

COMMISSIONERS PRESENT

Karen Douglas, Chair
James D. Boyd, Vice Chair
Jeffrey D. Byron
Robert Weisenmiller
Anthony Eggert

STAFF PRESENT

Melissa Jones, Executive Director
Michael Levy, Chief Counsel
Jennifer Jennings, Public Advisor
Harriet Kallemeyn, Secretariat

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P R O C E E D I N G S

SEPTEMBER 22, 2010

10:00 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of September 22nd, 2010.

Please join me in the Pledge.

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

CHAIRPERSON DOUGLAS: So, Commissioners, one change to the Agenda is that Item 14, which is Consideration of the Best Management Practices Manual for Solar Renewable Energy Development, has been postponed as a result of a request made by a number of stakeholders who would like some more time to make comments on the document. And we have asked for comments within 30 days for consideration by the Commission. Commissioner Weisenmiller, do you have anything to add?

COMMISSIONER WEISENMILLER: That is good. I think the reality was that, obviously we had a very public process on this document in the past, this has gone through a lot of joint review by the other team and, at the same time, I think, as it came up and suddenly people found they had a week to comment on the 200 plus page document that they had more or less forgotten, given the focus on the Siting cases, it seemed like it was a

1 good opportunity to basically give them more time to
2 reflect on it, but also to use this document as part of
3 our kick-off for our lessons learned activity. So,
4 certainly again, we encourage written comments by the
5 27th.

6 COMMISSIONER BYRON: Madam Chair, I would also
7 like to ask if we could pull Item 1A from Consent so I
8 could make a few comments with regard to the item.

9 CHAIRMAN DOUGLAS: Absolutely. If there are no
10 more comments on Item 14, which has been postponed, we
11 will go to Item 1, Consent Calendar. Commissioner Byron,
12 would you like to take up Item 1A now?

13 COMMISSIONER BYRON: Thank you. I just wanted
14 to note, this certainly could have been a Consent item,
15 but I wanted to acknowledge that our staff has been
16 working for over a month now with the Public Utilities
17 Commission in preparing some draft comments and responses
18 to a Federal Energy Regulatory Commission Notice of
19 Proposed Rulemaking. And Commissioner Weisenmiller has
20 been working, as well, at the Commissioner level to
21 coordinate these comments. This is extremely valuable
22 that the agencies are working together in order to
23 provide consistent State comments on a very important
24 transmission planning rulemaking at the Federal level,
25 and I just wanted to take a moment to acknowledge their

1 hard work. I believe the comments are due at the end of
2 this month and we anticipate that either our Executive
3 Director or perhaps you may be signing with President
4 Peevey at the PUC on some joint comments. Commissioner,
5 thank you for your efforts on this.

6 COMMISSIONER WEISENMILLER: Sure. I think this
7 is certainly an important topic back at FERC. I think
8 part of our intent was to avoid the sort of confusion
9 that can occur, I think when we went into the greenhouse
10 gas comments, where two State agency comments have very
11 similar comments, but everyone sort of tries to identify
12 the differences, and try to work off of that, so it is
13 certainly more complicated to do a joint filing, but I
14 think it will pay off, and I certainly appreciate
15 President Peevey's willingness to work with us on this.

16 CHAIRMAN DOUGLAS: Well, thank you,
17 Commissioners. I appreciate your hard work and
18 leadership on this and I am very pleased to hear that we
19 will be able to submit joint comments, which I would be
20 happy to sign if asked, and if it is signed at the
21 Executive Director level, that would be fine, too.

22 COMMISSIONER BYRON: So, Madam Chair, with
23 that, I move the Consent Calendar and Item 1A.

24 COMMISSIONER WEISENMILLER: Second.

25 CHAIRMAN DOUGLAS: All in favor?

1 (Ayes.)

2 Item 2. City Of West Sacramento. And it was
3 my understanding that the City of West Sacramento may be
4 here today. Is anyone from the City here today? Thank
5 you. I will ask if you would like to make some comments
6 at the end of this item.

7 City of West Sacramento. Possible approval of
8 the City of West Sacramento's proposed Locally Adopted
9 Energy Standards for residential and nonresidential newly
10 constructed buildings to require greater energy
11 efficiency than the 2008 Building Energy Efficiency
12 Standards. Mr. Loyer.

13 MR. LOYER: Commissioners, with this ordinance,
14 the City of West Sacramento will ensure that newly
15 constructed residential and non-residential buildings
16 under their jurisdiction will achieve 15 percent
17 exceedance of the 2008 Building Energy Efficiency
18 Standards, Title 24 Part 6. The City of West Sacramento
19 will use the California Green Building Code Title 24,
20 Part 11, and the Energy portion of Tier 1 Option as a
21 mandatory requirement. Staff has reviewed the Ordinance
22 and has determined that it complies with all necessary
23 requirements of Title 24, Part 1, Section 10106, and
24 recommends the application be approved and the Energy
25 Commission Resolution be signed.

1 CHAIRMAN DOUGLAS: Thank you, Mr. Loyer. And
2 would the representative of West Sacramento like to say a
3 word now?

4 MR. GOODWIN: Thank you. Good morning, Madam
5 Commissioner and fellow Commissioners. It is a happy day
6 for both me and West Sacramento. We have been in this
7 process now for over a year, well over a year -

8 COMMISSIONER BYRON: Sir, would you please
9 identify yourself for everyone?

10 MR. GOODWIN: Thank you. Randy Goodwin. I am
11 the Building Official with the City of West Sacramento.
12 Your staff should be commended. Joe and Panama both were
13 very helpful, knowledgeable, and really assisted with the
14 process. The technical Commission staff on prior
15 process, I am going to go outside of the text a little
16 bit of this if that is okay, when we built our City Hall,
17 in my former position, I was City Architect, and your
18 technical staff, engineering staff, helped us with
19 everything from lighting to design to energy efficiency
20 in that building, literally reviewed and helped adapt the
21 plans for a more energy efficiency building, and that was
22 over eight years ago. So, I want to thank you and thank
23 Joe, in particular, for your help with this.

24 COMMISSIONER EGGERT: Thank you very much, Mr.
25 Goodwin. We really appreciate your coming here today to

1 share your thoughts on this item, and I just want to say
2 that it is really the partnership that we have been able
3 to establish with local governments, including
4 specifically on their efforts to go above and beyond the
5 State minimums with respect to things like building
6 standards, which I think bodes well for our ability to
7 meet our energy and environmental goals, and particularly
8 why Sacramento, I know, has been the leadership in a
9 number of areas, and it is great to see you expanding
10 that with the approval of this item. I also just wanted
11 to note, Mr. Loyer, glad to see that you are back to your
12 full-time job. Some of you may be aware that I borrowed
13 - or some may say "stole" - Joe for a brief period to
14 help with some of the siting projects, and very much
15 appreciated his services there. But, I think this is a
16 good item and I would move to approve it.

17 COMMISSIONER BYRON: Second.

18 CHAIRMAN DOUGLAS: All in favor?

19 (Ayes.)

20 The item is approved. And congratulations and
21 thank you for your leadership.

22 MR. LOYER: Thank you.

23 VICE CHAIR BOYD: I was just going to add
24 congratulations to the City of West Sacramento on joining
25 a growing list of cities in this State. Thank goodness

1 it is a growing list of cities, who are going beyond the
2 Efficiency Standards and setting a new precedence for
3 other cities. And we hope you have been sent to other
4 cities to pay attention and take the same action that
5 West Sacramento has had. They have done a lot of things
6 lately, as a Sacramentan, I have noticed, and are getting
7 a lot of kudos. Good for West Sacramento.

8 MR. LOYER: And in further recognition of West
9 Sacramento's efforts, the Energy Commission staff and the
10 Commissioners have put together this frame-ready
11 resolution for the City of West Sacramento. The official
12 Resolution that you will be sending in to the Buildings
13 Commission will be coming by e-mail later today,
14 probably. But this one is for your wall.

15 MR. GOODWIN: Thank you.

16 MR. LOYER: Congratulations. [Applause]

17 CHAIRMAN DOUGLAS: Very well, Item 3 is a very
18 similar item, this one for the City Of Oakland. And let me
19 ask before we take up the item, is the City of Oakland
20 represented in the room or on the phone? Oh, wonderful. Very
21 well. City of Oakland. Possible approval of the City of
22 Oakland's proposed Locally Adopted Energy Standards for
23 residential and nonresidential newly constructed buildings and
24 additions and alterations to existing buildings to require
25 greater energy efficiency than the 2008 Building Energy

1 Efficiency Standards. Mr. Loyer.

2 MR. LOYER: Commissioners, with this ordinance, the
3 City of Oakland ensures that new residential projects under
4 their jurisdiction will achieve 15 percent exceedance of the
5 2008 Building Energy Efficiency Standards, Title 24 Part 6,
6 using the GreenPoint rated checklist developed by Build it
7 Green. The City estimates that newly constructed smaller
8 commercial buildings, as well as additions and alternations,
9 will exceed the standards by 10 percent using the Small
10 Commercial Green Building Checklist developed by the County of
11 Alameda under their Stopwaste.org program. The City estimates
12 that newly constructed larger commercial buildings, as well as
13 additions in alterations, will exceed the standards by 15
14 percent using the Leadership in Energy and Environmental
15 Design Checklist developed by the U.S. Green Building Council.
16 The City Ordinance extends to buildings that qualify as
17 historic resources, and affordable housing with the same
18 energy efficiency requirements.

19 Staff has reviewed the Ordinance and has determined
20 that it complies with all necessary requirements of Title 24,
21 Part 1, Section 10106, and recommends the application be
22 approved by the Energy Commission, and the Resolution be
23 signed.

24 CHAIRMAN DOUGLAS: Thank you, Mr. Loyer. Can we
25 hear from the City?

1 MS. KLEIN: Good morning, Madam Chair and
2 Commissioners. On behalf of the City of Oakland, Mayor
3 Dellums, the City Council, and the Community and Economic
4 Development Agency, I am very pleased to be here and hopefully
5 to receive approval from the Energy Commission of our
6 application. We spent about three years working on the Green
7 Building Ordinance, and our improved Energy Efficiency
8 Standards, and it was a very collaborative process between all
9 of our City agencies and stakeholders, and we believe that our
10 Ordinance is comprehensive; as you heard from Joe, it
11 encompasses not only new construction, but existing buildings,
12 historic buildings, and also goes as far as including
13 landscapes, so we are very proud of it and I am glad to be
14 here. Thank you, Joe, for helping us get through this
15 process.

16 CHAIRMAN DOUGLAS: Can we ask that you also identify
17 yourself for the record.

18 MS. KLEIN: Yes, sorry. My name is Heather Klein.
19 I am a City Planner with the City of Oakland.

20 CHAIRMAN DOUGLAS: Thank you. Commissioners,
21 questions or comments?

22 COMMISSIONER EGGERT: Just a couple on this one, as
23 well. Again, Ms. Klein, I want to congratulate you and Mayor
24 Dellums and the City of Oakland for taking this leadership
25 role and also taking advantage of some of these third-party

1 systems that can help facilitate even greater energy
2 savings and sustainability features within your standards.
3 And I also note, I think maybe with both of these, there is
4 sort of an assertion by the City that they actually actively
5 enforce compliance, which of course is a critical component to
6 making sure that these savings actually accrue to the
7 community, so I again would move this item.

8 VICE CHAIR BOYD: Second.

9 CHAIRMAN DOUGLAS: All in favor?

10 (Ayes.)

11 Thank you very much again.

12 MS. KLEIN: Thank you very much.

13 VICE CHAIR BOYD: Congratulations for being added to
14 the virtual trophy of cities that are exceeding the standards
15 and earning their way into this famous position that we hope
16 others will recognize. And, Joe, it looks like you have
17 something there.

18 MR. LOYER: I do. In recognition of the City of
19 Oakland's efforts to pass this Ordinance, and get it to the
20 final finish line, we have this resolution signed by all the
21 Commissioners, which is, again, a frame-ready resolution for
22 your wall. And the resolution that you will turn in to the
23 Buildings Commission will be coming. Congratulations.

24 [Applause]

25 COMMISSIONER BYRON: Ms. Klein and Mr. Goodwin,

1 thank you both very much for being here today.

2 CHAIRMAN DOUGLAS: Item 4. California Statewide
3 Communities Development Authority. Possible approval of
4 Contract 400-10-003 for \$33,176,912 with California Statewide
5 Communities Development Authority to support Energy Upgrade
6 California, the statewide energy and water efficiency and
7 renewable energy generation retrofit program for single- and
8 multi-family residential and commercial buildings. Mr.
9 Bartholomy.

10 MR. BARTHOLOMY: Good morning, Chairman Douglas,
11 Commissioners, Executive Director Jones. My name is Panama
12 Bartholomy, I work up in the Executive Office in the Special
13 Ops Division and I will be presenting this item today. I am
14 going to be joined at the dais by one of our senior technical
15 folks on this item, Ms. Angie Gould, as well. It is our
16 pleasure to bring a very exciting Agenda item to you on an
17 otherwise dull list of items, some before you, this afternoon.

18 What I am going to be doing, Commissioners, is I
19 will be giving you some brief details on the contract, itself,
20 and then a bit of history about how we got to this point with
21 this contract, and then back it up to a broader level and give
22 you the context within which this contract sits. This
23 contract is a cornerstone of a much larger effort and
24 collaboration, statewide, on energy efficiency building
25 retrofits, and so we want to be able to give you the context

1 within which this contract sits, then I will come back
2 down and discuss in detail the contract that we brought before
3 you for your consideration for approval.

4 So, the contract we have before you is a proposal
5 for a just over \$33 million contract with the California
6 Statewide Community Development Authority, or CSCDA. CSCDA is
7 a joint powers authority between the League of Cities and the
8 California State Association of Counties. The contract before
9 you proposes a number of different program details, including
10 a clearinghouse for financing, for energy efficiency and
11 renewable energy, for commercial and residential buildings, a
12 statewide building retrofit Web portal, and a marketing
13 campaign, the roll-out and coordination of a comprehensive
14 residential, regional building retrofit programs in 25
15 leadership counties across California, significant incentives
16 around workforce development and workforce development
17 coordination, pilot Property Assessed Clean Energy, or PACE
18 programs in four communities of the State, that I will get
19 into some detail in, as well as a significant advancement of
20 some project decision tools to help the affordable housing
21 community be able to bring better resources to their projects.

22 Here is the budget of the contract you have before
23 you. You can see the various components of it, and how the
24 \$33 million will be spent among the various parts of the
25 contract.

1 So, how did we get here today? As you all
2 remember, all the dates up here on the screen were dates that
3 involved all five of you on the dais, making certain
4 decisions. On September 30th, 2009, you adopted a State Energy
5 Program -original State Energy Program Guidelines - and in
6 there, identified energy efficiency financing as one of the
7 key barriers to building up the energy efficiency retrofit
8 market in the State. Because of that, on October 8th, the
9 Commission released what was called the SEP 110 or the State
10 Energy Program \$110 million solicitations, three solicitations
11 hoping to be able to bring better coordination, financing, and
12 resources to building retrofit programs across the State. On
13 February 11th, the Commission released their Notice of Proposed
14 Awards for the SEP 110 Program, including five potential
15 awards to different entities for \$30 million around energy
16 efficiency financing. In detail, those five awards were - one
17 award was a statewide PACE pilot program covering 13 counties
18 and 110 cities; another was a PACE pilot program along the
19 North Coast covering six different counties in the North
20 Coast; there was a program to further the Sonoma County PACE
21 Program; a program to encourage commercial PACE projects in
22 the City of LA; and then a program focused on affordable and
23 low income PACE projects in the City and County of San
24 Francisco.

25 On July 6th, unfortunately, as you know, the Federal

1 Housing Finance Authority released a memo providing
2 guidance to Fannie Mae and Freddie Mac around PACE,
3 effectively putting up barriers to PACE implementation across
4 the country and in California that caused most of the
5 jurisdictions in California to abandon their plans around
6 development of the PACE districts. On July 28th, the
7 Commission acted to cancel the 401 solicitation and, then, on
8 August 6th, you adopted a new set of guidelines to re-
9 appropriate the funds that were going towards the development
10 of PACE districts towards encouraging further financing
11 activities in the State. As you will remember, our original
12 SEP Guidelines were very restrictive about the kinds of
13 programs we were going to allow under our 401 solicitation, to
14 only be PACE programs, and on August 6th, you opened it up to a
15 wider variety of financing options.

16 Additionally, you gave direction that the money that
17 was going to be going towards the 401 should be going towards
18 and continuing to encourage access to financing in California,
19 and provided a number of other details you would like to see
20 the staff work on to bring the contract back.

21 During that same time period, the Energy Commission
22 was engaged with local governments, investor-owned utilities,
23 municipal utilities, and the California Public Utilities
24 Commission in creating a new Statewide marketing and branding
25 campaign called Energy Upgrade California. We have been

1 working with the PUC and the other partners since about
2 June on this program. As the activity around PACE started to
3 heat up at the Federal level and the barriers around the
4 development of PACE started to become more clear, it also
5 became clear that there was perhaps a greater opportunity
6 around the Energy Upgrade California Partnership to make it
7 more than just a branding and marketing campaign, but, in
8 fact, to really carry out a number of activities under the
9 auspices of the umbrella of the Energy Upgrade California
10 Program. And I am going to get into some details on what that
11 program looks like now.

12 So, you had some details of what the contract is.
13 And the contract is really a keystone part of the larger
14 Energy Upgrade California Program, it provides some of the key
15 infrastructure and the program development that was needed for
16 Energy Upgrade California to truly roll out across the state.
17 And so here is briefly what that program looks like. The
18 Energy Upgrade California Program is a Statewide energy and
19 water efficiency and renewable energy program for all building
20 types in California, residential and commercial. It is an
21 unprecedented collaboration between ourselves, the Public
22 Utilities Commission and investor-owned utilities, municipal
23 utilities, local government, nonprofits, and local
24 governments. And we have a representative of the Public
25 Utilities Commission on the phone that will offer some brief

1 comments when I am done, as well, to talk to the
2 partnership that has been established under this program.

3 The program intends to act as a one-stop resource
4 for all information any building owner will need in the State
5 of California, to be able to find resources, to be able to
6 learn why they would want to do a building retrofit, as well
7 as the resources to be able to perform a building retrofit on
8 their facility. It coordinates with all of the various
9 retrofit programs rolling out across the State right now,
10 under a brand, and under one marketing campaign, and it begins
11 to create the foundation for the implementation of AB 758, the
12 infrastructure we will need when PACE is finally freed up from
13 the Federal Government, and when Home Star is hopefully passed
14 by Congress and signed by the President.

15 The program encompasses a wide variety of funding
16 sources, everything from the investor-owned utility rebate
17 programs to the financing that will be made available, the
18 Recovery Act money administered by the Energy Commission and
19 local governments, and a significant investment of Work Force
20 Investment Act Funds, as well. The program offers a number of
21 levels of coverage, benefits, at the Statewide level. There
22 will be a Statewide Web portal providing consistent and clear
23 information about energy efficiency and renewable energy
24 retrofits. There will also be an opportunity for easy to
25 access, low cost financing for building owners across

1 California made available to this program. For those
2 citizens that live within an investor-owned utility or
3 leadership municipal utility that offers a rebate program for
4 energy efficiency, they will have access to those rebates
5 under this program. And in 51 counties across the State, out
6 of the 58, there will be the offering of comprehensive
7 residential retrofit programs, including the various program
8 details you see up there on the screen. In addition, the
9 program will roll out pilot PACE programs on residential and
10 commercial buildings in four communities across the State and
11 will be providing new tools for affordable housing retrofits.

12 The financing program is one of the key components
13 of this contract that is going to be administered by CSCDA.
14 CSCDA under this contract will initiate a competitive
15 solicitation to bring financial institutions to California to
16 offer financing to commercial and residential building owners,
17 to be able to perform the retrofits. They will be enticed to
18 offer programs through a consistent and rigorous program,
19 quality assurance and contractor qualification programs, as
20 well as incentives such as interest rate and buy-downs. The
21 financing will be offered through the Statewide Energy Upgrade
22 California website application, and contractors will be
23 trained on how to help homeowners and commercial building
24 owners find access to this program.

25 An example of what this could look like is an entity

1 such as a large financial institution such as Wells Fargo
2 could bid a loan product into the solicitation and then be
3 able to offer it to home or commercial building owners across
4 the State, with an interest rate buy-down from this program.

5 The program's residential component acts to
6 consolidate all information around the various residential
7 retrofit programs across the State into one location so that
8 homeowners can go to one resource, to be able to find all the
9 information they need to be able to retrofit their homes, and
10 in attempts to coordinate the marketing application and
11 workforce development and other components of these programs
12 together to reduce consumer confusion and be able to help them
13 bring about retrofits in their homes. In particular, the
14 program will be working with Sonoma County around a
15 residential PACE program, a PACE program that will be
16 compliant with and will allow us to continue to move PACE
17 forward, even under the guidance of FHFA. Sonoma County will
18 be working to develop strategies for how to address some of
19 the barriers put forward by FHFA, and then, working with other
20 jurisdictions in a technical assistance capacity, to help them
21 roll out programs that will also meet FHFA guidelines and
22 overcome the barriers presented by that agency.

23 I know Commissioner Boyd, in particular, at the
24 August 6th Business Meeting, wanted to make sure that this
25 program helps as much as possible the Affordable Housing and

1 Multi-Family market through a considerable amount of
2 communication with that market. Since that meeting, we have
3 been informed that there is no dearth of funds available for
4 these sorts of retrofits. The biggest problem is a
5 coordination of programs and helping building owners and
6 occupants of these types of housing to be able to find the
7 best programs, a fit for their projects. And our contract
8 will be working to develop a decision-making tool that will
9 help identify the best retrofit programs available for the
10 particular project, and then be able to help them be able to
11 access that and find a contractor to be able to bring that to
12 bear. We are told by the affordable housing community that
13 this will really be one of the greatest benefits that we could
14 bring to them, to help with their projects.

15 On the commercial side, it is very much like the
16 residential side. We are acting to coordinate all of the
17 different programs across the State into one Web resource and
18 marketing campaign, and then to help with as much as possible
19 coordinate the different various program components to reduce
20 consumer confusion and burdens, so they need to make perhaps
21 one or two phone calls, rather than five or six phone calls to
22 access different programs. Like residential, the program will
23 be offering a commercial pilot program, working with the City
24 of LA, Placer County, and San Francisco County, who will be
25 partnering with LA Department of Water and Power and Pacific

1 Gas and Electric, respectively, to roll out this
2 commercial PACE program. This program, too, will model how to
3 do a commercial building PACE program, that will address some
4 of the barriers and concerns that have been brought up by FHFA
5 and the Office of the Currency Controller. On the Clinton
6 Climate Initiative, we will be a partner in this effort, and
7 we will be acting as a technical consulting capacity to help
8 other jurisdictions roll out commercial PACE programs, using
9 the strategies developed by this pilot program.

10 The program is going to have significant focus on
11 helping business owners find qualified contractors, making
12 sure that we have the training programs out there to bring
13 about qualified contractors, and making sure we have the
14 quality assurance programs to make sure these people should
15 still be considered qualified contractors after they do work
16 in California on buildings.

17 I will finish up with just talking about one of the
18 most significant parts of your contract you have before you
19 today, as well as a program, is a comprehensive statewide
20 retrofit Web portal. As mentioned, it is going to bring
21 together all of the different information on the retrofit
22 programs across the State, allow property owners and
23 contractors to submit one application for various programs,
24 allow property owners, contractors, and administrators to
25 check their progress on projects, and then allow for the

1 Administrators of programs to run comprehensive reports
2 on the success of the projects. From a homeowner or building
3 owner's perspective, the flow for how they would use the
4 website is -- quickly -- it looks like this; they enter into
5 the website, get educated about the program, and the programs
6 available to them, what incentives are available to them, if
7 they are looking for financing, it leads them to that
8 financing, and then the contractors that are eligible under
9 those programs to provide assistance to them.

10 This program, Energy Upgrade California, and the
11 contract you have before you, provides us with a foundation to
12 move towards some very important public policy goals in the
13 State of California. Implicit in this contract and the
14 program is a loading order. If Energy Efficiency Upgrade
15 California financing is used to finance solar photovoltaic,
16 energy efficiency measures must be installed before the
17 financing can be used to install the photovoltaic panels. It
18 is going to expand HERS II significantly, as well as expand it
19 to the multi-family sector, and we are going to be providing
20 the pilot programs and the infrastructure we need for the
21 implementation of AB 758, PACE, and Home Star.

22 So, again, that was the larger energy upgrade
23 California program. Bringing it back to the contract you have
24 before you, just briefly, it encompasses the clearinghouse for
25 alternative financing for buildings. This contract will allow

1 that clearinghouse to happen, it would not happen without
2 this contract, the Statewide retrofit Web portal and branding,
3 this contract will allow that Web portal to be created and
4 then maintained for two years. The comprehensive residential
5 retrofit in 25 leadership counties will be funded through this
6 contract. Significant workforce development incentives to
7 push HERS II and Home Performance Contractor Infrastructure is
8 in this contract, and then both of the pilot programs around
9 PACE are funded through this contract, and then the project
10 decision-making tool for affordable multi-family buildings is
11 also contained in this contract.

12 The timeline for this is hopefully we will get
13 positive resolution at today's business meeting, and we will
14 have the passage of this contract. CSCDA, a member of whom is
15 here in the audience and can speak to the contract, will be
16 considering this for approval at their October 13th Business
17 Meeting, and in October and November, there will be a launch
18 of the investor-owned utility programs and the website, as
19 well as the development and implementation plan, and then, by
20 December, we will be hot and heavy into the implementation of
21 this program. With that, I will end the slide show, bring up
22 the lights, and I would be happy to entertain any questions.
23 I would just like to ask if we could have Kathy Vogel from the
24 California Public Utilities Commission just briefly speak to
25 the partnership that has been created under this program, if

1 the Vice Chair would so allow.

2 VICE CHAIR BOYD: Okay, as noted, the Chairman had
3 to step away from the dais, this is Commissioner Boyd. So, I
4 had next on my list to hear from the PUC. So, Kathy Vogel,
5 are you there?

6 MS. VOGEL: I am. Can you hear me?

7 VICE CHAIR BOYD: Very well, thank you. Go right
8 ahead.

9 MS. VOGEL: Great, thank you, Commissioner. My name
10 is Kathy Fogel. I am a Senior Analyst in the Energy
11 Efficiency Planning Section of the Climate Strategies Branch
12 Energy Division at the PUC. I have been working since about
13 April with Claudia Chandler, Panama, and others on developing
14 Energy Upgrade California, and it really has been a pleasure
15 working together on this, on developing a partnership. The
16 CPUC sees the Energy Upgrade California Program that is
17 underway and been developed here, and our collaboration, as
18 truly unprecedented in scale, and scope and breadth, truly
19 exciting.

20 We began our collaboration because we felt there was
21 a need to reduce consumer confusion and also improve access to
22 the public good charge funded programs that the utilities are
23 offering, that are being offered now in coordination with the
24 ARRA funded programs. The program, as it is developing,
25 allows the CPUC and the utilities, the investor-owned

1 utilities, to ensure that IOU funds are well leveraged
2 with other programs, such as the ARRA programs, and ones that
3 will come soon under AB 758. We believe that this program
4 will therefore increase the return on the ratepayer investment
5 and reduce duplication. It is really important that this
6 coordination between the programs continue, and the CPUC and
7 myself, personally, are committed to ensuring that. We do
8 recognize that there is going to be a need to maintain our
9 relationship and grow it, so we are looking forward to that.
10 We have also made a lot of gains in our collaboration, again,
11 since April, and there will be a lot more opportunities to
12 work through the barriers and the challenges that come. So, I
13 will be engaged in that and, again, we are very committed to
14 working through those barriers. So, we look forward to the
15 launch of this program and want to thank the CEC staff for
16 their hard work to get it launched. Thank you.

17 CHAIRMAN DOUGLAS: Ms. Vogel, this is Karen Douglas,
18 and I had to step out briefly, but I made it back for much of
19 your comments. I wanted to say that I truly appreciate the
20 collaboration that we have reached with the Public Utilities
21 Commission, and it is a tremendous benefit to the State of
22 California to be able to roll out a statewide energy
23 efficiency retrofit program that is so tightly coordinated and
24 reflects the work and vision of the Public Utilities
25 Commission and the Energy Commission in partnership, with the

1 IOUs, with the two biggest POUs, and we hope others, as
2 well, and with the local governments who have been such
3 important leaders and partners in this effort. So, thank you.
4 And we certainly look forward to building on this level of
5 coordination and achieving great benefits and a really strong
6 program together. Mr. Bartholomy, I wanted to ask you a
7 question. I received a number of letters from - I received a
8 letter from the City of Fresno, the County of Fresno, and the
9 Cities of Sonoma and Clovis, expressing the concern that the
10 San Joaquin Valley, in one letter, would receive no benefits
11 from this program, and in another letter - or the other
12 letters just asking if they could be a pilot program, and I
13 thought it would be beneficial for the Commissioners to hear
14 your perspective on actions - first, what are the benefits to
15 San Joaquin Valley counties, and particularly Fresno, in this
16 program; and secondly, you know, maybe you could discuss the
17 pilot program that we in fact are funding to City and County
18 of Fresno.

19 MR. BARTHOLOMY: I would be happy to, Madam Chair.
20 And I will start and then Ms. Gould can follow-up with
21 anything that I overlooked. Within the program, I mentioned
22 that we are considering the funding of regional retrofit
23 program coordination in 25 leadership counties across the
24 State. These are counties that have already made a
25 significant investment into developing retrofit program

1 infrastructure within their communities, and therefore
2 offer to the State a higher leverage for the funds and the
3 investments that we are going to be putting out to this
4 contract. These communities are called Program Plus Counties
5 under this contract, those within the San Joaquin Valley,
6 there are - correct me if I am wrong, Angie - four counties,
7 which represent some of the largest population centers of the
8 San Joaquin Valley, represented as Program Plus Counties.
9 Those counties are going to get additional funds and
10 assistance under this contract around regional coordination,
11 to help them establish strong networks, training programs, and
12 outreach mechanisms, to be able to make sure the building
13 owners are aware and have greater access to this program, as
14 well as additional incentives around interest rate buy-downs,
15 HERS II rebates for testing in and testing out, as well as
16 additional financing incentives. So, there is a significant
17 advantage for making the investment and then committing to be
18 a Program Plus County, and four of the major counties with the
19 San Joaquin Valley are going to have access to that. Ms.
20 Gould, anything you would like to add to that as far as a
21 Program Plus County? And then I will come back and talk
22 particularly about the pilot program we are rolling out in
23 Fresno County.

24 MS. GOULD: Yes. So the Counties of San Joaquin,
25 Tulare, Fresno, and Kern, are the Program Plus Counties that

1 we have identified. We have actually done a little
2 digging and we have gotten up to 29 identified counties that
3 would receive Program Plus benefits, but the other counties in
4 the San Joaquin Valley, outside of those four, would also be
5 receiving Statewide benefits, so all 58 counties are going to
6 be receiving comprehensive outreach and marketing campaign
7 access to these Statewide Web portal that helps building
8 owners learn about the retrofits, find the relevant incentives
9 and contractors, etc. The counties will have customized pages
10 in the Web portal that will contain localized content that
11 they can populate. They will have access to low-cost energy
12 retrofit financing that the program will bring to the State,
13 and \$1.5 million in scholarships for HERS II and BPI
14 contractors.

15 MR. BARTHOLOMY: As the Chairman mentioned, we are
16 using some of our discretionary Energy Efficiency and
17 Conservation Block Grant funds that the Energy Commission is
18 administering, and we have entered into an agreement with
19 Fresno County, just over \$1.8 million, to help them establish
20 a comprehensive residential retrofit program. That program
21 will help them to integrate and ramp up HERS II infrastructure
22 and activity within their county, and be able to establish a
23 network across their county, to be able to bring about
24 qualified contractors that are going to be focused on deep
25 energy retrofits, going far beyond weatherization into high

1 levels of energy efficiency retrofits, and the
2 infrastructure and the training and the outreach mechanism
3 that will be necessary to be able to roll that out in both
4 Fresno County and Kern County, with the City of Fresno
5 administering that program.

6 CHAIRMAN DOUGLAS: Thank you, Mr. Bartholomy. And,
7 Commissioners, I also wanted to mention that I spoke with the
8 Mayor of Fresno, Mayor Swearingin, about her letter and the
9 City of Fresno has been one of the real shining examples in
10 the San Joaquin Valley of leadership on energy efficiency
11 programs, and that is why we worked with them on the \$1.8
12 million residential program. She immediately recognized and
13 thanked the Commission for the support that we have provided
14 them for their residential program, which goes county-wide to
15 the City and County and also extends into Kern County, I mean
16 the City of County, I do not know. The County of Fresno also
17 extends into Kern County. She expressed the concern that they
18 might be interested in a commercial pilot and I asked a number
19 of questions to staff and got back responses to her about
20 commercial opportunities for Fresno, one is that the
21 contractor in this CSCDA will issue a solicitation to bring
22 financing options for both residential and commercial
23 applicants, or users of this program, statewide. So, Fresno
24 and other San Joaquin Valley Counties would have the ability
25 to use the commercial financing that is developed through the

1 solicitation, as well as the residential. Secondly, in
2 PG&E's service territory, there is an on-bill financing
3 option, as well, for commercial properties. So, I have gotten
4 to that response and I think that has helped increase the
5 comfort level, but I really think that we have provided
6 significant benefits statewide, and the part of this that I
7 really like the most is that we, really not through our
8 choice, but through FHFA, had to reevaluate what we were
9 trying to achieve with this program, and we started with a
10 very good model that created very good ideas and programs in
11 different regions of the State, and the California First
12 Program, which would have been more statewide, but without
13 nearly the reach of this one, and staff has done an incredible
14 amount of leg work in order to take those program elements and
15 some of those ideas, add different ideas, work with a number
16 of different entities, and really build this into - I think
17 this is going to be one of the bedrock programs for efficiency
18 retrofits in the State of California for a long time to come.
19 Commissioner.

20 COMMISSIONER EGGERT: Sure. This is an exciting
21 day. I am very proud to be a part of it and also was very
22 happy to serve on the Federal Stimulus Committee, that I was
23 involved in bringing the projects before us prior to this, but
24 also, I think, as you said, the setback at FHFA, I think, in
25 this case has really been transformed into a much better

1 project. You know, I want to sort of reiterate something
2 that I said at the meeting; I think it was just eight short
3 weeks ago when we did cancel the previous solicitation, and
4 that is that the Energy Commission in no way is walking away
5 from PACE. You know, within this program, which includes a
6 number of different potential financing models, allows for
7 PACE and allows for the continuation of that to be built and,
8 hopefully, eventually will address some of the concerns that
9 have been raised by FHFA or perhaps convince them that their
10 concerns are not necessarily well founded. But it does not
11 rely upon PACE and I think that is one of the great things, is
12 that it includes greater flexibility to serve a multitude of
13 different residential and commercial buildings owners. And
14 then, of course, it is much much more than just financing, it
15 includes all of the elements that Mr. Bartholomy, I think,
16 articulated quite well. I do just want to further emphasize
17 the value of this effort in establishing an infrastructure for
18 the successful implementation of AB 758, this is really going
19 to provide a significant number of the components that we see
20 as necessary for creating a viable retrofit industry within
21 the state and achieving the goals of that program, but, of
22 course, also, the major benefits being energy savings and all
23 the environmental benefits that come with that for California
24 consumers. So, again, I am very very thrilled with this
25 program as it has been developed and, again, very happy that

1 we have been able to partner with our sister agencies,
2 including the PUC, in bringing this forward for us today.

3 VICE CHAIR BOYD: I would just comment, first, Mr.
4 Bartholomy, I appreciate your reference to the affordable
5 multi-family housing and the steps you have taken there, and
6 for pointing that out. I also want to comment that I want to
7 point out and compliment the staff for the continued inclusion
8 of the subject of water. I have been in meetings in this room
9 where people have criticized us for not thinking about the
10 interaction between energy and other subjects, and I know this
11 agency has had the energy-water nexus identified as a priority
12 activity for years now, and a lot of work has gone into the
13 subject, and I am glad to see it carries into something as
14 significant as this. Lastly, I want to commend the staff for
15 the job that they have done in a very short period of time,
16 after being delivered a very low blow by Federal agencies with
17 regard to a program designed. I think you have recovered -
18 not only recovered marvelously, but really taken lessons
19 learned and created a very broad expansive and cooperative
20 program, and I really am pleased to know that we and the PUC
21 and others are working so closely together because there are
22 just so many synergies between the activities and programs of
23 other agencies that we should be doing this as often as
24 possible, and you have certainly captured opportunities there,
25 staff. So, I thank you for that. So I, for one, am very

1 pleased with this and anxious to see it move on.

2 COMMISSIONER BYRON: Madam Chair, thank you. I
3 would like to comment briefly as well. I am so very proud of
4 the Commission staff on this particular project. My thanks,
5 of course, to the Chair and Commissioner Eggert for their
6 leadership on the Ad Hoc Committee on ARRA Funding - does it
7 have a different name?

8 CHAIRMAN DOUGLAS: Well, we renamed it, it is now
9 the Federal Stimulus Committee.

10 COMMISSIONER BYRON: Right, thank you. You know, as
11 if California State contracting is not complicated enough,
12 given all the roadblocks and speed bumps, and deadlines we
13 have put in front of you, I think you have managed to put
14 together perhaps one of the best programs I have seen while at
15 this Commission. I would also like to extend my thanks to all
16 the State agencies, particularly the PUC, that you have been
17 working with, our County partners, all of these regional NGOs
18 that are involved, and contractors, for all your patience and
19 perseverance as our staff has figured out how to surmount all
20 their obstacles. I am going to of course support this
21 innovative and responsive contract. I think it is an
22 extremely well conceived project because it is going to put
23 some people back to work and it is going to save Californians
24 a lot of money. My congratulations to you.

25 COMMISSIONER WEISENMILLER: I am going to echo much

1 of what has been said. I certainly want to thank the
2 staff for putting together this creative program. Last week,
3 I went down to San Diego to speak at the Clean Energy
4 Conference of the Center for Sustainable Energy, and it was a
5 good opportunity to really interact with several hundred of
6 the local officials and local practitioners, and it was very
7 clear that this type of program really has sparked a lot of
8 interest there. In the question/answer period, there were a
9 lot of questions about PACE, a lot of concern expressed,
10 actually, a lot of interest in on-bill financing, but that,
11 again, people understood the challenge down there of trying to
12 deal with energy retrofit and its importance, and we are
13 certainly looking for this type of tool, so I am certainly
14 going to support this.

15 CHAIRMAN DOUGLAS: Thank you, Commissioners. Mr.
16 Bartholomy, did you have anything to add?

17 MR. BARTHOLOMY: Just two more points, Madam Chair,
18 and then I will let you get on with public comment. I just
19 want to recognize that there is a representative of CSCDA here
20 in the audience, so if you have any questions for him, as well
21 as representatives from the entire contractor team; and I just
22 want to recognize them, some of them drove as far as Santa
23 Cruz to be up here today, and then we are also joined by one
24 of our leadership PACE communities, Jenine Windeshausen, the
25 Treasurer from Placer County, is here as well, and just wanted

1 to compliment their continued leadership around PACE
2 Programs, and we are looking forward to continuing to work
3 with them, as well. And I just wanted to recognize
4 particularly Ms. Gold. She has really been the bedrock behind
5 the development of this contract and I think all the many of
6 the kudos should be going to her, as well as Bill Pennington
7 of our Building Standards Office, and Renee Webster-Hawkins
8 out of our Legal Office. They, along with Jenny Wu out of
9 Building Implementation, have really provided the grunt work,
10 as well as the genius behind this program you have before you,
11 so thank you very much for your comments and considerations,
12 and we look forward to your deliberation.

13 MS. JONES: Madam Chairman?

14 CHAIRMAN DOUGLAS: Yes.

15 MS. JONES: I have just one more acknowledgment. I
16 would like to acknowledge Panama, who played such an
17 instrumental role in this, and I also would like to thank
18 Claudia Chandler, who is not here today, but who was the
19 driving force and provided leadership for this successful
20 program, and so I just wanted to raise those two people.
21 Thank you.

22 CHAIRMAN DOUGLAS: Thank you, Ms. Jones. I am very
23 glad you did. I do not have any cards indicating public
24 comment on this item, but would any of our visitors who are
25 here on this item like to speak to the Commission? I do not

1 see anyone jumping up at this point. Commissioners,
2 anymore comment? Or, is there a motion?

3 COMMISSIONER EGGERT: I will move the item.

4 VICE CHAIR BOYD: Second.

5 CHAIRMAN DOUGLAS: All in favor?

6 (Ayes.)

7 The item is approved. Thank you very much.

8 Item 5. Electric Power Research Institute.

9 Possible approval of Contract 500-10-022 for \$1,856,899 with
10 Electric Power Research Institute (EPRI) to accelerate
11 adoption of adjustable-speed drive technology and embedded
12 communication and control technologies. Mr. Meister.

13 MR. MEISTER: Good morning, Commissioners. I am
14 Bradley Meister. I actually think this is the very exciting
15 item. I am here today to request approval of Contract 500-10-
16 022 for \$1,856,899 with the Electric Power Research Institute.
17 The project was competitively selected under the Technology
18 Innovations and Buildings and Communities II solicitation.
19 This contract provides \$500,000 in match funding, or 27
20 percent. The project is going to do quite a lot. It will
21 build on previous research in the PIER Program, and is an
22 integral part of our overall plan to reduce plug loads in
23 support of Zero Net Energy. The contract will conduct
24 research and develop low-end computers like kiosks and high-
25 end gaming computers. It will develop test procedures for

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1 home audio equipment. It will investigate and quantify
2 savings associated with efficient induction cooking, which is
3 something new. It will quantify savings associated with power
4 factor correction in electronic equipment. It will accelerate
5 the adoption of adjustable speed drive technology in embedded
6 communication and control technologies and appliances, making
7 them demand responsive and providing more consumer choice.

8 This project is projected to save about 3,100
9 gigawatt hours and over 1.2 million metric tons of CO₂. I
10 would ask for your approval.

11 CHAIRMAN DOUGLAS: Thank you, Mr. Meister. Are
12 there questions or comments on this item?

13 COMMISSIONER BYRON: Madam Chair, a comment if I
14 may. I am obviously going to support this project, as well.
15 I am convinced by my own home that there is an enormous
16 potential savings in these consumer products that you are
17 going to be evaluating. I also would note that this work
18 draws on a great deal of previous PIER research. I like the
19 aspect that there is a focus on industry outreach in this.
20 There is no doubt about it, Commissioners, this Commission has
21 a tremendous track record for saving Californians billions of
22 dollars in this area. And this research will ultimately, I
23 believe, support new standards; consumers will win as a result
24 of that. And all the blustering that we have around some of
25 our standards work recently and potential lawsuits is nothing

1 new. I ask the staff be cognizant, of course, to
2 industry's concerns, but I encourage you full steam ahead,
3 this saves California consumers a lot of money.

4 VICE CHAIR BOYD: I would comment that I was pleased
5 and impressed with Mr. Meister's enthusiasm for this item,
6 following on the heels of a very large and significant item,
7 you maintained your enthusiasm, Brad, that is really good
8 because this is, as Commissioner Byron indicated, a very
9 important area. Efficiency is Job 1 in the loading order for
10 this organization, for all the energy organizations, this is
11 going to contribute significantly to that effort in this
12 State. And it was interesting to note, and some of you may
13 have heard NPR this morning had a feature on energy
14 efficiency, that actually indicated that the public really did
15 not understand the subject very well. And when asked what is
16 the most important thing you could do, they said turn out the
17 lights. So, we have a way to go, but nonetheless, recognizing
18 the efficiencies that can be gained in so many of the electric
19 and electronic appliances and features that are in our homes
20 now, it is going to be very important contributing to the
21 issue that I said is Job 1 in California, and that our
22 research program, the PIER folks, continue to do really good
23 work in here that, as we have noted many times before, is not
24 heralded enough, or known enough, and we have to continue to
25 push that subject. So, as Commissioner Byron indicated, he

1 and I, sitting as the Research Committee, were very
2 impressed with this when it came before us for recommendation
3 to bring before you today, and I am equally, as I am sure all
4 of you are, as anxious and impressed that we move on with
5 this.

6 COMMISSIONER EGGERT: I just want to offer just a
7 quick thank you to the R&D Committee and the staff for
8 bringing forward another project that looks to be an excellent
9 contribution to our Standards development within the
10 Efficiency Committee, and I suspect it is not coincidence that
11 Commissioner Byron sits on both, but we have been having a
12 number of discussions about how to further develop our
13 appliance efficiency standards, and I think this is going to
14 be extremely useful to that task, so thank you.

15 COMMISSIONER WEISENMILLER: I also think this is a
16 good program. Obviously, one of the things all of us are
17 struggling with as the Smart Meters are rolled out is how to
18 really take advantage of those, and pricing. And I think the
19 more we can move that sort of Smart technology into the
20 appliances and the other parts of the household, the more the
21 consumers can reap the benefits. So, again, I think this is
22 very interesting and a very good program to help us get some
23 of that enabling technology out and guarantee the savings we
24 are looking for.

25 VICE CHAIR BOYD: I think maybe the appliances are

1 smarter than the meters so far, but that remains to be
2 seen.

3 CHAIRMAN DOUGLAS: Is there a motion on this item?

4 COMMISSIONER BYRON: Madam Chair, if there is no
5 further comments or questions, I move approval of Item 5.

6 VICE CHAIR BOYD: Second.

7 CHAIRMAN DOUGLAS: All in favor?

8 (Ayes.)

9 Item 5 is approved.

10 MR. MEISTER: Thank you.

11 CHAIRMAN DOUGLAS: Thank you. Item 6. Portland
12 Energy Conservation, Inc. Possible approval of Contract 400-
13 10-002 for \$1.5 million with Portland Energy Conservation,
14 Inc. to provide technical support services for the planning
15 and implementation of a comprehensive program to improve the
16 energy efficiency. Ms. Brook.

17 MS. BROOK: Hi, I am Martha Brook with the High
18 Performance Buildings and Standards Development Office. The
19 purpose of this proposed technical support services contract
20 is to assist the Energy Commission in developing and
21 implementing the comprehensive program to improve the
22 efficiency of existing buildings. AB 748 requires the Energy
23 Commission to develop and implement a comprehensive program to
24 achieve greater energy savings in the State of California's
25 existing residential and non-residential building stock. PEI

1 was selected to provide technical support services to the
2 Commission because they proposed a team of staff and
3 subcontractors with a great depth and breadth of relevant
4 experience. The PEGI team includes 12 subcontractors with
5 experience in residential and/or non-residential building
6 energy performance rating and labeling programs, efficiency
7 retrofit program design implementation, marketing, and
8 evaluation, and energy efficiency policy development. All of
9 this experience will serve the Commission well as it embarks
10 on the planning and implementation of AB 758. One particular
11 strength of the PEGI team is its experience and expertise in
12 the multi-family and affordable housing sectors. The
13 Commission has specific policy goals to improve the energy
14 efficiency of existing multi-family housing in the State, and
15 the PEGI team's help in this area will be very important. I
16 am seeking your approval of this technical support services
17 contract and I am here to answer any questions that you have.

18 CHAIRMAN DOUGLAS: Thank you, Ms. Brook. Questions
19 or comments?

20 COMMISSIONER EGGERT: Maybe just a quick comment. I
21 just want to - I think you have done a great job, both in
22 terms of establishing the specifics of the technical tasks
23 that we are going to need assistance on in developing the
24 rules for 758, and also through the competitive process,
25 choosing such an excellent contractor to provide us that

1 assistance. I would note kind of as I did in the
2 previous item that, given all the associated synergies between
3 758 and the activities that are going to be undertaken by
4 Energy Upgrade California, and all the work that will be
5 accruing under that umbrella, we will definitely want to make
6 sure that this team is working in close coordination with all
7 of the parties that are involved in Energy Upgrade California.
8 And I suspect that will help facilitate even faster learning
9 and technical assistance for this contract.

10 MS. BROOK: Yeah, I think there are going to be
11 technical issues that come up in implementing Energy Upgrade
12 California, and I think this support team will help Commission
13 staff resolve those issues, and actually do a lot of tool
14 development, especially on the commercial building side, that
15 will allow us to deploy the programs that are already planned
16 to be employed for residential within Energy Upgrade
17 California. So, I think there is a lot of work to be done in
18 the first several years to kind of build that infrastructure
19 that will allow kind of the Upgrade California to be
20 successful, you know, into the future.

21 CHAIRMAN DOUGLAS: Commissioner.

22 COMMISSIONER BYRON: Ms. Brook, you have such a
23 tremendous track - track record of -

24 MS. BROOK: You said "trash."

25 COMMISSIONER BYRON: No, no, no, you have a

1 tremendous track record for bringing us very good
2 projects, and I believe this is one of those. But I note,
3 Portland Energy Conservation, Inc., where are they located?

4 MS. BROOK: Their administrative office is in
5 Portland, Oregon, and they have a satellite office in San
6 Francisco, California.

7 COMMISSIONER BYRON: And yet they seem to show up
8 frequently in these competitive solicitations as a top
9 performer, you spent most of your presentation, I believe,
10 qualifying as to why you selected them; can you give us any
11 news with regard to some of these 12 subcontractors and where
12 they are located?

13 MS. BROOK: So, let's see, the PEGI team includes 10
14 organizations with either headquarters or satellite offices in
15 California. The remaining three companies are part of the
16 proposed technical support team because they provide unique
17 national and/or regional expertise and experience that is
18 extremely applicable to our emerging AB 758 program. So, if
19 you want some of the names of the subcontractors, I think you
20 will recognize their experience. The Benningfield Group on
21 the residential side, the Benningfield Group, the Association
22 for Affordability, Earth Advantage Institute, Douglas Beaman
23 Associates, Bruce Wilcox, and CalCERTS are the residential
24 subcontractors. The nonresidential subcontractors are
25 Architectural Energy Corporation, the New Buildings Institute,

1 and the Institute for Market Transformation.

2 COMMISSIONER BYRON: Ms. Brook, like I said, this is
3 another excellent project, I full support your selection,
4 there is some sensitivity, obviously, around these kind of
5 out-of-state contracting, but I know you have demonstrated to
6 me in previous briefings the basis and criteria for your
7 selection. I believe you have selected the correct contractor
8 here, as well, and I fully support your project.

9 COMMISSIONER EGGERT: And I would just maybe mention
10 quickly, Commissioner, you know, I think this particular
11 organization has a long and very well deserved positive track
12 record delivering energy savings in the State of California,
13 is also now working on implementing one of the programs to
14 target commercial refrigeration efficiency, working with the
15 California Conservation Corps to employ particularly at-risk
16 youth to train young individuals to become Energy Auditors,
17 and that is also a separate, but also quite well run program,
18 as well.

19 COMMISSIONER BYRON: Good. So, please forgive my
20 earlier slip of the tongue. I move approval of Item 6.

21 COMMISSIONER EGGERT: I will second.

22 CHAIRMAN DOUGLAS: All in favor?

23 (Ayes.)

24 Item 6 is approved. Thank you, Ms. Brook.

25 MS. BROOK: Thanks.

1 CHAIRMAN DOUGLAS: Item 7. California
2 Institute For Energy And Environment. Possible approval
3 of Amendment 2, adding \$440,966 to Work Authorization
4 MRA-070-02 under contract 500-02-004. Mr. Patterson.

5 MR. PATTERSON: Good morning, Commissioners. I
6 am Jamie Patterson from the Commission's Research and
7 Development Division. This is an amendment to a Work
8 Authorization to you for \$140,966 of existing encumbered
9 funding, to evaluate the practicality of technology
10 developed for infield, inline diagnostics of underground
11 cables. This funding must be used by June 30th of 2011.
12 This amendment specifically will add two tasks to the
13 current work authorization, the staff are to take this
14 research to the next step and make prototypes for field
15 testing of underground cables. The staff will evaluate
16 the technology that have been developed under this work
17 authorization, select the most promising, and then create
18 a prototype for testing in the field. I ask for approval
19 of this Amendment and I am ready to answer any questions
20 that you may have.

21 CHAIRMAN DOUGLAS: Thank you, Mr. Patterson.
22 Questions or comments?

23 VICE CHAIR BOYD: I will make a brief comment
24 before, I am sure, Commissioner Byron moves this item.
25 And it is really a comment to my fellow Commissioners,

1 that Commissioner Byron and I, and maybe this is a
2 comment to staff, as well, really dug deeply into this
3 particular project. It took two separate sessions of our
4 committee before we recommended moving it on to you
5 because it is extremely technologically complex and
6 involves a lot of affected parties and beneficiaries of
7 the work, and we wanted to assure ourselves that the
8 investment of scarce PIER research dollars was
9 appropriate for this activity, and we did satisfy
10 ourselves to that fact. And the staff responded well to
11 withering questions from the two of us, so to speak. And
12 so this was not a simple matter, but it comes to you
13 heavily recommended by the Committee.

14 COMMISSIONER BYRON: Commissioner Boyd, thank
15 you. It is true, we scrutinized this and some other
16 projects very carefully. One of the reasons, of course,
17 was California obviously is not the only state with
18 underground cables, and there must be other research
19 spending going on in this area, and we were quite
20 concerned that we were utilizing funds appropriately
21 here. But, as always is the case, California, well, as
22 is usually the case, California provides a lot of
23 leadership, even in technology development. I also was
24 reminded I served on the RD&D's Program Advisory
25 Committee for Distribution at this Commission a number of

1 years ago and this subject did come up, even then. And I
2 suppose it is fair to say that underground cables are not
3 a whole lot unlike buried natural gas pipelines, out of
4 sight, out of mind, of course, until they fail, albeit
5 cables have far less potentially serious consequences,
6 but financially can be very significant. So, I think
7 this work has great potential for a technical
8 breakthrough that could save expensive electrical
9 failures and customers a lot of money by replacing or
10 repairing cables as needed. It is a long shot, but that
11 is what we do here at this Commission. So,
12 Commissioners, I would recommend approval of this -
13 however, that is not a motion.

14 COMMISSIONER WEISENMILLER: Thank you. I was
15 just going to note that I do think, as Commissioner Byron
16 pointed out, there is certainly a connection between this
17 and the pipeline issues. I know, when I was helping one
18 of our utilities in some strategic planning a while back,
19 I mean, they identified an issue of real concern, is they
20 had miles of cable in underground which, in fact, has a
21 defect, which means it is going to fail, they did not
22 know exactly where it was, and knew what the consequences
23 would be, so it is a serious issue. So, getting this
24 type of technology to try to identify those cables before
25 they break, I think, is certainly a benefit to California

1 and, if this is successful, would well outweigh the cost.
2 But, you know, similarly, I think we need to sharpen our
3 pencils and think about some of the opportunities in the
4 gas pipeline area. I think you are aware that part of
5 the San Bruno issue was the Smart Pigs* [ph.] could not
6 get into that pipeline given its unusual configuration.
7 And, in a state with nanotechnology and everything else,
8 you would think we could do a better job on getting those
9 sort of sensors in place.

10 CHAIRMAN DOUGLAS: Thank you, Commissioner. Is
11 there additional comment or a motion?

12 COMMISSIONER BYRON: Madam Chair, I move
13 approval of this item.

14 VICE CHAIR BOYD: Second.

15 CHAIRMAN DOUGLAS: All in favor?

16 (Ayes.)

17 Item 7 is approved. Thank you, Mr. Patterson.

18 MR. PATTERSON: Thank you.

19 CHAIRMAN DOUGLAS: Item 8. University Of
20 California, Santa Barbara. Possible approval of Contract
21 500-10-021 for \$383,787 with the Regents of the
22 University of California, Santa Barbara to create a
23 framework for assessing cumulative biological impacts
24 resulting from solar energy projects in the California
25 desert. Ms. Milliron.

1 MS. MILLIRON: Hi. Good morning. I am Misa
2 Milliron from the Environmental Area of PIER and this is
3 the third of six desert research projects I am going to
4 be bringing forward for your approval. This is an
5 interagency agreement that was selected through a
6 competitive process that was open to all government
7 agencies, and the goal of that process was to select
8 projects that would minimize biological impacts in the
9 desert, while facilitating renewable energy. And a
10 secondary goal, well, just as important, was that we
11 select projects that have a direct benefit to the Siting
12 Division's analysis of solar projects, as well as help
13 other agencies that are involved in the desert renewable
14 energy conservation planning process. Reviews of all the
15 proposals we received included not only PIER
16 Environmental staff, but also PIER Renewables, staff from
17 Siting, and the Department of Fish & Game.

18 The objectives of this particular project is to
19 create a practical framework for assessing cumulative
20 biological impacts caused by solar projects throughout
21 the DRECP planning region. And also, the project will
22 enhance species habitat suitability models to incorporate
23 cumulative changes from solar development, climate
24 change, and urban growth. The products are going to
25 include predictive habitat suitability and siting

1 criteria maps that will help refine the starting point
2 maps that you may be familiar with from the DRECP
3 planning process. The cumulative impacts framework and
4 tools specifically will consist of map layers that are
5 produced through spatial multi-criteria modeling for
6 avoiding, minimizing, and offsetting biological impacts,
7 as well as downloadable cumulative impact software that
8 incorporates species habitat suitability, climate change,
9 urban growth, and energy development.

10 The reviewers of this proposal noted, in
11 particular, this team's experience with NCCP work and
12 other large regional planning efforts such as the DRECP,
13 as well as the knowledge and collaboration of this group
14 with agencies in existing desert planning efforts that
15 are going on right now with the DRECP advisory groups,
16 and noted the benefit of the short time frame of this
17 project, allowing rapid input into critical planning
18 decisions that are occurring as we speak. This project
19 has been approved by the RD&D Committee, and I am happy
20 to answer any questions you might have.

21 CHAIRMAN DOUGLAS: Ms. Milliron, just one
22 question. My understanding is that this project will
23 provide sort of critical landscape level input into the
24 DRECP and tools for the DRECP, is that correct?

25 MS. MILLIRON: Correct.

1 CHAIRMAN DOUGLAS: All right, and you know, I
2 think all of us would have loved it if the DRECP, itself,
3 had started some time ago, but we are strongly committed
4 to the DRECP in providing that process with the resources
5 it needs to work. So, I am pleased that you have made
6 that connection very strong and that the area, the
7 geographic area it covers is the DRECP region? Is that
8 correct?

9 MS. MILLIRON: That is correct.

10 CHAIRMAN DOUGLAS: All right, and the time line
11 of this project, is it coordinating with the needs of the
12 DRECP process?

13 MS. MILLIRON: That is right. It was designed
14 directly to coordinate with the existing timeline that
15 has been laid out by the DRECP agencies.

16 CHAIRMAN DOUGLAS: Right, thank you. I don't
17 have any more questions. Commissioners, any questions or
18 comments?

19 COMMISSIONER WEISENMILLER: I was going to
20 first congratulate the staff for having the cross
21 communication. Obviously, a lot of organizations end up
22 in silos and, so, not having good connections across the
23 organizations. Having the PIER and Siting connection is
24 very important. I think, certainly, this can feed in
25 very well to DRECP. I think for DRECP, as for any start,

1 what was the best available data there were, and
2 obviously some of the feedback we are getting from the
3 Science Advisory Committee was that there are obviously
4 gaps and limits in that data, and so it is very
5 important, I think, to try to rectify that, and I think
6 to essentially try to build in stronger scientific
7 foundation for our future planning and siting activities
8 in the desert. So, thanks for bringing this forward.

9 COMMISSIONER BYRON: Madam Chair, this is
10 another very good example of close coordination, I
11 believe, within this organization. This research is very
12 responsive to the Governor's Executive Order on
13 Renewables. You had indicated you had wished that the
14 DRECP had started their work earlier; I wish this R&D
15 could have been started earlier, as well. But it will
16 inform and assist future land intensive siting cases as
17 Commissioner Weisenmiller indicated. And I think it is
18 going to also have some immediate impact on the
19 mitigation strategies and relocation protocols that we
20 are anticipating here in the not too distant future. It
21 will, of course, be closely coordinated with the DRECP
22 Science Panel. Ms. Milliron, I think you brought us a
23 very good project here. You said this is the third of
24 six?

25 MS. MILLIRON: Correct.

1 COMMISSIONER BYRON: When will we see the next
2 three?

3 MS. MILLIRON: The next two are going to be on
4 the October 6th business meeting and the last one has yet
5 to be scheduled, we are working on the contract package.

6 COMMISSIONER BYRON: Very good. Well, I know
7 you are busy, Commissioners, I certainly recommend your
8 approval of this. If there is - Commissioner Boyd.

9 VICE CHAIR BOYD: I agree with you, we went
10 through this in great detail on the Research Committee,
11 and I think Chairman Douglas' comments were very apropos
12 to what we felt at the time.

13 CHAIRMAN DOUGLAS: Commissioners, is there a
14 motion on this item?

15 COMMISSIONER BYRON: Madam Chair, I move
16 approval of this item.

17 VICE CHAIR BOYD: Second.

18 CHAIRMAN DOUGLAS: All in favor?

19 (Ayes.)

20 Item 8 is approved. Thank you, Ms. Milliron.

21 MS. MILLIRON: Thank you.

22 CHAIRMAN DOUGLAS: Item 9. Gas Technology
23 Institute. Possible approval of Agreement PIR-10-021 for
24 a grant of \$400,000 to Gas Technology Institute to
25 demonstrate the effectiveness of a commercially available

1 membrane filtration system. Mr. Sapudar.

2 MR. SAPUDAR: Good morning. This project was
3 the result of a competitive solicitation of the R&D
4 Division's Industrial Agriculture Water Team and the
5 project was the Emerging Technology Demonstration Grant
6 Program. The contractor is Gas Technology Institute, the
7 subcontractor is Gills Onions. The project is located in
8 Southern California, in Ventura County, in the City of
9 Oxnard. The project budget is \$400,000 of PIER funds
10 plus \$152,000 of matched funds. That is about 38 percent
11 of the PIER funds. And the project term is 36 months.

12 It is estimated that energy use associated with
13 using fresh water in cooling towers by California's fresh
14 produce industry is about 400 gigawatt hours, and
15 approximately 200 million gallons of water annually.
16 Using recycled water, in most cases, is a lower cost,
17 lower energy alternative to fresh or potable water use
18 for cooling. If successful, this project will reduce the
19 processing plant's current demand for fresh water, which
20 is about 180,000 gallons per day, by about 45,000 gallons
21 per day, or a 25 percent water savings. Combined water
22 supply and wastewater costs at Gills Onions are about
23 \$5.90 per thousand gallons, yielding potential savings of
24 about \$100,000 per year for this one plant.

25 Located in Southern California, Gills Onions is

1 a family owned and operated company that peels and cuts
2 up to 500,000 pounds of onions each day. Gills Onions is
3 also the largest fresh onion processor in the United
4 States. As consumers, on average we consume about 20
5 pounds of onions per person, per year. A successful
6 demonstration of the technology, combined with the
7 Measurement and Verification of the water, wastewater,
8 energy, and cost savings to energy utility standards,
9 will provide support for inclusion of this technology in
10 the energy utility efficiency programs. The Emerging
11 Technology Demonstration Grant Program was developed in
12 cooperation with the energy utilities.

13 A successful demonstration will also greatly
14 increase the chances of adoption by the fresh produce
15 industry in the State, since the technology will very
16 likely have other food industry applications,
17 particularly in those processing operations that use a
18 lot of water.

19 Thank you for considering the project. I would
20 be happy to answer any questions you might have.

21 CHAIRMAN DOUGLAS: Thank you. Questions or
22 comments, Commissioners?

23 COMMISSIONER BYRON: Yes, Madam Chair, if I
24 may. Is it correct that no food processing plants in
25 California use this kind of filtration method to reduce

1 water use?

2 MR. SAPUDAR: As far as we know, there is none
3 that are using it to produce - make up water for cooling
4 towers.

5 COMMISSIONER BYRON: I was surprised to find
6 that out. Clearly, this project is going to demonstrate
7 a reduction of water use at an existing combined heat and
8 power plant, if I am not mistaken.

9 MR. SAPUDAR: Exactly.

10 COMMISSIONER BYRON: And the amount of water
11 savings, the in-kind cost sharing, and the ultimate
12 project costs, this looks to me to be a very good
13 leverage of funds, and a proof of concept that I hope
14 will save not only money, but perhaps have widespread
15 application in the future, and get to that water issue
16 that Commissioner Boyd continues to bring up at our
17 meetings.

18 VICE CHAIR BOYD: I would only note, and I give
19 Commissioner Eggert credit for reminding me, that Gills
20 Onions is an organization we have dealt with before; in
21 fact, we and they have received joint awards sometime in
22 the last year here in Sacramento, one of the large Green
23 Technology Conferences for an earlier application of PIER
24 directed technologies, so I am impressed these people are
25 really into cutting edge activities in this area, and

1 showing other food processers the way, so to speak, on
2 implementing ways of energy savings and progressive use
3 of technology.

4 COMMISSIONER EGGERT: Yes, Commissioner, I did
5 actually find here the Press Release -

6 VICE CHAIR BOYD: A guy with an iPhone can find
7 anything.

8 COMMISSIONER EGGERT: "Energy Commission takes
9 top prize for onions to biogas. Commission teams with
10 Gills Onions at the Green Summit."

11 VICE CHAIR BOYD: How could I ever forget
12 biogas?

13 COMMISSIONER EGGERT: Yeah, "...in the category
14 of waste management. The two received accolades for the
15 Commission funded advanced energy recovery system
16 project." So...

17 VICE CHAIR BOYD: Thank you, Commissioner, for
18 your adopting high technology there to keep -

19 COMMISSIONER EGGERT: This definitely helps
20 with my own memory, too. I usually only get a seed and
21 then this helps fill in the rest. I guess I would move
22 the item, unless -

23 COMMISSIONER BYRON: Second.

24 CHAIRMAN DOUGLAS: All in favor?

25 (Ayes.)

1 This item is approved. Thank you.

2 MR. SAPUDAR: Thank you very much.

3 CHAIRMAN DOUGLAS: Before we go on to Item 10,
4 I will just note that Item 11 is going to be pulled from
5 the agenda, both 11A and 11B, and the reason is that
6 there was a noticing error in terms of the identity of
7 the first contract was a notice of corporation rather
8 than an individual, so that will be re-noticed.

9 So back on Item 10. Trustees of the California
10 State University. Possible approval of three grant
11 applications, totaling \$279,170, from the Public Interest
12 Energy Research (PIER) program's Energy Innovations Small
13 Grants program. And we have here Items 10A, B, and C.
14 If you could please present them together so that we can
15 take this up as an item, Ms. Mircheva?

16 MS. MIRCHEVA: Yes. Good morning,
17 Commissioners. My name is Diana Mircheva and I manage
18 the Transportation portion of the Energy Innovation Small
19 Grants Program Area. And in response to the 10-01-T
20 Electric Solicitation released in April, we received 20
21 applications for consideration and, after initial
22 screening, technical review, and appearing before the
23 Program and Technical Review Board, staff is recommending
24 for funding three proposals that value \$279,170. Two of
25 these projects are entirely located in California, and

1 the third will collect data and execute the demonstration
2 in California. I will now proceed with reading each
3 project into the record. "10-01-07T, University of
4 California Los Angeles, Bonding of Metal-Plastic
5 Composites for Lightweight, Fuel Efficient Vehicles, for
6 \$89,920. This project aims to develop a material which
7 ways half as much as steel, but maintains the same
8 structural integrity, it is a vehicle light-weighting
9 project.

10 10-01-05T, Momentum Dynamics Corporation, from
11 Malvern, Pennsylvania, Wireless Electric Vehicle
12 Recharging Systems, for \$95,000. This project researches
13 wireless charging of electric vehicles. The company will
14 use a shuttle van service with a set schedule and route
15 to periodically charge the vehicle for 15 minutes every
16 hour during its operation.

17 Project 10-01-13T, University of California,
18 Davis, Smart Photovoltaic PHEV/EV Charging System Using
19 Second-Life Lithium Batteries, for \$94,250. This project
20 will combine Second-Life Lithium traction batteries
21 powered by photovoltaic cells, and interfaced with Smart
22 Grid in order to charge a plug-in electric vehicle. And
23 with that, I will be happy to answer any questions you
24 might have.

25 CHAIRMAN DOUGLAS: Thank you for that

1 presentation. Commissioners, questions or comments?
2 This is, of course, our very good Small Grants Program.
3 VICE CHAIR BOYD: A comment, if I might, on a
4 couple of the items. They are all more or less vehicle
5 oriented. The first item was quite interesting and,
6 again, Commissioner Byron and I spent a lot of time in
7 the Committee with the staff on this particular subject,
8 which sounds like it is something the auto industry ought
9 to be doing; however, I might remind the Commission that,
10 in 2003, when this Commission approved the report done
11 jointly with the Air Resources Board on reducing our
12 dependence on Petroleum, again, the efficiency became Job
13 1, the cheapest thing to do, and at that time we said,
14 based on our analysis, this country needed to immediately
15 implement a 40 mile per gallon café standard, and it took
16 years to get finally the passage of a 35 mile per gallon
17 standard. The way you get there, among the many various
18 features, and the Air Resources Board has done an awful
19 lot of work on some of them, the technologies, though, is
20 light-weighting the vehicles, as indicated, and we were
21 quite fascinated with the potential of this and, again, I
22 guess California has to demonstrate the potential for new
23 technologies and new materials and technologies, and
24 working with, again, one of our universities on the
25 subject. So, we were quite impressed with that

1 possibility.

2 The other item I will mention is the second
3 life of batteries. As you have heard before, in our work
4 with the initially Plug-In Hybrid Electric Vehicle Center
5 at U.C. Davis, one of the earliest efforts was to look at
6 the concept of a second life, or second use for vehicle
7 batteries as a way to solve other energy problems that we
8 have, as a way of finding an economic use and, thus,
9 perhaps reducing the first cost of vehicle electric
10 batteries by finding a second use for them because, once
11 they reach a point where they may not be trustworthy in a
12 motor vehicle, they still have lots of potential for
13 additional energy storage, and so this is another effort
14 along that line to pursue that technology and maybe have
15 lots of spillover benefits for other technologies. So,
16 again, as the Chairman said, we are getting a lot of good
17 things out of this particular program in the Energy
18 Innovation Small Grant Solicitations by our infusion of a
19 little bit of money to help some of these small companies
20 come up with potentially some outstanding technological
21 barrier breaking applications and, again, it is being
22 done here in California.

23 COMMISSIONER EGGERT: Just, I guess, a quick
24 comment. I want to commend the R&D Committee again on
25 bringing forth - and the staff - for bringing forth some

1 great projects, and also echo the comments that this
2 particular program does seem to pick some really
3 fantastic ideas. Just one quick technical statistic you
4 might find interesting. For a conventional vehicle, you
5 know, for the amount of energy that you put in for
6 gasoline into your tank, about 30 percent of that energy
7 is converted to power at the engine after you go through
8 a variety of other losses, including the transmission and
9 breaking in such at the wheel, it is about 17 percent.
10 But actually, most of that remaining energy goes towards
11 moving the 3-4,000 pounds of metal and steel and all of
12 the other associated components of the vehicle, itself.
13 It turns out that best estimates are around 1 percent
14 actually go to actually moving you, the driver, if you
15 happen to be driving alone. It is not a very good return
16 on the energy investment and, of course, one of the
17 things that can be extremely effective in pushing those
18 numbers up is light-weighting, and I am encouraged to see
19 this and I think it appears that this is a project that
20 could have wide applicability across the industry, and I
21 think that makes it very appropriate for a publicly-
22 funded R&D project.

23 COMMISSIONER BYRON: Ms. Mircheva, I believe
24 you are relatively new to this program, is that correct?

25 MS. MIRCHEVA: Yes, that is correct.

1 COMMISSIONER BYRON: Well, I think this is the
2 coolest program at the Commission. I mean, when I am no
3 longer a Commissioner, I would like to come back and run
4 this program myself. But if you have not yet, I hope you
5 have an opportunity to go watch the program and technical
6 review Board in action. Have you had -

7 MS. MIRCHEVA: I have - for this solicitation.

8 COMMISSIONER BYRON: Excellent, excellent. And
9 I am always so impressed. Again, I think this is an
10 extremely good program and I am glad we have you involved
11 in it, and Commissioners, if there is no further comment,
12 I move approval of Item 10.

13 VICE CHAIR BOYD: Second.

14 CHAIRMAN DOUGLAS: All in favor?

15 (Ayes.)

16 Item 10 is approved. Thank you very much.

17 MS. MIRCHEVA: Thank you.

18 CHAIRMAN DOUGLAS: We are going on to Item 12.
19 Lawrence Berkeley National Laboratory. Possible approval
20 of Work Authorization UC MRA-02-087, under Contract 500-
21 02-004 with the Regents of the University of California
22 for an amount not to exceed \$220,593. Mr. Reed.

23 MR. REED: Good morning, Commissioners. My
24 name is John Reed and I work in the Environmental area of
25 PIER. The proposed Master Research Agreement Work

1 Authorization is with the Regents of the University of
2 California to develop a research roadmap on innovative
3 technologies and concepts for the beneficial use of
4 carbon dioxide. In addition to using CO₂ for enhanced oil
5 recovery, there are many other uses of CO₂ on the horizon
6 that can advance greenhouse gas reduction goals by either
7 preventing CO₂ from being emitted into the atmosphere, or
8 by using CO₂ or chemicals produced from CO₂ in a way that
9 displaces the emissions of other greenhouse gases.
10 However, currently, the research development
11 demonstration needed to bring many of these promising
12 technologies to fruition is not being adequately provided
13 for by the private sector. Examples of technologies that
14 use CO₂ which are being researched include enhanced gas
15 recovery, where the geological sequestration of CO₂ is
16 joined to increase recovery of natural gas, enhanced
17 geothermal systems where the recovery of geothermal heat
18 for power generation is joined to the geological
19 sequestration of CO₂, technologies for the conversion of
20 CO₂ in a carbonate that can be used as construction
21 materials, and CO₂ to fuel technologies that can use
22 biology or chemistry to convert CO₂ into fuels that can be
23 used to displace petroleum products.

24 The proposed roadmap will compile the current
25 state-of-the-art in CO₂ uses, identifying barriers to

1 commercialization for promising technologies, as well as
2 knowledge gaps that are preventing these barriers from
3 being overcome. This will be used to develop a research
4 strategy, prioritizing research to address research gaps,
5 and identifying how the Energy Commission can most
6 effectively spend research dollars in this area.

7 The work will primarily be performed by
8 Lawrence Berkeley National Laboratory. LBNL is
9 particularly well suited for this work because there is
10 no other single institution that has as many world
11 leading experts in the variety of areas that are relevant
12 to this wide ranging topic. The proposed roadmap follows
13 the recommendations of the 2009 Integrated Energy Policy
14 Report, as well as the AB 1925 Report to the Legislature,
15 which stresses the importance of finding value for CO₂
16 independent of any proposed carbon credit, or cap-in-
17 trade markets, as well as the AB 32 Scoping Plan, which
18 identifies a number of strategies in addition to
19 geological sequestration of CO₂ such as the industrial
20 fixation of CO₂ to carbonates as ways that California can
21 be helped in reaching its greenhouse gas reduction
22 targets. Thank you, Commissioners.

23 CHAIRMAN DOUGLAS: Thank you. Questions or
24 comments, Commissioners?

25 VICE CHAIR BOYD: A comment. This is another

1 one of those projects that excites me, I will just say.
2 While I have been kind of our lead Commissioner on the
3 subject of carbon capture and sequestration, and working
4 with the Blue Ribbon Commission on this subject, and what
5 have you, I have had many discussions with our folks
6 about finding beneficial uses for carbon dioxide and I am
7 really glad to see us developing this roadmap in looking
8 at that, not that I do not support carbon capture and
9 sequestration, even in this State for the gas-fired power
10 plants and other major sources of CO₂. Frankly, it would
11 be a lot easier on us to find good commercially viable
12 products to use the CO₂ for, and we are beginning to see
13 some things, and I think the staff is jumping on this in
14 a very timely way. And so, either this Commission, or
15 Commissioners in the future will have other options to
16 look at for CO₂ that we are going to be capturing more and
17 more to the technologies that we are developing. So, I
18 am a strong supporter of this project.

19 COMMISSIONER EGGERT: Just a quick question. I
20 think this does look like a great project, although in
21 terms of innovative uses of CO₂, I was surprised to see it
22 enhanced oil recovery. It seems that that is a fairly
23 well established technology for the use of CO₂. Is there
24 something new here? Or is that - I see that as one of
25 the things on the list.

1 MR. REED: Oh, I guess I was not making it
2 clear enough, I was saying "in addition to," that is a
3 well established technology. The road map will address
4 technologies that are more on the horizon that have not
5 been commercialized on a large scale.

6 COMMISSIONER EGGERT: Okay.

7 VICE CHAIR BOYD: And this was meant to be
8 instead of for enhanced oil recovery, all of these other
9 opportunities, particularly the ones that make products,
10 not the ones that inject CO₂ into the ground, are of
11 interest to me.

12 CHAIRMAN DOUGLAS: Other questions or comments?

13 VICE CHAIR BOYD: Move approval.

14 COMMISSIONER BYRON: Second.

15 CHAIRMAN DOUGLAS: All in favor?

16 (Ayes.)

17 Item 12 is approved. Thank you.

18 MR. REED: Thank you.

19 CHAIRMAN DOUGLAS: Item 13. Andes Consulting,
20 LLC. Possible approval of Purchase Order 10-409.00-001
21 for \$225,000 with Andes Consulting, LLC, to provide
22 programming services for application and database
23 development. Mr. Chisum.

24 MR. CHISUM: Yes. Good morning, I am Dale
25 Chisum from the Information Technologies Services Office,

1 and I am here on behalf of Atlas Hill. I am seeking your
2 approval for the Energy Commission to enter into an
3 agreement with Andes Consulting, LLC, to provide program
4 and services for application and database development and
5 support. This agreement would result from a CMAS Request
6 for Offer. These programming services will be used to
7 administer, support and maintain numerous financial and
8 personnel management applications within the Energy
9 Commission's Administrative Services Division. Process
10 Application Database Modification Enhancement Requests
11 resolve immediate application and database problems,
12 convert older applications to the Energy Commission's
13 current application and database standards, ASP.net and
14 Sequel* [ph.] server, and develop policies, procedures,
15 and a standard programming framework for all Energy
16 Commission programmers to use on current and future
17 application development. I will be happy to answer any
18 questions at this time.

19 CHAIRMAN DOUGLAS: Thank you. Questions,
20 Commissioners?

21 VICE CHAIR BOYD: A comment. This could be
22 classified as housekeeping, but I do not want to demean
23 what it really stands for because, quite frankly, without
24 these tools being continuously worked on, and improved
25 and what have you, we do not function as an agency. So,

1 it is really part of our basic foundational need here.

2 So, obviously, I am quite supportive of doing this.

3 COMMISSIONER BYRON: Madam Chair, I would like
4 to make a brief comment, as well. I read an article in
5 this morning's New York Times about a large software
6 company that is buying up all its vendors and hardware
7 competitors, and the customers are a bit worried, they
8 are worried about competition, they are worried about
9 unresponsiveness, their reduced innovation, limited
10 options available to them, and as I was reading this
11 article, and I do not mean to be vague, I used to work at
12 that company, Oracle Corporation, and I do not mean to be
13 vague about that at all, but as I read the article, it
14 dawned on me, the time that I have been at this
15 Commission, the IT Services at this agency are stellar.
16 We may not have the latest and greatest innovative
17 technologies and software that you might expect working
18 for a Silicon Valley company, but this is State
19 Government, by the way, and you would not expect that,
20 but it has been solid, and I would really like to commend
21 the IT staff. This is as good as any private company I
22 ever worked at - it does not necessarily apply to
23 approval of this item, but your being here gives us a
24 chance to say that.

25 COMMISSIONER EGGERT: Just a quick comment. I

1 agree with Commissioner Boyd and Byron, and I think, you
2 know, one item that has recently been brought to our
3 attention is the challenges that we could be facing with,
4 for example, our appliance database. You are about ready
5 to see a tidal wave of additional appliances being added,
6 and particularly in the area of televisions and the
7 ability to sort of maintain that properly is absolutely -
8 and process those applications in a timely manner is
9 absolutely critical to that program. So, I agree that
10 these are critical functions of the Commission. So, I
11 guess I would move the item.

12 COMMISSIONER BYRON: Second.

13 CHAIRMAN DOUGLAS: All in favor?

14 (Ayes.)

15 This item is approved. Thank you, Mr. Chisum.

16 MR. CHISUM: Thank you.

17 CHAIRMAN DOUGLAS: Item 15. Ivanpah Solar
18 Electric Generating System (07-AFC-5). Possible adoption
19 of the Presiding Member's Proposed Decision on the
20 Ivanpah Solar Electric Generating System, and Errata.
21 Mr. Kramer. Before we begin, we will hear from Hearing
22 Officer Kramer, Applicant staff, and then we will hear
23 from the Interveners, and let me just make sure I know
24 which Interveners are present and would like to speak.
25 Sierra Club, so you are present and you would like to

1 speak. San Bernardino County, are you on the phone? Mr.
2 Brizzee - Bart Brizzee? Well, we will call you again.
3 Are there additional Interveners? I have a card, Center
4 for Biological Diversity, all right. I have a couple
5 people who I believe are public commenters on the phone.
6 I am sorry, are you an Intervener?

7 MR. SUBA: Yes, ma'am. California Native Plant
8 Society.

9 CHAIRMAN DOUGLAS: Excellent.

10 COMMISSIONER BYRON: That is Mr. Suba.

11 CHAIRMAN DOUGLAS: Mr. Suba of CNPS, we have
12 Sierra Club, we have got Center for Biological Diversity,
13 and I believe San Bernardino County, we will try again
14 when we get to the Interveners and we will call him.

15 MR. CONNOR: This is Michael Connor from
16 Western Watershed project.

17 CHAIRMAN DOUGLAS: I am sorry, say that again,
18 please?

19 MR. CONNOR: Michael Connor from Western
20 Watersheds Project.

21 CHAIRMAN DOUGLAS: Okay.

22 MR. CONNOR: We are also Interveners.

23 CHAIRMAN DOUGLAS: Western Watersheds Project.

24 MR. BRIZZEE: Madam Chair, this is Bart Brizzee
25 calling from the County. Can you hear me?

1 CHAIRMAN DOUGLAS: I can.

2 MR. BRIZZEE: Thank you.

3 CHAIRMAN DOUGLAS: All right, thank you very
4 much.

5 MR. EMMERICH: This is Kevin Emmerich from
6 Basin & Range Watch. Can you hear me?

7 CHAIRMAN DOUGLAS: I am sorry, could you repeat
8 your last name?

9 MR. EMMERICH: Emmerich, E-m-m-e-r-i-c-h.

10 CHAIRMAN DOUGLAS: Are there any Interveners on
11 the phone or in the room who I have missed? If not, we
12 will begin. Hearing Officer Kramer.

13 HEARING OFFICER KRAMER: Good morning. The
14 Ivanpah Solar Electric Generating System is a \$1.8
15 billion project. The technology is solar concentrating
16 power towers. It is located just north of I-15, about 45
17 miles inside the State of California, from Primm, Nevada,
18 and up the road, of course, is Las Vegas. It consists of
19 three units totally 370 megawatts; one is 120 megawatts,
20 the other two are 125 each. It was data adequate in
21 2007. I suppose, because it is a very large project
22 relative to those that we are used to seeing, it has
23 taken quite a while to analyze it and coordinate the
24 various agencies that have a say in the provisions that
25 are to be made applicable to it.

1 Hearings were first conducted in December 2009
2 and January of this year. Following those hearings, the
3 Applicant modified the project to reduce the footprint
4 from approximately 4,100 acres to approximately 3,600
5 acres, and reduced the number of power towers, which are
6 450-foot approximate structures, from seven to three
7 power towers. In March of this year, then, the Committee
8 had an additional hearing to consider the evidence
9 relating to that change to the project. We issued a PMPD
10 on August 3rd, and held a comment hearing and a further
11 evidentiary hearing to take some evidence on some new
12 information that had arisen primarily with regard to the
13 Desert Tortoise and the biological issues on August 24th.

14 The public comment period closed in early
15 September. We received approximately 90 comments from
16 various people and entities, some of which were also
17 Interveners. Before you today, we have the Presiding
18 Member's Proposed Decision and Errata, approximately - I
19 forgot what we ended up at, oh, about 100 pages,
20 recommending various changes to the text, responding to
21 comments that were made, to substantial comments that we
22 thought required a response, and making various
23 amendments to the Conditions of Certification. I
24 understand that staff and the Applicant this morning
25 discussed a few minor changes to the timing of some of

1 the requirements of the Conditions, and I think there are
2 another couple sheets of paper forthcoming that will
3 describe those for you, but I do not believe they are
4 available just yet. The PMPD recommends approval of the
5 project. There are - oh, let me go back to the Errata.
6 In addition to the corrections that were received, there
7 is a minor correction, a Monica Alvarez was listed twice
8 as a commenter, she should be there just once as a St.
9 Leo University student, and we missed one individual
10 commenter on the list, I believe it is a gentleman,
11 Arvind Baddepudi. Those are all the corrections I am
12 aware of at the moment.

13 The PMPD found significant environmental
14 impacts that could not be mitigated in five topic areas;
15 I can summarize those for you if you would like, but they
16 are summarized among other places in the Override
17 Findings in the PMPD. It recommends that the Commission
18 find that the project benefits, which are also described
19 in the Override Findings section, be found to override
20 those impacts, and justify approval of the project.

21 Somewhat unique in this case, because there are three
22 separate units that share common facilities, it is
23 proposed that you sign three different Order granting
24 permits to each of the individual units. And in that
25 Order, we have a provision that clarifies that the

1 individual units will be responsible and liable for
2 compliance with the Conditions of Approval that, of
3 course, apply to their own unit, but they will also be
4 responsible jointly for conditions that apply to
5 biological mitigation and for the operation and
6 compliance with the conditions on the common area. The
7 most common facilities are, among other things, their
8 natural gas supply, their water supply, and their
9 transmission facilities. But the individual projects
10 will not be responsible for some sort of failure to
11 comply that occurs on one of the other individual units,
12 and that was at the request of the Applicant for business
13 reasons that perhaps they can explain to you more
14 precisely, if you desire. So, as you have said, we
15 recommend that you hear from the Applicant, staff, the
16 Interveners, and anyone else who wishes to comment, and
17 at the end, I can formulate a motion for you, if you
18 would like.

19 CHAIRMAN DOUGLAS: Thank you, Hearing Officer
20 Kramer. Let's hear from the Applicant.

21 MR. HARRIS: Thank you, Commissioner. Jeff
22 Harris on behalf of the Applicant. It is a great day and
23 we are very pleased to be here today, so thank you very
24 much for having this hearing, it is an important project
25 and this is a really significant milestone. There are

1 many folks in the audience who have been working on this
2 project for years, both on our staff, and yours, who have
3 done tremendous work to get us here, and so we are really
4 very pleased to be here.

5 Mr. Kramer mentioned there are some very minor
6 modifications that I think staff is going to present to
7 you, that we are suggesting for verification language.
8 Without going into the details, those are all very much
9 in the nature of this project is ready to proceed, and I
10 do not mean proceed today, I mean proceed with
11 construction and get on the ground and start moving as
12 soon as we have all of our approvals in place, of course.
13 I want to turn it over now to the Company CEO, John
14 Woolard, who would like to make a few remarks, and then
15 we will obviously remain to answer any questions that you
16 have at the appropriate times. So, Mr. Woolard, please.

17 MR. WOOLARD: Thank you. Chair Douglas and
18 Commissioner Byron, and the rest of the Commissioners,
19 first, I just wanted to thank the Commission for all of
20 the work that has been done over really the last three
21 years. The staff has done a very thorough job, it has
22 been a very comprehensive process, and I think ultimately
23 we have a very strong project that emerged from it.
24 There were modifications along the way. The project was
25 strengthened through the process, and hopefully it can be

1 held up as an example of something where the right
2 process can end up with the right results. So I just
3 wanted to commend the Commission and the staff. It has
4 been a long process, but, you know, hopefully we are
5 towards the end of that, and I just wanted to thank
6 everybody.

7 We did reduce the footprint somewhat towards
8 the back of the site, we tried to look at areas that were
9 sensitive and had more bigger density of rare plants and
10 others, so we did our best within our constraints to
11 avoid those sensitive areas, and we also reduced the
12 number of towers from, as was mentioned, from seven to
13 three. What we have emerged with, and also, one of the
14 core tenets of our company has been to push the most
15 environmentally progressive and responsible design
16 throughout the project, so we started - it is really in
17 our corporate DNA. I go back about 20 years to the
18 Masters in Environmental Planning, everything started
19 looking at species and habitat issues, and came in to the
20 Energy world, really, from a biology perspective
21 initially, and then started looking at climate change as
22 a big driver, and know that you have to do this in a
23 responsible way, so we did things like dry cooling were
24 integrated into our designs from the very beginning, and
25 we also held even the highest standards in dry cooling,

1 we believe. So, we use less water per megawatt hour
2 produced, and other dry cooling, because there are all
3 shades of gray here, we use about 120th or 25th of what a
4 wet cool plant would do, but I think we are also at about
5 a third of what most of the other dry cooling has done
6 because we try to really push things and do it right, we
7 do our best. We have also been focused from the very
8 beginning on low impact construction, so we have tried to
9 do a minimal soil disturbance, and that has been inherent
10 in the design from the beginning. As Jeff Harris
11 mentioned, this is a project that one of the unique
12 attributes is it is a project that we believe really can
13 and will get built. We have got the Department of Energy
14 has granted us a conditional guarantee on \$1.37 billion
15 of a loan guarantee, that is for the three separate, but
16 related, projects here at Ivanpah. We have off-takers
17 that are very credit worthy and serious off-takers, we
18 have Southern California Edison and PG&E. And this will
19 be a significant contributor to California's meeting the
20 20 percent and ultimately the 33 percent RPS standards.
21 So this is a project that they are definitely counting on
22 to deliver toward those goals of 20 percent and 33
23 percent.

24 Finally, we have Bechtel. Bechtel is actually
25 here, we have got Ian Copeland and Jim Ivany here from

1 Bechtel, Jim will be the Project Manager on this, and
2 this is done by the world's best engineering and
3 construction firm, they have incredibly high standards
4 for excellence and delivery, and it will be about a
5 thousand jobs associated with this project through the
6 construction period, so we are looking forward to it. I
7 can answer any questions you might have, but we are
8 looking forward to the opportunity to move forward and
9 start to deliver.

10 CHAIRMAN DOUGLAS: Thank you, Mr. Woolard and
11 Mr. Harris. Let's now hear from staff.

12 MR. RATLIFF: Good morning, Commissioners.
13 Dick Ratliff, staff Counsel. This has been a long and,
14 in many ways, difficult case for the staff. It tested
15 our - it was the first case and the first test of our
16 relationship with the Bureau of Land Management. It
17 provided the opportunities to work out the kinks and the
18 processing of an AFC jointly with the Bureau, and I think
19 we have greatly strengthened that relationship because of
20 the process, although it did sometimes, I think, make for
21 a little bit longer process. Staff's main concern in
22 this case from the beginning has been to provide an
23 objective analysis of the environmental impacts of the
24 project, and to make certain that the impacts to
25 endangered species that are attendant to this project,

1 are fully mitigated as required by State law. We
2 believe, with the elaborate mitigation that the
3 Commission has put into the proposed Decision, we have
4 succeeded in that and we believe that those impacts are
5 fully mitigated.

6 We appreciate, I think, the noteworthy
7 contribution of the Interveners in this case, who are, I
8 think the strongest set of Interveners I have ever seen
9 on a siting case, and who contributed, I think, greatly
10 to the outcome in ways that are they are perhaps not
11 entirely cognizant of. The final anxiety I have about
12 all of this is the pressure of trying to get this
13 Decision out, we may have small mis-cues in the
14 conditions themselves that could delay the project and
15 were even at this moment. The reason John Kessler is not
16 here is that he is trying to provide the final errata
17 which would try to take out some of the timing
18 provisions, which might, in the verifications, delay the
19 ability of the Applicant to start the project post haste.
20 So many of these timing provisions, I think, are in the
21 verifications for the conditions, which, as you know, are
22 intended to be subject to modification by the Compliance
23 Project Manager if, in his judgment, it needs to be done
24 so without coming back to the Commission. But,
25 nevertheless, we are trying to clean those up to make

1 sure that there is not any unnecessary delay in the
2 Applicant being able to go forward with the project.
3 Thank you.

4 CHAIRMAN DOUGLAS: Thank you, Mr. Ratliff. We
5 will now hear from Interveners, beginning with Barbara
6 Boyle of the Sierra Club. We will take the Interveners
7 who are in the room first, and then we will turn to the
8 phone.

9 MS. BOYLE: Thank you very much, Madam Chair
10 and Commissioners. My name is Barbara Boyle. As you
11 stated, I represent the Sierra Club with over 200,000
12 members and supporters here in California. Sierra Club
13 is really quite deeply committed to moving California and
14 the nation off of dirty coal energy and into renewables
15 and efficiency and other means to protect our
16 environment, large and small, and that includes
17 sensitively sited large scale renewable energy projects.
18 For the last three years, and particularly the last two
19 years, we have been working very closely on the Fast
20 Track projects, working with the various agencies, the
21 generators, some of our sister conservation
22 organizations, and others, to try and resolve conflicts
23 on these projects so that they can go forward. We have
24 been really pleased because many of the developers have
25 shown a willingness to alter their project design and

1 components so that the impacts on a variety of resources,
2 air, water, and others, including endangered species,
3 would be reduced. When we intervened on this particular
4 project in 2009, we did it in good faith, really hoping
5 for a solution that would both allow the project to go
6 forward, but also protect the environmental values and
7 particularly protect the rare plant communities and
8 Desert Tortoise on site. The project, as designed, had
9 and has significant impacts on Desert Tortoise, and of
10 course, this is a species that is still in decline,
11 despite being on the ESA Endangered Species List since
12 1990. So, what we did upon going out to the site and
13 looking at it, we proposed that perhaps, with the same
14 footprint, the company could move their three units down
15 near the I-15 where the habitat values were a lot less.
16 We then met with the developer and we also, you know,
17 worked a lot with Commission staff and others to explore
18 this option. A meeting then resulted in what became the
19 so-called mitigated Ivanpah III proposal, which the
20 company and we had come to in a conversation at the end
21 of last year. This was then something that we would
22 agree to and, unfortunately, that is not the way that the
23 company proceeded, and we are quite concerned about that.
24 We are very disappointed, we have worked tirelessly to
25 try and devise a solution that protects the Desert

1 Tortoise and these other values, and we think there is a
2 better way than the proposal that is before you today.
3 And that other way has been fully analyzed by the
4 Commission, as well as by the BLM. Whether or not you
5 intend it, certainly this project already is and will be
6 a blueprint for how we move forward in siting these large
7 scale facilities on public land. We feel sad that, if it
8 goes forward as proposed, this is going to perhaps send a
9 wrong message about how to develop renewable energy on
10 public lands, and we certainly would remain open to
11 trying to work to re-site it in a way that protects those
12 resources better. Thank you.

13 CHAIRMAN DOUGLAS: Thank you, Ms. Boyle. I
14 will call next on Eileen Anderson with the Center for
15 Biological Diversity.

16 MS. ANDERSON: Thank you. Good afternoon,
17 Madam Chair and Commissioners. My name is Eileen
18 Anderson and I am a biologist and a third-generation
19 Californian. I have spent more than 20 years of my
20 professional life working to inventory and preserve the
21 plants and animals, the soils and waters, and other
22 resources of our fragile California deserts. Today, I am
23 speaking on behalf of the Center for Biological
24 Diversity, a nonprofit conservation organization
25 dedicated to preserving rare and endangered species and

1 their habitats. The Center is a party in this matter and
2 we have spent many hours and days in hearings and
3 workshops, and provided written comments and materials to
4 the Commission. On behalf of the Center, I respectfully
5 request that you deny the application and do not certify
6 this project. The development of renewable energy is a
7 critical component of efforts to reduce greenhouse gas
8 emissions, avoid the worst consequences of global
9 warming, and to assist California in the emissions
10 reductions set by AB 32 in various Executive Orders.

11 The Center strongly supports the development of
12 renewable energy production and the generation of
13 electricity from solar power, in particular. However,
14 only by maintaining the highest environment standards can
15 renewable energy be truly sustainable. Like any project,
16 proposed solar power projects should be thoughtfully
17 planned to minimize impacts to the environment. In
18 particular, renewable energy projects should avoid
19 impacts to sensitive species and habitat, and should be
20 sited in proximity to areas of electricity end use in
21 order to reduce the need for extensive new transmission
22 corridors, and the efficiency loss associated with
23 extended energy transmission. Only by maintaining these
24 highest environmental standards with regards to local
25 impacts and the effects on species and habitat can

1 renewable energy production truly be sustainable. On all
2 of these points, the proposed ISEGS project fails to meet
3 the mark of being truly sustainable, it is located in the
4 wrong place. The Commission should not approve this, or
5 any large industrial project on nearly 4,000 acres of our
6 most fragile intact desert habitat, that was recognized
7 for its importance to the Desert Tortoise in the Recovery
8 Plan over 16 years ago. If the Commission permits this
9 project at this location, the Commission will undermine
10 truly sustainable renewable energy production and,
11 instead, assure that California's beloved State reptile,
12 the Desert Tortoise, continues its ongoing slide towards
13 extinction. It is a sad day when, despite the abundant
14 science and recommendation of independent scientists, the
15 Commission proposes to ignore the tragic mortality that
16 the Desert Tortoise translocation causes, and instead
17 rely on unproven, or even wishful notions of full
18 mitigation. Even more tragic, the mortality is entirely
19 avoidable with proper siting and planning. The
20 Commission must present several alternatives that could
21 avoid all, or most of, the irreparable damage to these
22 resources. For example, siting the same project on
23 degraded or disturbed lands would avoid most, if not all
24 of the significant impacts. Large scale industrial solar
25 can be sited corrected, but this project is not on the

1 correct site.

2 Finally, if the Commission permits this project
3 at this location, the Commission will be making a larger
4 decision, as well, by taking the first step to establish
5 an industrial development zone in the Ivanpah Valley, the
6 area will become a magnet for growth, which will further
7 eliminate and degrade the currently intact ecological
8 processes and harm not only the Desert Tortoise, but
9 dozens of other rare species, including many rare plants
10 down in the valley. It is not too late to avoid making a
11 gargantuan mistake and we urge the Commission to deny
12 this project at the proposed site. Thank you.

13 CHAIRMAN DOUGLAS: Thank you. Next, I will
14 call on - and I am sorry I did not write your name down,
15 but CNPS, if you could come forward?

16 MR. SUBA: Good afternoon, Commissioners.
17 Thank you for the opportunity to speak. My name is Greg
18 Suba with the California Native Plant Society. And our
19 organization -

20 CHAIRMAN DOUGLAS: And I may not have heard it,
21 could you please identify yourself for the record?

22 MR. SUBA: Sure. G-r-e-g, Greg S-u-b-a, Suba.

23 CHAIRMAN DOUGLAS: Thank you.

24 MR. SUBA: You are welcome. I speak for my
25 organization in echoing the comments from Sierra Club and

1 Center for Biological Diversity that are very difficult
2 to both deliver and to hear at this stage. What I would
3 like to do is focus my comments in the time that I have
4 on an issue that I hope is not too complex here, but
5 while the ink still seems to be a little wet on the
6 conditions and the verifications, I just want to make one
7 last request, if possible, here. To echo a comment that
8 we submitted in our comments to the PMPD, that there have
9 been special status plants recognized on the site, and
10 there have been measures developed to address those
11 plants, recently, one of the plants was misidentified as
12 one that was of a certain rarity, it dropped it to a
13 lower, more common plant, it was now positively
14 identified as a different plant, they are very similar,
15 but... As the process has evolved in the siting process
16 from Ivanpah to other projects, there have been measures,
17 conditions of certification included in subsequent
18 projects - Genesis, Blythe, IVS, Calico - that address
19 the need to analyze plants of that sort of lower, more
20 common ranking, before dismissing avoidance and
21 minimization and mitigation requirements. What I am
22 asking is, the plant that was at this rank here, that was
23 re-identified as a lower rank, fits the criteria for that
24 analysis that is being done and applied in other
25 projects, and I am requesting that that be done

1 retroactively to this plant, the one that is called
2 Muilla Coronata. And I believe it does not impede
3 anything that is already in place because there are four
4 localities that were being treated of the higher ranked
5 plant; so what I am asking is that, during the
6 development of the plant, of the plant mitigation plan,
7 that the analysis that is being required for other
8 projects be applied to this one, assess whether this
9 lower ranked plant is indeed required to - whether the
10 minimization, mitigation requirements that were
11 originally developed for the higher ranking plant are
12 appropriate for this plant, and, if so, apply them. They
13 are already written into the conditions, they have been
14 crossed out recently, so put a pause button on crossing
15 them out entirely, do an analysis on the plant according
16 to how it is written in the other projects. If it rises
17 to the level of the protection, then apply it as it is
18 already written; if it does not, then the decision has
19 the strength of science behind it and things move forward
20 from there. So, my request here is in more detail in my
21 written comments, in our written comments, and I just
22 wanted to re-emphasize that request here at the eleventh
23 hour, 59th minute.

24 COMMISSIONER BYRON: Mr. Suba, is this new
25 information? Or was this brought up previously in the

1 evidentiary period?

2 MR. SUBA: Well, there are two sorts of - the
3 re-identification of the plant is new information in
4 terms of opening the record at the PMPD hearing, I forgot
5 what the date was. But the change, the re-identification
6 of *Androstephium breviflorum*, too, *Muilla coronata*, was
7 explained in a document that was sent out to parties
8 after the completion of our PMPD committee conference
9 last evidentiary hearing. So, I believe that opened the
10 record on that issue of, you know, is it Plant A or Plant
11 B? And then, we submitted comments saying, "Okay, this
12 is Plant B. If this were Plant B on another project,
13 this analysis would be done." So, we are saying can we
14 do that analysis here. And even if the analysis turns
15 this plant into a more - a higher special status, then
16 the conditions that would be applied to it are already
17 written into the conditions, you know, it would just be
18 treated like the other plant was going to be treated.
19 That is what we are saying. And if the analysis says
20 that it is not, then you have done the analysis and you
21 are consistent with your other projects.

22 CHAIRMAN DOUGLAS: Thank you, Mr. Suba. We
23 will hear from all the Interveners before we get to
24 Commissioner questions, and we may - you will be here,
25 and so if we have additional questions on this item, we

1 will ask you to come back up.

2 MR. SUBA: Yes, ma'am. Thank you.

3 CHAIRMAN DOUGLAS: Thank you. All right, we
4 are turning now to the Interveners who are on the phone.
5 Bart Brizzee, San Bernardino County.

6 MR. BRIZZEE: Thank you, Madam Chair, members
7 of the Commission. My comments are brief. On behalf of
8 the county, we would like to thank the staff and the
9 committee for the hard work and for the courtesies that
10 have been shown, and particularly for the response that
11 has been made to the county's concerns. To follow-up on
12 the evidentiary hearing and the conference, too, I would
13 like to alert the Commission to the status of the ongoing
14 negotiations with the Applicant regarding the worker
15 safety and other issues, and we continue to believe that
16 those will move forward with the same vigor and that they
17 will be fruitful in the end. But, thank you again for
18 the opportunity to comment.

19 CHAIRMAN DOUGLAS: Thank you, Mr. Brizzee. All
20 right, so we will go now to Michael Conner, Western
21 Watershed Project.

22 MR. CONNER: Good afternoon, Commissioners. My
23 name is Michael Conner and I represent Intervener,
24 Western Watershed Project. Western Watershed Project
25 works to protect and conserve the public lands, wildlife

1 and natural resources of the American West. We
2 intervened in this project because we are extremely
3 concerned about the impacts this project will have to
4 public lands in California and the important biological
5 resources of those lands, but particularly concerned with
6 respect to impacts to the Northeastern Mojave Desert
7 Tortoise population, which is a genetically distinct
8 population down in California, only in the Ivanpah
9 Valley. Western Watershed's Project and other
10 Interveners submitted extensive testimony during this
11 process relating to the genetic uniqueness of this
12 impacted Desert Tortoise population, including studies
13 conducted as far back as the 1980s. The Ivanpah Power
14 Plant Project, and other projects in the area, places
15 continued survival of this population at risk. Loss of
16 this population threatens to isolate the remainder of
17 California's Desert Tortoises from populations outside
18 the State. These concerns have not been addressed and,
19 without being addressed, cannot be fully mitigated. We
20 urge the Commission not to approve the PMPD to the
21 Ivanpah project until these concerns are addressed.

22 Thank you.

23 CHAIRMAN DOUGLAS: Thank you, Mr. Conner. The
24 last Intervener I have on my list is Basin & Range Watch,
25 and I am sorry, I did not write down - Kevin - I did not

1 write down your last name.

2 MR. EMMERICH: Right, it is Kevin Emmerich,
3 thank you. I am with a group called Basin & Range Watch.
4 We are a small group of volunteers to work the preserve
5 on our desert scenic vistas' ecological integrity, and
6 the values of local people to live out here in the
7 desert. I will make some brief comments here. I would
8 first like to say that we do not feel that the location
9 of the proposed project is appropriate. It is going to
10 be a very very huge project and it will be located in a
11 very unique area, ecologically speaking, a lot of us are
12 referring to it as an old desert. If you go out there on
13 the site, which I have been on about 15 times now, you
14 will see Creosote bush range that are quite extensive,
15 expensive, which could be possibly thousands of years
16 old. I am really not clear, either, on what you are
17 going to do with your relocation plans for the Desert
18 Tortoise. My impression is that you are going to be
19 moving them over the fence, basically, in that 500 meter
20 zone, but that really does not address how you are going
21 to deal with proposals like the Desert Express, large
22 high speed train that is going to be built within that
23 same area. Again, I will reiterate what Michael Connor
24 said, it is in the Northeast recovery unit of the Desert
25 Tortoise, that is an evolutionary significant unit of a

1 tortoise. I am really worried that the cumulative
2 impacts of this project and all of the proposed projects
3 are going to cause an extinction of this particular
4 population, so I do not think that is appropriate,
5 either. There are about nine rare plants on this project
6 site and my understanding is one of them will lose 80
7 percent of its range in the State of California if this
8 happens. I finally would like to point out that the
9 visual resources that are going to be impacted by this
10 project are serious, it is right next to the Mojave
11 National Preserve, as everybody knows. Those power
12 towers are going to be a blare that is going to be
13 visible for miles and miles, and it is going to be
14 visible from several prominent points, at least in the
15 northern and eastern section of the Preserve. And it is
16 definitely going to take the visitor wilderness
17 experience down a few notches if this is built. So, we
18 would like to request that this project not be approved,
19 it should be denied. We are not against solar energy,
20 solar energy is a good thing, it is just about location,
21 and this is not a good location to build the Ivanpah
22 Solar Electric Generating Station. Just take the word
23 Ivanpah out of it and please move it somewhere else.
24 Thank you.

25 CHAIRMAN DOUGLAS: Thank you, Mr. Emmerich.

1 Commissioners, we are through the Interveners. I have
2 two people that would like to make public comment. Would
3 you like to hear them now? All right, so we will begin -
4 actually, Michael Connor, we heard from as an Intervener,
5 so Lloyd Gunn, are you on the phone? Lloyd Gunn. All
6 right, in that case, if he does come back, let me know
7 and we will call on him to make public comment.

8 Commissioners, we have heard from all of the public
9 parties at this point. Commissioner Byron, would you
10 like to start us off here?

11 COMMISSIONER BYRON: I would like to ask for
12 some assistance with regards to Mr. Suba's comments. We
13 do recall some of this earlier discussion - when I say
14 "earlier," I mean at the PMPD Conference that we had
15 earlier this month. Mr. Kramer, can you shed any light
16 on his request?

17 HEARING OFFICER KRAMER: Well, I do not have -
18 it would have been more helpful if he had more specific
19 language. Let me ask him, does he have a copy of the
20 portions of those other conditions he is interested in
21 applying? Because the idea of substituting conditions
22 was not attractive to, I know, to the staff, for one,
23 because there could be rippling effects. And I would
24 suggest that you also ask the Applicant if they have any
25 particular objection to making the accommodation he is

1 requesting.

2 MR. HARRIS: I will start by not trying to use
3 the Latin names because I get lost here. But, Mr. Suba's
4 comments were received, you know, in a timely manner and
5 they were reviewed and considered in this process. From
6 what I can comprehend, essentially what he is asking you
7 to do is consider a plant that is not a list 1 or a list
8 2 California Native Plant Society plant, okay, and this
9 gets very complicated because you have an Intervener in
10 this process who is the Native Plant Society, and we are
11 using their Native Plant Society's list as a way of
12 determining whether that issue is on the table. I guess
13 I want to make the point that we are talking about rare
14 plants here, to begin with, we are not talking about
15 threatened or endangered plants under California law, or
16 State Law, so there is an important - very very important
17 distinction to make there. And now we are talking about,
18 I think, a plant that is probably a plant list 2 or 3,
19 and I could not discern from Mr. Suba's comments exactly
20 the changes he wanted to make, but I think at this stage,
21 he is asking you to take an impact that is found not to
22 be significant and change a condition with respect to
23 that, and I think that is contrary to what you all do,
24 moving forward. So, I am not objecting to the language
25 because I have not seen any, but I think on the

1 principle, I think we would object to that.

2 HARING OFFICER KRAMER: In effect, it does
3 sound as if we are being asked to basically conduct a
4 study to see if the plant should be given a higher
5 status, and then retroactively cause the appropriate
6 consequences of that higher status to take effect.

7 VICE CHAIR BOYD: Well, I would like some help
8 from the staff, though, on the question of consistency
9 and with regard to how we treated other projects with a
10 similar situation, or the same plant. And I see Ms.
11 Milliron at the table.

12 COMMISSIONER BYRON: How many genus of plants
13 are we talking about on this project, Mr. Kramer? I
14 think this goes to the level of detail that we got into
15 on this case, but my recollection is there is on the
16 order of 20 different rare plants that are being
17 considered here. I am stalling for time. Ms. Milliron,
18 did you want to speak?

19 MS. MILLIRON: I am sorry, I did not hear the
20 question. It was something about the number of genera -

21 COMMISSIONER BYRON: No, no, my question is not
22 on the table. Commissioner Boyd was looking for staff
23 response on this issue.

24 MR. RATLIFF: Commissioners, Dick Ratliff,
25 staff Counsel. I have with me Biological staff, this is

1 Ms. Milliron, who will correct probably the incorrect
2 things that I say about this issue. Our understanding is
3 that this plant was originally identified as in a
4 category of rare plants that staff thought should be
5 protected through avoidance at the site. It appears
6 that, in subsequent survey work, they were able to
7 determine that it was actually a different plant in some
8 cases, and I think the result of that determination would
9 be to remove those identified site areas from avoidance
10 areas for the project. The plant that is actually at the
11 site is also a listed plant, it is just listed at a lower
12 level, as I understand it, and I will be corrected, I am
13 sure, if I am wrong. It is still of interest because it
14 may be sort of at the very margins of where that plant is
15 found, and I think that is perhaps the further study that
16 Mr. Suba is interested in us pursuing. We have no
17 objection to the Committee telling us, or putting into
18 the Decision that those very areas should be avoided for
19 those plants, just as if they were the plant that was
20 originally thought to have been identified. Nor do we
21 necessarily object to your not doing that. We were
22 concerned, frankly, about having a condition that would
23 basically say go off and do further analysis to determine
24 whether this plant deserves to have an elevated status,
25 so we were reluctant to say, "Okay, let's continue to

1 study this issue until we can actually figure out whether
2 this plant should be of a higher order than it is
3 currently listed." But we basically did not take a
4 position on Native Plant Society's proposal. We hoped
5 that the Commission would sort it out as best it could,
6 either by telling us or telling the project Applicant
7 that it would be avoided, or that it would not be.

8 CHAIRMAN DOUGLAS: Thank you, Mr. Ratliff. We
9 have two people that I think would like to offer public
10 comment. Should we turn to them, and then come back to
11 questions? All right, so Lloyd Gunn, are you on the
12 phone now?

13 MR. GUNN: Yes.

14 CHAIRMAN DOUGLAS: All right, please make your
15 comment on this item.

16 MR. GUNN: I am also on the Desert Advisory
17 Committee, representing wildlife. I was out at Ivanpah
18 last Tuesday, September 14th, and when I went out there, I
19 met two Indian elders, one a Chioeve and one a Mojave
20 Indian. And there was also some news media, and we went
21 to a sacred site and, just before that, they told me that
22 the whole Ivanpah Valley is considered a sacred place to
23 the Indians, and has been for many centuries, so it not
24 thousands of years. When we reached the sacred site,
25 which is just adjacent to where the proposed solar

1 installation is going, they showed me a stone alter in a
2 three-foot by three-foot by three-foot triangle built
3 with hundreds of rocks and some other stone - simple
4 stone structures, there was truth that Indians that
5 worshipped there for hundreds, if not thousands of years,
6 and this is just adjacent to the proposed solar site.
7 Hopefully, this area - this will be taken in
8 consideration. You know, in finding if this site is
9 suitable for a solar site, it is - also, one of the
10 participants there told me that they had found a Big Horn
11 Sheep Scat not far from the site. This area - and, as
12 you know, this area has many endangered territories of -
13 what I found there as far as the Indians' concern was in
14 the Las Vegas Review Journal, Section B on September 15th,
15 if anyone has read that article. And that is my comment.

16 CHAIRMAN DOUGLAS: Thank you, Mr. Gunn, thank
17 you for calling in. We also have Conrad Lansing on the
18 phone.

19 MR. LANSING: Hello, can you hear me?

20 CHAIRMAN DOUGLAS: Please, go ahead.

21 MR. LANSING: Okay, my name is Conrad Lansing,
22 I am calling from far away, I am calling from Austria. I
23 am following this whole process because I am really
24 excited that something is changing in this world, and I
25 really fully respect that there are a lot of people who

1 are concerned about local issues and issues themselves,
2 but when I look at the news and see the shores of
3 Greenland where there are oil developments starting, or
4 oil stands in Canada, that breaks my heart. And last,
5 but not least, there are tortoises in the Gulf of Mexico,
6 as well, so let me just tell you, that is a worldwide
7 equation and all is connected, so I think it is important
8 that we [inaudible] we need to move forward and need to
9 get things sorted out and I hope and my belief is that
10 people who propagate such projects do the best they can,
11 what is possible to protect and I hope they do and you
12 will come together, and I have a one-year-old boy, and
13 that is the reason I am calling. I think he has a better
14 future from projects like that being approved. Okay,
15 thank you. Bye bye.

16 CHAIRMAN DOUGLAS: Thank you, Mr. Lansing.
17 That's for following this process from afar, and thanks
18 for your interest in this issue. Very well, we are
19 through public comment. Commissioner Byron, as the
20 Presiding Member, I am sure you have a lot to say on this
21 item.

22 COMMISSIONER BYRON: I do, Madam Chairman. And
23 to go back to Mr. Suba's comment, as you know, this has
24 been going on for - this project has been underway for a
25 number of years before this Commission, and I think as

1 indicated by the nature of the calls that - well, hearing
2 from Austria today was new - it is the never ending story
3 in some ways. And although we want to be responsive to
4 information that comes before this Commission, such as
5 Mr. Suba's concern about the - I will not try to say the
6 Latin - plant that he indicated, there comes a time when
7 we need to close the evidentiary period on these cases
8 and make a decision, and this in my mind - we are
9 concerned about consistency between this project and
10 others, but even that is extremely challenging because
11 they are not all lined up on the same schedule. So I am
12 inclined to suggest to my fellow Commissioners that we
13 not re-open evidentiary period on this record in order to
14 take up a new issue, as important as it might be. Having
15 said all that, it is not without some difficulty that we
16 are bringing to you this Proposed Decision for your
17 consideration today. The ISEGS, or the Ivanpah Solar
18 Energy Generating System, was a complex project that had
19 a numerous number of issues to resolve. Indeed, this is
20 why it has the distinction for being the oldest solar
21 project at this Commission. As the Committee began its
22 review of the project almost three years ago, Mr. Kramer
23 indicated it was data adequate on Halloween in 2007,
24 there were numerous environmental impacts that were
25 raised by our staff and, by my count, the eight

1 Interveners on this project, although, I will note it
2 seems today to have been reduced to seven following the
3 completion of a project labor agreement some time during
4 the course of this work. The Applicant was extremely
5 responsive to the majority of these issues and revised
6 the project by my count at least four times since
7 submitting its application. I am just going to summarize
8 them here briefly for you. They optimized the project
9 back in May of '08, they revised the stormwater drainage
10 design in June of '08, somewhere in there they added the
11 dry cooling feature to the design, they revised the storm
12 water drainage and low impact development to minimize
13 ground disturbance to vegetation, as much as possible in
14 May of '09, and most recently, as referred to by a few of
15 our speakers today, they provided the mitigated Ivanpah
16 III footprint which reduced that project footprint by 433
17 acres and its impact to rare desert plants, as late as
18 February of this year.

19 As shown in the record and the six days of
20 evidentiary hearings, many of which were days and nights,
21 much of the testimony of the ISEGS project was over the
22 significant adverse impacts to biological resources in
23 the Ivanpah Valley, specifically the Federally listed
24 threatened species, Desert Tortoise, and the special
25 status plants that were found on the project site.

1 There is no doubt about it, solar projects are
2 land intensive and they result in a number of significant
3 impacts, and although the Committee has recommended 176
4 Conditions of Compliance, of which 22 addressed the
5 impacts to biological resources, the Committee did find
6 there remained three significant unavoidable impacts to
7 special status plant species under biological resources,
8 the cumulative loss of desert land for multiple uses
9 under land use, and the traffic and transportation issue.
10 We also considered the impact to the congestion on
11 Northbound Interstate 15 on Fridays and Weekends.
12 However, there are significant social and environmental
13 benefits of this project, the ISEGS project supports the
14 State's efforts to move towards a high renewable, low
15 greenhouse gas electricity system. Now, assuming the
16 construction of all three phases of the Ivanpah Solar
17 Generating System project, it will provide 370 megawatts
18 of renewable energy power, which will greatly assist
19 California in meeting its Renewable Portfolio Standard.
20 As my fellow Commissioners know, producing electricity
21 from renewable resources provides a number of significant
22 benefits to California's environment and economy,
23 reducing global warming emissions, developing local
24 energy sources, diversifying our energy supply, and
25 improving our energy security. At the end, I believe the

1 Commission's deliberative process has resulted in a
2 beneficial project; I recommend it for your approval.
3 Despite the length of the errata, Mr. Kramer indicated, I
4 think, it is 101 pages, these corrections are not
5 substantial, nor has it had any change in the
6 recommendation that this Committee has put forward. I
7 will reserve final remarks until after you deliberate on
8 this issue.

9 CHAIRMAN DOUGLAS: Thank you, Commissioner
10 Byron. Commissioner Boyd?

11 HEARING OFFICER KRAMER: Madam Chairman?

12 CHAIRMAN DOUGLAS: Yes.

13 HEARING OFFICER KRAMER: Just for the record, I
14 wanted to note that the staff proposed changes that we
15 spoke of earlier were to Conditions Bio 17 and Bio 22,
16 and they have been passed out to people who spoke here in
17 the room, and they were e-mailed, as well, to all the
18 parties in the case, so those on the telephone should
19 receive a copy, as well. Oh, and 21, I am sorry. So, it
20 is 17, 21, and 22. And the reason I need to make that
21 clear is because these are just excerpts and, in the
22 first two cases, you cannot see the Condition number on
23 the print-out.

24 CHAIRMAN DOUGLAS: Thank you, Hearing Officer
25 Kramer.

1 VICE CHAIR BOYD: Paul, does that mean what is
2 identified as page 54 is Condition Number -

3 HEARING OFFICER KRAMER: Bio 17.

4 VICE CHAIR BOYD: Seventeen.

5 HEARING OFFICER KRAMER: And then the top of
6 the next page is 21.

7 VICE CHAIR BOYD: Right, that is identified.

8 HEARING OFFICER KRAMER: So, below that, it
9 starts 22.

10 VICE CHAIR BOYD: Okay, gotcha.

11 COMMISSIONER BYRON: Do we have agreement on
12 these changes?

13 VICE CHAIR BOYD: Yeah, I was going to ask the
14 Applicant -

15 MR. HARRIS: Enthusiastic agreement for the
16 Committee. These are important changes to allow us to
17 get out there and proceed with this project, and they are
18 all verification language, as you can see, and it could
19 have been changed by the staff post-certification, but
20 they were things that we noticed and the staff noticed,
21 and sat down and hammered this out today. So, yes, you
22 have our support for these.

23 VICE CHAIR BOYD: Okay, Madam Chair, I think
24 you turned to me before. Mr. Kramer, do you need any
25 more action on -

1 HEARING OFFICER KRAMER: No, that was what I
2 needed to point out.

3 VICE CHAIR BOYD: You wanted to get that on the
4 record. Thank you. I think the Chair called upon me as
5 the second member of this Committee, and I would say
6 that, as indicated earlier, this was the first project in
7 and probably the Applicant is concerned that it was not
8 the first project out either, but the good news, I guess,
9 is you were the first in, the bad news is you were the
10 first in, and as already indicated, lots of learning went
11 on around your case. And lots of process and procedure
12 with newly found partners had to take place, a lot of
13 them revolving around this particular case. I would add,
14 and I would compliment my fellow Commissioner,
15 Commissioner Byron, for the huge effort he put in to this
16 during multiple processes, and his insistence upon
17 examining lots of the written word, following that model
18 I, well, I know Mr. Kramer is sleep deprived as a result
19 of the process, and my Advisors and I spent a lot of time
20 down here last Furlough Friday reading the errata. And I
21 have signed off on it, so obviously I signed off on the
22 PMPD, and certainly approved the errata, and therefore am
23 supportive of what has been done here. It has been a
24 tough lesson, and there are going to be more learning by
25 doing associated with the construction of this plant. I

1 think the Project Manager and the Compliance Manager have
2 their hands full on this particular case in following up
3 on requirements and what have you, and I will give
4 Commissioner Byron an opportunity for closing remarks, or
5 the both of us, but I do want to commend the staff, our
6 Advisors, and Hearing Officer Kramer for the work they
7 did on this, and I have already commented that I know
8 Hearing Officer Kramer is sleep deprived based on the
9 fact that not only has this case been difficult, but he
10 has got some other beauties, as well, that impact at the
11 same time. And I know we have exchanged e-mails on all
12 days and at all hours of each day, so this has been a
13 tough project.

14 I very much enjoyed the Interveners and I think
15 they made a significant contribution, which is reflected
16 in the PMPD and corrections in the errata thereto, so
17 enough said.

18 COMMISSIONER EGGERT: Thank you, Madam Chair.
19 Just one comment, I just want to also thank the Committee
20 for their hard work on this project. I think
21 Commissioner Boyd, you made the comment about learning by
22 doing, and I think that is certainly some of what we are
23 doing here through these projects. There was a comment
24 made earlier on the research project looking at the
25 desert ecosystem biological impacts and mitigation

1 strategies, and a suggestion that we wish had begun
2 several years ago, similarly with respect to the DRECP,
3 and the activities that we are undertaking to really
4 establish a better blueprint, which I think was a comment
5 or a term that was used by one of the Interveners for the
6 process of site selection, avoidance of sensitive
7 habitat, and the mitigation for any impacts that might
8 occur. And so I think, I am happy that we are moving in
9 that direct to establish those processes, and I think in
10 the future we will have a lot more information about
11 prior to site selection, and that is going to benefit all
12 future projects, but of course, you know we are dealing
13 with what we have today. You know, we do have some
14 significant challenges and goals with respect to the
15 State's energy system, and particularly with respect to
16 climate change. I was happy to hear the comment of our
17 public commenter from, I think it was Australia -
18 Austria, sorry, mate. Actually, I am part Austrian,
19 mostly German, so I have got to be careful there.

20 VICE CHAIR BOYD: No wonder the Governor likes
21 you.

22 COMMISSIONER EGGERT: No comment on that. But
23 again, I think that we are likely to see some more
24 challenging projects come before us this year and I think
25 it is a tremendous challenge, you know, given kind of the

1 information that we have had to work with and the
2 timelines. But I think the Committee has done a
3 reasonable job of doing - and the staff, as well - doing
4 their best to address those issues in the context of this
5 decision.

6 CHAIRMAN DOUGLAS: Thank you, Commissioner.
7 Commissioner Weisenmiller?

8 COMMISSIONER WEISENMILLER: Yes, first of all,
9 I also would like to thank the Committee, the staff, the
10 Applicant, the Interveners, for their hard work on this
11 project. I think we are certainly learning - we have not
12 found many perfect projects, but at least coming out of
13 our process, we think there are better projects and
14 certainly appreciate the hard work of everyone to improve
15 those projects. Certainly, I would like to in some
16 respects welcome back the Luz Alumnae to California.
17 Obviously, this is the second generation in a way of
18 segues* [ph.] [2:41:34] in terms of the technology and
19 experience and, again, you have certainly been on both
20 the leading and bleeding edge of our siting process here.
21 You know, I think we have all learned a lot in the three
22 years. I think certainly, going forward, I think all of
23 us need to do better, certainly we have talked a lot
24 about providing better tools up front for the projects,
25 but we have learned a lot on how to work with the other

1 agencies and to move forward. But we do realize that
2 time is really money for Applicants and, at the same
3 time, we are at a stage where we have to reach a
4 decision. As the people have noted that some of the
5 records are different, but, again, we are basing our
6 decision on the record in this case and we have gone
7 through a very very thorough environmental assessment, we
8 have tried to identify all the impacts and come up with
9 the mitigation measures for that. And obviously, even
10 with that, the very very comprehensive mitigation
11 measures, where we have looked, we have had to consider
12 an override, here we are and, again, I think all of us
13 are motivated, at least speaking for myself, by dealing
14 with the realities of climate change, that it is critical
15 to reduce our fossil fuel dependence, a key part of that
16 is going to be renewables, a key part of that are
17 projects like this. Certainly at this stage, we would
18 like projects that are closer to the load center, but
19 frankly, we need all those renewable projects. And in
20 terms of it is also important not just to deal with the
21 environmental issues, but we must deal with the
22 California economy, that certainly this project and the
23 other projects, we are in the middle of -- I do not know
24 if you want to call this the Great Recession, or the
25 Mini-Depression -- but we really need to deal with our

1 unemployment issues. When you look at San Bernardino, in
2 that area unemployment is at least 15 percent, and that
3 is people who stop looking for jobs. So, the fact that
4 this is applying - will be providing about 500 new jobs
5 to a peak of about 5,000, and about 100 long-term jobs
6 operating is very important to our economy, as is the \$2
7 billion investment, there are a lot of multipliers
8 associated with that. So, again, I certainly heartily
9 support this project and, again, would like to thank the
10 Committee and the Applicant and the staff and the
11 Interveners for their hard work.

12 CHAIRMAN DOUGLAS: Thank you, Commissioner
13 Weisenmiller. And I have some comments to make, but I
14 will note that BLM is on the phone. Amy Resnick, are you
15 here to make a comment or just to listen? Well, it
16 sounds to me like she is here to listen. But if she
17 would like to make a comment, if she can please indicate
18 that or speak up.

19 So, I would like to thank Commissioners Byron
20 and Boyd, the Committee that lived with this project for
21 literally years, and lived with the early stages of our
22 efforts to synchronize our process with the Bureau of
23 Land Management, and to build the partnerships with the
24 Department of Fish & Game, Fish and Wildlife Service,
25 that have been so critical on all of these projects that

1 are coming before us, and your work really did set the
2 stage for our ability to move forward on the range of
3 ARRA projects - ARRA, Recovery Act - projects before us.
4 This has been an exciting time for the Commission and I
5 think for me, personally, in seeing this large number of
6 projects, renewable energy projects, come before us for
7 siting and serious and with real Business Plans, and with
8 real intent, to build the projects. It is tangible
9 evidence of a substantial move away from dependence on
10 fossil fuel for the electricity system in the State of
11 California, and it is the beginning of what we need to do
12 to make that transition fully effective. I also heard
13 and listened carefully to the concerns of environmental
14 groups, the Interveners, and the commenters, and I thank
15 you very much for your engagement in our process. You
16 have helped us analyze it, helped us make the project
17 better, and you have helped us realize the concerns that
18 you brought to us and weigh them as we sit here today.
19 Our commitment to realizing the full mitigation for the
20 Ivanpah Solar project is very strong, and we have a very
21 thorough mitigation scheme, but our commitment here does
22 not stop at that project mitigation. The Energy
23 Commission is working with other rate agencies and
24 stakeholders on the Desert Renewable Energy Conservation
25 Plan. This is the way that we believe we will be able to

1 achieve landscape level conservation in the California
2 deserts, while meeting our renewable energy goals. And
3 so I would like to ask you, the environmental groups, the
4 Interveners in this case, and also make a point to the
5 Applicant and to others here who represent the industry,
6 that we really want to make this process work, and this
7 is, I think, going to be one of the bedrock ways that we
8 achieve all of our environmental goals, our renewable
9 energy goals and our conservation goals.

10 So with that, I certainly intend to approve
11 this project, again thank the committee, and I will also
12 say that the Siting Committee, moving forward into the
13 fall of next year will be looking hard at - Commissioner
14 Weisenmiller likes to call it "lessons learned" - out of
15 this, lessons learned and how our process works, what
16 could be better, what could be easier for Interveners,
17 for Applicants, and for others, also lessons learned in
18 terms of policy - what policies should the Energy
19 Commission consider with regard to water use, with regard
20 to site selection, with regard to other issues that have
21 come before us, that all of us have had the opportunity
22 to experience in great depth and detail this summer, and
23 much longer than the summer. So, with that, are there
24 further comments? No. I will entertain a motion.

25 COMMISSIONER BYRON: Mr. Kramer, I have - thank

1 you, Madam Chair - I have the PMPD, the errata, the
2 changes agreed to the errata at this meeting, and the
3 Commission Adoption Order. Is there anything else we
4 need to consider in a resolution to adopt here today?

5 HEARING OFFICER KRAMER: No, just note that
6 there would be three separate Adoption Orders.

7 COMMISSIONER BYRON: Three separate Adoption
8 Orders. So, Madam Chair, I recommend for approval this
9 item on the agenda in accordance with the Presiding
10 Member's Proposed Decision for the Ivanpah Solar Energy
11 Generating System with the Errata, the changes to the
12 Errata agreed to at this meeting, and the three Adoption
13 Orders in draft form that Mr. Kramer has circulated for
14 us earlier today.

15 VICE CHAIR BOYD: I will second it.

16 CHAIRMAN DOUGLAS: All in favor?

17 (Ayes.)

18 The project is approved.

19 COMMISSIONER BYRON: If I may, Madam Chair, I
20 would just like to make a few remarks.

21 CHAIRMAN DOUGLAS: Commissioner Byron, go
22 ahead.

23 COMMISSIONER BYRON: You know, this project,
24 this application, took an enormous amount of resources to
25 review, and I would like to take just a few moments to

1 acknowledge and thank some people. Commissioner Boyd,
2 certainly, I was so pleased to have him with me on this
3 committee, his siting experience, I believe, cumulatively
4 exceeds the rest of us and I do not want to make a
5 comparison with regard to his wisdom, but it was
6 extremely valuable. Hearing Officer Kramer did an
7 excellent job, his calm demeanor and thoroughness on
8 this, and more recently the involvement of Chief
9 Counsel's Office and the reviews that we received with
10 regard to process and some of the details were extremely
11 helpful, so, Mr. Levy, thank you and your staff. I would
12 like to thank the Governor's Office for honoring the ex
13 parte rules, leaving us alone while working through the
14 Renewable Energy Action Team and policy groups, they were
15 very effective with our Federal partners and enabling --
16 dare I say "making" -- the agencies work together. I
17 certainly would like to acknowledge our Federal partners,
18 the Bureau of Land Management and the Department of the
19 Interior, U.S. Fish and Wildlife Service, they - I do not
20 even know the full extent of the efforts that were
21 involved on their part, but enormous professional
22 coordination and expertise applied there. There are
23 numerous State and local agencies that are involved in
24 this, I would like to particularly thank the Department
25 of Fish and Game and our own resources agency. And as

1 has been mentioned by you and others, the Interveners,
2 most of them whom are environmental NGOs with varying
3 interests, they made this a much better project. As a
4 result of your tireless participation and expertise and
5 input, you enabled this project to be improved and
6 ultimately approved by this Commission. Now, what I
7 heard today indicates that some still do not support this
8 decision, and I ask you to consider how important it is
9 that California move aggressively towards renewables, and
10 how important these pioneer projects are to California
11 and to the rest of the nation. The Applicant, who was
12 extremely responsive to the issues and the changes to the
13 project, very impressive, gentlemen and ladies, in how
14 you responded to the adversity of this long process. But
15 I would really like to acknowledge Energy Commission
16 staff. This was a trailblazing process in synchronizing
17 CEQA and NEPA, working with State and Federal agencies,
18 protecting the environment with your thorough analysis,
19 moving renewable energy forward in the State. My sincere
20 appreciation to Mr. O'Brien and the Siting Transportation
21 Environmental Division staff for your thorough work and
22 professionalism under incredibly challenging
23 circumstances. Mr. O'Brien, I do not know how you keep
24 your staff motivated and locked in on California's
25 interests, but I want to thank you and them. I also need

1 to put a little special thanks to my Advisor, Ms. Kristy
2 Chew, she has worked tirelessly on this, reading all of
3 the testimony, with a keen eye on seeing that we consider
4 all the potential impacts and adhere to all the
5 environmental laws and ordinances. I cannot tell you how
6 valuable she has been in my office.

7 Finally, the decision we approved today has
8 numerous compliance provisions to mitigate impacts, there
9 is a lot of work ahead for our staff, as Commissioner
10 Boyd has pointed out, and for the project owner. BLM
11 will also publish the Record of Decision, the Applicant
12 will have to comply with a phalanx of requirements from
13 all the State and Federal agencies, as well as satisfy
14 the provisions of their Power Purchase Agreement, and the
15 obligations to their financial partners, of which we know
16 little. And although it has been very somber and serious
17 here today, I believe this is a very good day for
18 California and the benefits of this project far outweigh
19 the impacts. My thanks to the project owner for bringing
20 us this project, I am guessing you are not completely
21 happy with the difficult challenge of siting in this
22 State, and the length of time it took us to get this
23 done, but I hope you will be successful in seeing the
24 project through and perhaps, Mr. Woolard, you would like
25 the last word on this.

1 MR. WOOLARD: Thank you, Commissioner Byron. I
2 would just like to thank the entire Commission for
3 everything you have considered and done, we have all
4 learned a lot in the last few years. You know, I cannot
5 say that we are - I think the process ultimately emerged
6 a better project, it emerged as a strong project, and I
7 think, as a Californian, I am proud of the way it all -
8 it was not easy, it was hard, it took a long time, but I
9 think that we are there, and we are looking forward to
10 actually - we were the first one through this process,
11 now hopefully we will be the first one in construction,
12 and so we are looking forward to building, putting a plan
13 in the ground that is going to hold high standards, and
14 looking forward to delivering for the State of
15 California. So, thank you to everybody.

16 CHAIRMAN DOUGLAS: Well, thank you.

17 VICE CHAIR BOYD: I must say, Commissioner
18 Byron, you made reference to my wisdom, but I did not
19 show wisdom in leaving out the names of both of our
20 Advisors, so since you set a precedent of thanking Ms.
21 Chew, I need to mention Tim Olson, who was my Advisor on
22 this, and who equally worked very hard.

23 COMMISSIONER BYRON: He did, my mistake -

24 VICE CHAIR BOYD: Well, no, it is my fault. I
25 saw the two of them huddled together for long hours

1 trying to help us out, so thanks, staff. Enough said.

2 CHAIRMAN DOUGLAS: All right, enough said. We
3 are on to Item 16. Minutes. Possible approval of the
4 Minutes of the September 15th, 2010 Business Meeting.

5 COMMISSIONER EGGERT: I will move the item.

6 COMMISSIONER BYRON: Second.

7 CHAIRMAN DOUGLAS: All in favor?

8 (Ayes.)

9 VICE CHAIR BOYD: Abstain, not here.

10 CHAIRMAN DOUGLAS: The minutes are approved,
11 with Commissioner Boyd abstaining.

12 Item 17. Are there any Commission
13 Presentations and Discussion?

14 VICE CHAIR BOYD: Very brief comment. I think
15 I mentioned in the past that Secretary Chu had appointed
16 me to the National Petroleum Council. I want to thank my
17 fellow Commissioners for allowing me the rare travel
18 opportunity, to leave the building, even, last week. And
19 my first meeting with the Petroleum Council -

20 COMMISSIONER BYRON: And to load up your own
21 personal credit card with all your travel expenses.

22 VICE CHAIR BOYD: Well, actually DOE will
23 refund this, I am not as worried about that as I would be
24 the ones I am carrying for the State, as the rest of you
25 are. Anyway, we received status reports on the two

1 studies that Secretary Chu had asked the National
2 Petroleum Council to undertake, and they have never done
3 two at the same time before, so one of them is about
4 North America's resource development, and the other is
5 about future transportation fuels. I was added to this
6 second study, I had requested to be added to that study.
7 What we received, as I said, was status reports because
8 those two studies have started, so preliminary planning
9 has gone on for the projects, but they are nowhere into
10 the meat of these, so there will be an opportunity to
11 further the effort. And I was pleased to learn that the
12 other committee, and these committees are large and they
13 have multiple subcommittees, the North American Resource
14 Development Committee reached out to the Energy
15 Commission and asked staff for the Fuels and
16 Transportation Division, namely Peter Ward, to
17 participate in the natural gas component of that
18 particular study, so it is unfortunate this Commission
19 was not involved more deeply in the past, I appreciate
20 Secretary Chu's recognition of California can make a
21 contribution. And as I said before, I would not have
22 participated if I had not studied and seen that, in spite
23 of the name, they really are looking at alternative fuels
24 and what have you, it is not just a petroleum fix. So,
25 more to follow, but thought I should share with you what

1 has happened so far. And thank you for the opportunity
2 of letting me out of the building for a couple of days.

3 CHAIRMAN DOUGLAS: Well, thank you,
4 Commissioner Boyd, and thanks for representing us at that
5 important forum. Are there other reports today?

6 COMMISSIONER WEISENMILLER: Again, I will just
7 be brief. I just wanted to mention that I did meet with
8 the staff of Major General Jackson; unfortunately, his
9 son was in an auto accident over the weekend, so he did
10 not come. I understand he got out of the hospital last
11 night, but, anyway, it was a productive meeting with his
12 staff. I think he will probably be back up in a couple
13 weeks. And also, in terms of combining the sort of
14 Siting and Electricity and Natural Gas Committee, I sort
15 of informed both the utilities and the staff that we are
16 likely to see gas pipeline issues emerge as issues in
17 some of our fossil fuel siting cases and have asked them
18 to think of ways they can help us address the public
19 concerns, assuming they come up.

20 CHAIRMAN DOUGLAS: Thank you, Commissioner.
21 All right, we will move on to Item 18. Chief Counsel's
22 Report.

23 MR. LEVY: Good afternoon, Commissioners. I
24 would like to request a closed session on four items, if
25 you please, Items 18A and B, also to determine whether

1 facts and circumstances exist that warrant initiation of
2 litigation, and to discuss facts and circumstances that
3 constitute a significant exposure to litigation against
4 the Commission. I anticipate about a 45-minute
5 discussion.

6 CHAIRMAN DOUGLAS: Thank you, Mr. Levy. Item
7 19. Executive Director's Report.

8 MS. JONES: In the interest of brevity, I have
9 nothing to report today.

10 CHAIRMAN DOUGLAS: Thank you very much, Ms.
11 Jones. Item 20. Public Advisor's Report.

12 MS. JENNINGS: I have nothing to report, thank
13 you.

14 CHAIRMAN DOUGLAS: All right, thank you. Item
15 21. Is there any public comment? All right, we will
16 move to Executive Session.

17 (Whereupon, at 1:05 p.m., the business meeting was
18 adjourned.)

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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 27th day of September, 2010.



PETER PETTY
CER**D-493
Notary Public