and energy, I
16 certainly hope to try to do that.

17 VICE CHAIR BOYD: Very good. Nothing more. Well, I
18 mentioned my two items. I am going to go back and pile on the
19 DRECP discussion, even though it is probably not all that welcome
20 -- the good news/bad news story. And we have heard a lot of good
21 news, but I know Commissioner Byron and I in several meetings,
22 including even yesterday's Research Committee meeting, while
23 fully supportive of some of the projects, scientific projects
24 that came before us yesterday, they are, if I remember correctly,
25 the two we saw yesterday, 18 and 30 months into the future, good

1 kind of information that would really help inform the
2 decision and advice, and what have you, of a DRCEP, and would
3 obviously really help with Commissioners in the siting process.
4 So the out of sync aspects of all this are painfully clear to all
5 of us, and I guess, as Commissioner Weisenmiller said, it would
6 have been really nice to have all of this four years ago, but
7 hindsight being what it is, and Monday morning quarterbacking,
8 that is the way it is, and this is the way we make progress. So,
9 in some cases, those who follow some of us on this dais will have
10 the benefit of that information as we make future decisions on
11 particularly renewable cases, if there is any room left in the
12 desert by then for anymore renewable electricity, or it is going
13 to be all an Efficiency Commission come then. In any event, good
14 news and bad news in that quarter continues and we just have to
15 keep continuing pushing.

16 CHAIRPERSON DOUGLAS: That is right, well, thank you,
17 Commissioners. Let's go on to the Chief Counsel's Report.

18 MR. LEVY: Thank you, Commissioners. I have two items
19 I would like to request a closed session for. The first one is
20 whether to initiate litigation, and I am not going to disclose
21 the item because it would prejudice the interests of the
22 Commission; the other is the Western Riverside Council of
23 Governments vs. Department of General Services and CEC.

24 CHAIRPERSON DOUGLAS: Thank you. Executive Director's
25 Report?

1 MS. JONES: Good morning. I just want to give
2 you two pieces of update related to ARRA. The General
3 Accountability Office will be visiting the Energy Commission on
4 June 8th. They come around to each state and they prepare bi-
5 monthly status reports to Congress on state activities. They
6 will be focusing on our SEP Program and the Block Grants. The
7 other item that is coming up is a Joint Legislative Audit
8 Committee Hearing on June 9th. We are preparing presentation and
9 background materials for the Chairman, and we will be addressing
10 the Bureau of Audit's Report done several months ago, and
11 providing the progress update on the things that we have done
12 related to that. So that is it for today.

13 CHAIRPERSON DOUGLAS: Thank you. Public Advisor's
14 report.

15 MS. JENNINGS: Yes, I would just like to pass on some
16 compliments I received from members of the public regarding the
17 El Centro hearings on the Imperial Valley Solar. They really
18 appreciated the engagement and attention of the Commissioners and
19 felt very good about the process and the hearing. Thank you.

20 CHAIRPERSON DOUGLAS: Thank you. Thanks for passing
21 that on. Is there any public comment? Seeing none, we will move
22 to Executive Session.

23 (Whereupon, at 10:54 a.m., the business meeting was
24 adjourned.)

25 --o0o--

REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF,

I have hereunto set my hand this 8th day of June, 2010.



Kent Odell
CER**00548