

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

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

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DATE JUL 27 2011
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BUSINESS MEETING
CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 27, 2011

10:05 A.M.

Reported by:
Kent Odell

 ORIGINAL

Commissioners Present

Robert B. Weisenmiller, Chair
James Boyd, Vice Chair
Carla J. Peterman

Staff Present:

Michael Levy
Rob Ogelsby
Jennifer Jennings

	Agenda Item
Craig Hoellwarth	2, 3
Lorraine White	4
Akasha Kaur Khalsa	5
Avtar Bining	6, 7
Tom Colson	7
Anthony Ng	8

Interested Parties

	<u>Item #</u>
Terry Carlone, Synergex	8
Mickey Oros, Altery Systems	8
David Raine, DyoCore	8
Bruce Dawson, Liquid Capital Exchange	8

Proceedings

Items

1. CONSENT CALENDAR 8
 - a. COUNTY OF PLACER. Possible approval of Amendment 1 to Agreement CBG-09-006 with Placer County to shift \$125,203 from lighting material to HVAC equipment for the Placer County Courthouse. The original proposal specified replacement of the chiller compressors only. The cost savings from the lighting project will allow the county to install new chillers and a variable speed drive pumping system and controls. (Moved to the August 10 Business Meeting.)
 - b. CITY OF DINUBA. Possible approval of Amendment 1 to Agreement CBG-09-055 with the City of Dinuba to revise the Scope of Work and the Budget. The city is revising the number of units and locations of its lighting project, removing HVAC control measures, and reallocating \$24,474 from Contract Labor to Non-Labor Contract Expenses. There is no change to the grant amount.
 - c. CITY OF EAST PALO ALTO. Possible approval of Amendment 1 to Agreement CBG-09-025 with the City of East Palo Alto which provided funding for the replacement of street lighting throughout the City of East Palo Alto. This amendment extends the term from September 29, 2011 to June 14, 2012, and revises the budget, reallocating \$96,404 to allow the City's subcontractor to purchase all materials. The grant amount of \$180,214 has not changed.
 - d. . COUNTY OF MONO. Possible approval of Amendment 1 to Agreement CBG-09-026 with Mono County to change the scope of work, revise the budget and extend the term of the agreement. Instead of premium motors with variable frequency drive and voltage interconnections, the county will install HVAC controls, hot water control valves on air handlers, and lighting retrofits. Budget is being reallocated and reduced from a grant amount of \$49,649 to \$49,350. The term of the agreement is extended from November 30, 2011 to June 1, 2012.

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1. CONSENT CALENDAR (Continued).

- f. CITY OF PISMO BEACH. Possible approval of Amendment 2 to Agreement CBG-09-116 with the City of Pismo Beach to change from labor performed by city employees to labor performed by a contractor. The amendment revises the Scope of Work to LED streetlights only, increases the number of streetlights, and extends the term of the agreement to June 14, 2012, to allow time for the changes in the scope to be implemented. (Moved to the August 10 Business Meeting.)
- g. CITY OF BLYTHE: Possible approval of Amendment 1 to Agreement CBG-09-110 with the City of Blythe which provided funding for interior lighting, occupancy sensors, and LED exit sign retrofits within various city-owned facilities. This amendment revises the budget and scope of work by the city's subcontractor and city staff. There is no change in the total amount of the agreement. (Moved to the August 10 Business Meeting.)
- h. GAS TECHNOLOGY INSTITUTE. Possible approval of Amendment 1 to Agreement PIR-09-004 with Gas Technology Institute for a no-cost time extension and to correct errors in the budget rates. There is no change to the scope of work or grant amount.
- i. SOUTHERN CALIFORNIA GAS COMPANY. Possible approval of Amendment 1 to Agreement PIR-07-008 with Southern California Gas Company to revise the work statement and reduce funding by \$435,432 to a total of \$1,048,747 to field test an emissions control sensor for reciprocating natural gas engines. Due to difficulties in finding a host site for testing, the grantee requested that testing of an absorption chiller that integrates with a natural gas engine be removed from the scope of work, with a commensurate reduction in the award. (PIER natural gas funding.)

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1. CONSENT CALENDAR (Continued).
 - j. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Amendment 1 to Contract 500-07-046 with Lawrence Berkeley National Laboratory (LBNL) for a no-cost time extension to allow the contractor to collect additional data on school ventilation and affect on absenteeism. The U.S. Green Building Council will provide \$100,000 to LBNL to cover the additional time for data collection.
 - k. CITY OF MALIBU. Possible approval of the City of Malibu's locally adopted building energy standards to require greater energy efficiency than the 2008 Building Energy Efficiency Standards.
 - l. NATIONAL RENEWABLE ENERGY LABORATORY. Possible approval of Amendment 1 to Contract 500-07-034 with National Renewable Energy Laboratory for a no-cost time extension to September 14, 2012. The project is to develop analysis tools to analyze energy features of buildings, understand the potential statewide energy impacts of building systems, and develop recommendations for future building energy efficiency standards. The time extension will allow the contractor to complete additional development, testing and piloting to deliver a better software product at the end of the contract term.
2. EMPLOYMENT TRAINING PANEL. Possible approval of Amendment 1 to Contract 180-09-002 to recapture \$1,217,471 of under-spent funds from the Employment Training Panel (ETP) for the Clean Energy Workforce Training Program. (ARRA funding.) 8
3. EMPLOYMENT DEVELOPMENT DEPARTMENT. Possible approval of Amendment 1 to Contract 180-09-001 with the Employment Development Department (EDD) to reallocate recaptured funds not to exceed \$1,217,471 from low performing sub-grantees of the Employment Training Panel to high-performing on-the-job training sub-grantees of the EDD. (ARRA funding.) 9

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<p>4. ACCUSTAFF. Possible approval of Contract 200-11-004 for \$74,500 with AccuStaff for temporary support services to assist the Energy Commission's Federal Economic Recovery Program during periods of peak workload. The workload will be uneven, with peak periods where contractor support may be needed for working with stakeholders, funding agreement preparation and dissemination, project monitoring and evaluation, and payment of expenditure claims. (ERPA funding.)</p>	10
<p>5. COUNTY OF IMPERIAL. Possible approval of Agreement 001-11-ECE-ARRA for a loan of \$816,494 to Imperial County to retrofit 288 tons of air handlers and HVAC components at the county Juvenile Detention Complex. Annual energy savings are estimated at \$89,500 annually. The loan is augmented by an Energy Efficiency and Conservation Block Grant and has a simple payback of 9.1 years based on the loan amount. (ECA and ECE-ARRA funding.)</p>	12
<p>6. AMBER KINETICS, INC. Possible approval of Agreement PIR-10-065 for a grant of \$369,466 to Amber Kinetics, Inc., for an accelerated research, development and demonstration program for an innovative utility-scale flywheel energy storage system. The award will be cost-share for the recipient's American Recovery and Reinvestment Act of 2009 award. (PIER electricity funding.)</p>	13
<p>7. ENERVULT CORPORATION. Possible approval of Agreement PIR-10-066 for a grant of \$476,428 to EnerVault Corporation to demonstrate the commercial viability of EnerVault's novel iron-chromium redox flow battery energy storage system with a dual-tracking photovoltaic system. This award will supplement the recipient's American Recovery and Reinvestment Act of 2009 award. (PIER electricity funding.)</p>	16
<p>8. PALMDALE HYBRID POWER PROJECT (Docket No. 08-AFC-9). POSTPONED Possible adoption of the Presiding Member's Proposed Decision on the Palmdale Hybrid Power Project and Errata. The proposed Palmdale Hybrid Power Project is a hybrid natural gas-fired combined cycle and solar thermal generator, located northwest of the Los Angeles/Palmdale Regional Airport in the City of Palmdale. (Moved to the August 10 Business Meeting.)</p>	

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9. INFORMATIONAL ITEM: EMERGING RENEWABLES PROGRAM. Update on the suspension of the Emerging Renewables Program, including the review and processing of pending applications for program funding, the development of proposed revisions to program guidelines, and the review of other program-related issues. The Emerging Renewables Program was suspended on March 4, 2011, to address deficiencies with program requirements.	20
10. Minutes:	42
a. Possible approval of the July 13, 2011, Business Meeting Minutes.	
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P R O C E E D I N G S

JULY 27, 2011 10:05 a.m.

CHAIRMAN WEISENMILLER: Good morning. Let's start this Business Meeting with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: Good morning. First let me announce a number of Items that are being held, basically moved until the 10th. On the Consent Calendar, Items A, E, F, I and J are being moved to the next Business Meeting. And, also, Item Number 8 is also being moved to the August 10th Business Meeting. And I think that was noted on the Agenda. Okay. So with that, let's consider the Consent Calendar. And, again, this is the Consent Calendar except for A, E, F I and J.

COMMISSIONER BOYD: I'll move the Consent Calendar with the exceptions of the Items that the Chair just noted.

COMMISSIONER PETERMAN: I'll second.

CHAIRMAN WEISENMILLER: All those in favor? (Ayes) Passes unanimously. Let's go to Item number 2 which is the Employment Training Panel. Chris? This is for \$1,217,471 and this is ARRA

1 funding.

2 MR. HOELLWARTH: Good morning, Mr. Chairman,
3 Commissioners. My name is Craig Hoellwarth. I'm the
4 Supervisor for High Performance Buildings in the High
5 Performance Buildings and Standards Development
6 Office. And this is Chris Graillat who's the Project
7 Manager for the Clean Energy Workforce Training
8 Program. And we're bringing both Items number 2 and 3
9 to you. They're both linked.

10 We're here to request approval for Items 2
11 and 3 which are linked. In the first we are
12 requesting approval of Amendment 1 to our contract
13 with the Employment Training Panel, ETP. We're doing
14 this to recapture \$1,217,471 from eight
15 underperforming ETP sub-grantees in the program.

16 And in the second Item, we are requesting
17 approval of Amendment 1 to our contract with EDD to
18 distribute the recaptured \$1,217,471 funds to five
19 high performing EDD sub-grantees.

20 We expect to come back to you at a future
21 Business Meeting to identify additional recaptured
22 funds from underperforming programs and move them to
23 those that are performing at a high level.

24 With that, are there any questions?

25 CHAIRMAN WEISENMILLER: Thank you. Let me

1 first ask the General Counsel, if we can address 2 and
2 3 at the same time?

3 MR. LEVY: Yes, you certainly can as long as
4 we're sure that no commentors--or that you have taken
5 all the commentors for both Items.

6 CHAIRMAN WEISENMILLER: Okay.
7 Commissioners, do you have any questions about Items 2
8 and 3?

9 COMMISSIONER BOYD: No questions. On that
10 basis, I'll make a Motion to approve Items 2 and 3 as
11 just reviewed for us by staff.

12 COMMISSIONER PETERMAN: I'll second.

13 CHAIRMAN WEISENMILLER: All those in favor?
14 (Ayes.) Both of these Items passed.

15 MR. HOELLWARTH: Thank you.

16 CHAIRMAN WEISENMILLER: Let's go to Item
17 number 4 which is Accustaff which is a contract for
18 \$74,500 of ERPA funding and this is going to be
19 Lorraine.

20 MS. WHITE: Good morning, Chairman.
21 Commissioners. I'm here to request approval of
22 Contract 200-11-004 in the amount of \$74,500 to fund
23 temp support services. This contract is necessary to
24 help us finish out the stimulus related federal
25 program work that we've been engaged here at the

1 Commission for some time now. In particular, this
2 contract will help us close out the rebate program and
3 do so successfully ensuring quality and a timely
4 expenditure of the \$35,200,000 money.

5 If you have any questions, I'd be happy to
6 answer them.

7 CHAIRMAN WEISENMILLER: Thank you.

8 Commissioners, any questions or comments?

9 COMMISSIONER BOYD: No questions, although
10 a comment. Lorraine's probably very elated to say "to
11 close out" this program but with that-

12 MS. WHITE: Yes, quite.

13 COMMISSIONER BOYD: If there's no public
14 comment-

15 COMMISSIONER PETERMAN: No. I'm just
16 supportive as well. If there's anything that we can
17 continue to do to provide funding and support and
18 close the programs. So I second Commissioner Boyd's
19 comments.

20 COMMISSIONER BOYD: I was going to let you
21 make the motion but-

22 COMMISSIONER PETERMAN: Well, I'll second
23 his comments and make the Motion. I make the motion
24 to move Item 4.

25 COMMISSIONER BOYD: I'll second your motion.

1 CHAIRMAN WEISENMILLER: All those in favor?

2 (Ayes.) This Item also passes unanimously.

3 MS. WHITE: Thank you.

4 CHAIRMAN WEISENMILLER: Thank you. Item
5 number 5, County of Imperial. This is an agreement
6 for \$816,494 and this is ECA and ECA-ARRA funding.
7 Akasha?

8 MS. KAUR KHALSA: Hi. My name is Akasha
9 Kaur Khalsa. I work in the Special Projects Office.
10 The County of Imperial has a juvenile detention
11 complex with three buildings that's desperately in
12 need of a central system air conditioning retrofit.
13 And it's vital that this loan for \$800,000 be offered
14 to them. It will have annual energy savings of
15 approximately \$89,500 each year. And through this
16 energy savings, the county will be able to pay back
17 the loan at no cost to the taxpayers. It's about a
18 9.1 year simple payback amount. And it's being
19 supported by a grant in addition, an ECCBG grant,
20 because the total project is \$1,006,000.

21 CHAIRMAN WEISENMILLER: Thank you.
22 Commissioners, do you have any questions or comments
23 on this Item?

24 COMMISSIONER BOYD: No questions. I'll move
25 approval of the Item and note that it's another

1 project of the Special Projects Office.

2 COMMISSIONER PETERMAN: I'll just also note
3 that I think that this is a good project and I hope
4 that there's an opportunity for those in the juvenile
5 justice center to learn about the energy efficiency
6 upgrades that are being done. This is a population
7 that I worked with in New Jersey and there's real
8 opportunity for energy education as well and so, with
9 that, I'll second the motion.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.) This Item passes unanimously.

12 COMMISSIONER BOYD: I think the Commissioner
13 had an outstanding suggestion there in that this be
14 packaged with an education package for all residents
15 to learn about these types of things.

16 CHAIRMAN WEISENMILLER: Thank you. Number 6
17 is Amber Kinetics and this is \$369,466 and this is
18 PIER electricity funding. Avtar?

19 MR. BINING: Good morning, Chairman and good
20 morning, Commissioners. Good morning, everybody. My
21 name is Avtar Bining and I manage the Energy Storage
22 Program and the American Recovery and Reinvestment Act
23 projects on Smart Grid and Energy Storage at the
24 Energy Commission. This project is out of ARRA
25 funding.

1 Under this agreement, Amber Kinetics in
2 Fremont, California will develop and demonstrate a
3 low-cost and high efficiency Utility-Scale Flywheel
4 Energy Storage system. The Amber Kinetics flywheel
5 system will use less costly composite flywheel rotor
6 materials, magnetic bearing systems, and high
7 efficiency motor-generators to demonstrate and prove
8 the cost effectiveness of wide scale deployment of
9 flywheel energy storage systems for utility-scale
10 applications. The goal of this project is to clearly
11 demonstrate the commercial and technical viability of
12 bulk flywheel energy storage and renewable energy
13 integration for the electric grid enabling the 33
14 percent renewables by 2020 goal in California. The
15 term of the agreement is about 45 months.

16 This agreement is an essential part of Amber
17 Kinetics' about \$10 million Utility-Scale Flywheel
18 Energy Storage Demonstration Project. For this
19 project, the Amber Kinetics received \$3.7 million in
20 American Recovery and Reinvestment Act award from the
21 U.S. Department of Energy. Amber Kinetics is
22 contributing \$5.94 million as a match for this
23 project. The term, as I mentioned, of this agreement
24 is about 45 months. I request your approval of this
25 agreement. And I will be happy to answer your

1 questions that you may have for me. Thanks.

2 CHAIRMAN WEISENMILLER: Thank you.

3 Commissioners, any questions or comments?

4 COMMISSIONER BOYD: I would comment that, of
5 course, we reviewed this in the R&D Committee awhile
6 back and the Committee recommended that it be brought
7 forward to the full Commission. I would further
8 comment that I have been watching flywheel technology
9 development for way too long. And what—and it hasn't,
10 it's like other technologies that I've watched that
11 never quite seem to materialize. What was interesting
12 about this was a somewhat different approach that
13 might lower the cost. That's what we do in R&D and I
14 think that this is a good approach.

15 Flywheels have seemed to have had
16 academically logical application that has never
17 practically worked out for both energy storage for
18 stationary or for generation purposes, and for even in
19 mobile sources. And, I guess, I've watched this for
20 two decades and nothing has happened.

21 This is hopefully the breakthrough that we
22 need so I'm prepared to move approval of the Item.

23 COMMISSIONER PETERMAN: I'll also just note,
24 thank you to Commissioner Boyd and the Research
25 Committee for identifying an innovative project in

1 this space. I participated in Storage Week, a
2 conference, a few weeks ago and a key theme that
3 emerged from that was the role that the Energy
4 Commission, and particularly the PIER program, has
5 played in promoting storage technologies and how
6 valuable that has been in terms of increasing scale
7 and reducing cost; and, so, I support this project as
8 well as another one that supports that initiative.

9 So, was that a motion, Commissioner Boyd?

10 COMMISSIONER BOYD: Yes, it was.

11 COMMISSIONER PETERMAN: I'll second that.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.) This Item passes unanimously.

14 Thank you.

15 COMMISSIONER BOYD: Maybe a transcript of
16 the meeting the Commissioner attending can be dropped
17 off at the Legislature?

18 COMMISSIONER PETERMAN: I'll do my best.

19 [LAUGHTER.]

20 CHAIRMAN WEISENMILLER: Item number 7 is
21 EnerVault Corp and this is for \$476,428, this is PIER
22 electricity funding. This is Avtar again.

23 MR. BINING: Good morning, again. This is
24 also an ARRA project. Under this agreement, EnerVault
25 Corporation in Sunnyvale, California, along with its

1 key partner Ktech Corporation in Albuquerque, New
2 Mexico, will develop and demonstrate a novel Iron-
3 Chromium redox flow battery energy storage system.
4 This demonstration comprises of integrating
5 EnerVault's 250kW-1MWH Vault-20 BESS with an
6 intermittent renewable energy source - a 150 kW dual-
7 axis photovoltaic system in Snelling, California. The
8 system expected to have about a 77 percent net
9 efficiency and a high volume production cost of less
10 than \$90/kWh when manufactured in the U.S. This
11 project will demonstrate the commercial viability of a
12 redox flow battery system that dramatically reduces
13 the cost of storing electricity using inherently safe
14 battery chemistry, thereby enabling widespread
15 adoption of distributed renewable energy and energy
16 storage systems. This will also help integrate
17 renewables such as photovoltaics necessary for
18 achieving 33 percent renewable portfolio standard by
19 2020 in California. EnerVault will work with the
20 United States Department of Energy, Ktech Corporation,
21 Poly-Flow Engineering, LLC, Montpelier Nut Company,
22 Montpelier Nut Company is the one that owns this
23 photovoltaic system in Snelling, and JKB Energy to
24 install, commission, and evaluate the integrated
25 energy storage system in California.

1 Again, this agreement is also an essential
2 part of the Ktech Corporation's \$9.53 million project
3 - Flow Battery Solution for Smart Grid Renewable
4 Energy Applications, with EnerVault as a key-partner.
5 For this project, Ktech received \$4.76 million in
6 American Recovery and Reinvestment Act award from the
7 U.S. Department of Energy. EnerVault is contributing
8 \$4.3 million for this project. I request your
9 approval of this agreement and I believe Mr. Tom
10 Colson, he's assigned online, and we'd be happy to
11 answer any questions that you might have. Thank you.

12 CHAIRMAN WEISENMILLER: Tom, are you on the
13 line now? Yes? Okay. Mr. Colson, would you like to
14 say a few words about this project and the grant?

15 MR. COLSON: I think that Mr. Bining did a
16 great job of summarizing the project so I don't have
17 any specific comments for you. I wanted to make
18 myself available to the Commission if any of the
19 Commissioners had any questions. But I would
20 reiterate that the previous comments made by the
21 Commissioner regarding the active participation of the
22 Commission in pushing forward with these novel energy
23 storage technologies and want to express EnerVault's
24 appreciation for the Commissioner's role there.

25 CHAIRMAN WEISENMILLER: Commissioners, any

1 questions?

2 COMMISSIONER BOYD: No questions. Again,
3 this was reviewed in the Research and Development
4 Committee which has forwarded to the Commission with a
5 recommendation for consideration. I'll move approval
6 of the Item.

7 CHAIRMAN WEISENMILLER: First, let me thank
8 the gentleman for being on the line. We appreciate
9 your availability to answer any questions.

10 COMMISSIONER PETERMAN: I hope that you're
11 able to demonstrate commercial viability and so I will
12 second that motion Commissioner Boyd.

13 COMMISSIONER BOYD: Thank you. I'll look to
14 the Commissioner to check it out someday in the future
15 to see whether it worked or not.

16 COMMISSIONER PETERMAN: Will do.

17 CHAIRMAN WEISENMILLER: Okay. All those in
18 favor of this motion?

19 (Ayes.) This passes unanimously. Thank
20 you, Avtar.

21 MR. BINING: Thank you.

22 CHAIRMAN WEISENMILLER: As indicated
23 earlier, Item 8 has been held. Item 9. This is an
24 informational Item. This is the Emerging Renewables
25 Program. This is an update on the suspension of the

1 Emerging Renewables Program including the review and
2 processing of pending applications for program
3 funding, the development of proposed revisions to the
4 program guidelines and review of other program related
5 issues. Anthony Ng? Hello.

6 MR. NG: Morning, Chairman. Morning,
7 Commissioners. My name is Anthony Ng with the
8 Renewable Energy Office and I'm here today to provide
9 an update on staff's efforts with the Emerging
10 Renewables Program.

11 A brief update was given at the last
12 Business Meeting on July 13 on some of the topics that
13 staff is looking at and the latest revision of the ERP
14 Guidebook. These topics include, but are not limited
15 to, setting a ceiling on rebate amounts, splitting
16 rebate payments into multiple installments,
17 establishing separate funding pots for wind and fuel
18 cells, requiring third-party certification for
19 equipment eligibility and establishing a process for
20 de-listing equipment from program eligibility.

21 Last Friday, staff released a public notice
22 announcing a staff workshop to be held on August 3 to
23 discuss these possible changes to the ERP Guidebook
24 and solicit input from stakeholders.

25 I'm here today to provide an update on some

1 of the activities that staff has been engaged in
2 outside the revisions of the Guidebook but related to
3 the ERP. In the course of updating the ERP Guidebook
4 to address the efficiencies addressed in the original
5 ERP suspension notice, several stakeholders contacted
6 staff with allegations that the power rating of a
7 particular small wind turbine on the Energy
8 Commission's list of eligible equipment was
9 significantly overstated. The turbine in question,
10 the SolAir Model Number S80015DC, manufactured by
11 DyoCore Inc., is currently listed on the Commission's
12 list of eligible equipment with a rated output of 1.6
13 kilowatts at 18 miles an hour. The turbine was listed
14 by the Commission with this rated output based on
15 confirmation and data DyoCore submitted to the
16 Commission in April and May of 2010.

17 Multiple stakeholders have alleged that this
18 rated output is an over statement of what the SolAir
19 turbine can generate at that wind speed. Staff
20 proceeded by investigating this matter further, given
21 that a significant amount of rebate's applications for
22 systems using SolAir turbines were received by staff
23 in the weeks leading up to the suspension of the
24 program.

25 Since the ERP rebate is based on the

1 generating capacity of the system, these applications
2 represented a significant amount of program funds.
3 Staff directed its technical contract to KEMA to do an
4 analysis on the information and data submitted to the
5 Commission by DyoCore and available from DyoCore's
6 website to assess the reasonableness of the 1.6
7 kilowatt rating of the SolAir turbine.

8 KEMA's analysis concludes that the SolAir
9 turbine rating of 1.6 kilowatt power output at 18
10 miles an hour represents a significant overstatement
11 of the turbine's power output given the theoretical
12 maximum power output available at that wind speed.

13 The KEMA analysis also shows that DyoCore's
14 claim of 1.6 kilowatt power output at 18 miles an hour
15 is 7.5 times greater than the theoretical maximum
16 power output at the wind speed and 9 times greater
17 than the power output of an optimal state-of-the-art
18 turbine rotor with the same diameter as the SolAir
19 turbine.

20 Given the discrepancy between the stated
21 power output of the SolAir turbine as represented by
22 DyoCore to the Commission, and a result of KEMA's
23 analysis and the significant number of rebate
24 applications received by the Commission for systems
25 using the SolAir turbine representing a significant

1 amount of ERP funds, Commission staff, through the
2 Executive Director, has filed a complaint against
3 DyoCore pursuant to the California Code of
4 Regulations, Title 20, Section 1231.

5 Section 1231 permits any person, including
6 Commission Staff, to file a complaint alleging a
7 violation of a statute, regulation, order, program or
8 decision adopted, administered or enforced by the
9 Commission.

10 Section 1231—The Section 1231 complaint
11 alleges that DyoCore violated the intent of the ERP
12 Program and, in particular, Appendix 3, Section A2 of
13 the ERP Guidebook by submitting grossly overstated
14 information regarding the performance characteristics
15 of the SolAir turbine in order to have the SolAir
16 turbine listed by the Commission as an eligible—as
17 eligible for use under the ERP.

18 The Section 1231 complaint requests that the
19 SolAir turbine be immediately removed from the
20 Commission's list of eligible equipment for the ERP,
21 that the Commission provide guidance regarding the
22 resolution of applications for rebate reservations and
23 payment requests for systems using the SolAir turbine,
24 that the Commission take such action as necessary to
25 recover ERP funds for ERP rebates paid for systems

1 using the SolAir turbine and that the matter be
2 referred to the California Attorney General for
3 Investigation and prosecution, if appropriate.

4 The Section 1231 complaint was filed with
5 the Commissioner's Chief Counsel on July 26, 2011 and
6 will be considered for completeness and merit in
7 accordance with the California Code of Regulations,
8 Title 20, Section 1232.

9 If the claim is determined to be sufficient,
10 it will be served upon DyoCore in accordance with
11 Section 1232.

12 A Commission Committee may then be assigned
13 by the Commission to conduct a proceeding to consider
14 the complaint. All pending applications for rebates
15 payments or reservations for systems using the SolAir
16 turbine will be on hold pending the outcome of the
17 1231 complaint.

18 Commission staff will notify applicants of
19 this in the near future when it informs them of the
20 complaint against DyoCore. All pending applications
21 for rebates or reservations for systems using eligible
22 turbines other than the SolAir that are otherwise complete
23 will be processed in accordance with the Commission's
24 original suspension notice of the ERP.

25 Commission staff will notify these

1 applicants of this in the near future.

2 While this extra delay of the ERP suspension
3 is unfortunate, staff believes it is necessary in
4 order to ensure the Energy Commission's due diligence
5 in providing adequate over sight of the ERP program.
6 Staff will continue to work through these issues as
7 well as revise the ERP Guidebook to address the
8 original program deficiencies that led to the ERP
9 suspension.

10 This concludes my update of the Emerging
11 Renewables Program. And I can answer any questions
12 that you may have. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you. I think
14 we have a number of public comments. Let's hear
15 those now at this stage. Let's start with Terry
16 Carlone. Would you please identify yourself for the
17 record?

18 MR. CARLONE: Sure. Thank you very much.
19 I'm Terry Carlone. For information purposes, I am a
20 Director of Alteryg Systems which is a fuel cell
21 operator but I'm here as a Director of Synergex
22 Ventures which is a recently established venture fund
23 that invests in emerging renewables opportunities.

24 The comment that I would have is that while
25 we understand that there were program deficiencies,

1 mostly as they relate to the wind systems in the
2 program, I would ask the Commission as we work through
3 the workshop to not throw the baby out with the
4 bathwater. There are some proposals that are made in
5 the draft guidebook that ignore some of the
6 differences between fuel cells and wind systems that,
7 if adopted, also for the fuel cell industry, could
8 make it economically unviable for fuel cells to
9 participate meaningfully in the system.

10 And, also, to provide us an opportunity at
11 that time to address some of these issues in a
12 meaningful way. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you. Mickey
14 Oros from Alteryx Systems.

15 MR. OROS: I would like to thank the
16 Commissioners for the time granted since my last visit
17 with you on March 4 when the suspension was first
18 known.

19 My name is Mickey Oros. I am Senior Vice
20 President of Business Development and a founding
21 member at Alteryx Systems. We are a California-based
22 fuel cell manufacturer, located here in Folsom. And
23 we have been contributing to California's economy
24 since 2001.

25 Regarding ERP's temporary suspension of its

1 program due to the deficiencies, Alteryg requests that
2 you reevaluate several of the points in the recent
3 revised draft of the Guidebook. And I have summarized
4 these as follows:

5 1.) That the proposed limit of 20 applications
6 on file at any one time does not work for
7 the fuel cell industry; in any event, does
8 not promote the goals of the ERP. As an
9 example, small wind retailers may sell only
10 one unit to an individual homeowner at a
11 time. Whereas, Alteryg sells and deploys in
12 very large lots to its clients which is well
13 in excess of the 20 apps limit.

14 2.) The proposed 50 percent cap on the rebate
15 unfairly penalizes most efficient fuel cell
16 companies. In particular, it would penalize
17 Alteryg, one of the lowest cost fuel cell
18 manufacturers and, by the way, the only fuel
19 of California-based fuel cell manufacturers
20 that is certified under the ERP. We suggest
21 a sliding cap for the next few years until
22 product volumes raise and manufacturing
23 costs come down even further.

24 3.) We ask that the CEC's ERP adopt an
25 additional benefit for California

1 manufacturers much like that in the SGIP
2 program. And what they did for fuel cells
3 designed and produced here in California,
4 wherein an additional 20 percent rebate is
5 offered. This would be as such that taking
6 the \$3 / watt that you do have, a 20 percent
7 would given an additional \$.60 in the
8 incentive program.

9 4.) The fuel cell companies like Alteryg and
10 their customers, who have in good faith
11 expended years and significant funds to
12 comply with the existing program, should be
13 offered the same 30 day courtesy offered to
14 the wind industry by the newly drafted
15 guidebook. In other words, if any changes
16 are made to the ERP, the ERP as it existed
17 at the time of suspension should apply to
18 any fuel cell system applications filed
19 within 30 days after the new guidebook is
20 adopted.

21 Alteryg is expecting to participate in the
22 upcoming workshop and these comments made today about
23 the recent release draft of the guidebook will be
24 discussed with the staff in a much more thorough
25 setting. But it is important to remember that the ERP

1 suspension was related to the concerns of the wind
2 industry, not fuel cells. Alteryg has fiercely
3 adhered to both the letter and the spirit of ERP.
4 Therefore, it concerns me that some of these changes
5 in the draft guidebook could harm fuel cell
6 manufactures in this state at a time when the Governor
7 and legislatures are trying to establish California as
8 the best in the world to establish end road technology
9 based renewable companies, energy companies.

10 Please consider these points addressed by
11 Alteryg. This prolong change to the guidebook by the
12 Committee has put undue strain on Alteryg after
13 spending some 20-22 months now of negotiations,
14 component designs, collaborations with fuel providers
15 to bring fuel cells and its renewable hydrogen fuel to
16 this burgeoning California industry.

17 As a California based company with a
18 promising future in alternative renewable generator
19 market, we need the ERP's assistance to compete
20 against the pollutant diesel generators in the present
21 day marketplace.

22 This incentive allows our fuel cells-

23 CHAIRMAN WEISENMILLER: Uh, Sir. You have
24 three minutes. Could you please-

25 MR. OROS: I have two more sentences.

1 CHAIRMAN WEISENMILLER: Great. Thank you.

2 MR. OROS: This incentive allows our fuel
3 cells to be priced competitively to that of the diesel
4 generator and as a result it affords Alteryx to bring
5 to market a clean, zero emission product long sought
6 after by the masses. Once the market is launched and
7 volumes kicked in, it won't take much for the public
8 to make the right choice and the ERP program will no
9 longer be needed. Thank you very much.

10 CHAIRMAN WEISENMILLER: Thank you for your
11 public comment. I think—obviously, it will be very
12 important to participate in the guidebook development.
13 That's not what we're dealing with today but we
14 certainly appreciate the head's up on your concerns
15 there. I would note that at the last Business
16 Meeting, Commissioner Peterman gave an update on the
17 overall status of the program. I would suggest that
18 you look at the transcript on that.

19 MR. OROS: Yes, thank you.

20 CHAIRMAN WEISENMILLER: Next speaker is
21 David Raine. Are you on the phone?

22 MR. RAINE: Yes, I am here. My name is
23 David Raine. I am the CTO of DyoCore. I appreciate
24 your time and consideration in allowing us to respond.
25 We've unfortunately only received notice of the

1 intention of the CEC towards our suspension late
2 yesterday evening and have really not gone—not had the
3 opportunity to go through it and prepare a formal
4 response. So far, under our brief review of the
5 filing and the accusations that have been presented
6 and spoken here at this meeting, we basically want to
7 contend that all of them are misleading, all of them
8 are false. We have acted with nothing but the best
9 integrity and honorably.

10 We qualified for a program that we did not
11 write. We did not have any say so in the use of our
12 data as submitted and the actual posting of that data
13 on the CEC site. We are basically only a player in
14 the CEC program and we've acted in every aspect
15 honorably throughout the process.

16 Now, directly pertaining any listing or
17 rating that we obtained, we did not create that
18 rating. That rating was given to us by KEMA. It was
19 our understanding that that rating was an annual wind
20 speed performance rating. That has nothing to do with
21 the base law. In fact, it couldn't be farthest from
22 the base law.

23 CHAIRMAN WEISENMILLER: Sir. Today, we're
24 not really dealing with the nature of the complaint.
25 I can certainly—Michael, would you just kind of

1 describe the process? We certainly appreciate your
2 general comments but you don't really have to--this is
3 not the time or place necessarily to litigate the
4 complaint and we don't have that in front of us at
5 this stage. Certainly, I understand your need to
6 comment on this in the public. Michael, could you
7 just kind of describe the process and obviously, once
8 you have the process in mind, then sir, you can
9 continue. Michael Levy is our Chief Counsel.

10 MR. LEVY: Certainly.

11 CHAIRMAN WEISENMILLER: Hang on one second.

12 MR. RAINE: Absolutely.

13 MR. LEVY: Certainly, Commissioners. The
14 nature of the process is that it's similar to your
15 citing process. Under 1231 of our regulations, the
16 Executive Director may file a complaint which I'm in
17 receipt of since last night. I'm also in receipt of a
18 preliminary response by DyoCore.

19 So what happens at this stage is that your
20 house counsel attorneys, in consultation with the
21 Chair, will make a recommendation and the Chair will
22 make a determination about whether or not the
23 complaint states an adequate claim against the entity,
24 the respondent, DyoCore.

25 If you determine that it does, you will

1 order the complaint to be served and the Commission
2 may then appoint a Committee, if it chooses to do so,
3 to hear it. And then it will convene a public
4 hearing, give DyoCore an opportunity to file an answer
5 to the complaint and the public will have an
6 opportunity to participate in that process as well so
7 you'll have 30 days from yesterday to make that
8 determination, Mr. Chairman. And then after that
9 point there will be three weeks for the respondent to
10 file a formal answer. Again, if you order the
11 complaint to be served.

12 CHAIRMAN WEISENMILLER: Okay. Thank you.
13 So, at this time, neither I nor the other
14 Commissioners have seen the complaint but with that
15 context, I think you can certainly go forward on your
16 comments.

17 MR. LEVY: If I may make one more point,
18 Commissioners, which is nothing that--while DyoCore may
19 talk right now generally in response to this staff
20 report of what they heard, nothing that DyoCore says
21 or what staff said will be part of the proceeding.
22 The proceeding will be on its own specific record if a
23 proceeding is commenced.

24 CHAIRMAN WEISENMILLER: Thank you.

25 MR. RAINE: Basically what we're asking for

1 is a contention has been made based on allegations
2 obviously that we feel are false. We request that the
3 Board or the Committee take into considerations that
4 this is a program that we did not qualify ourselves
5 for, you qualified us for, or the CEC directly. In
6 that, we have distributors out there, we have our
7 manufacturing facility; we have hundreds if not
8 upwards of thousands based on your numbers, of
9 residences that qualified for this program under the
10 good faith. If anybody's done anything wrong, CEC
11 misappropriately posted our data and our material. We
12 requests that 60 days, 30 days or even 120 days is too
13 long. This is absolutely an exorbitant amount of time
14 to make these individuals wait on these deposits,
15 financing and funds that were made available to all
16 these companies under good faith that the CEC would
17 act honorably with their intentions pertaining
18 qualifications that they gave us and other companies
19 that made these listings.

20 So, my request is that this process is
21 expedited as quickly as possible so both of us can
22 move about in direction to a resolution. And there's
23 a simple resolution to this, I hope that you have an
24 opportunity to read my response, and I'd be happy to
25 answer any questions. Thanks again for your time.

1 CHAIRMAN WEISENMILLER: Certainly. Thank
2 you for your comments. As I said, as we move forward
3 and look at the complaint, you'll certainly have the
4 full opportunity to respond and address this as it is
5 a very serious issue for you. Next speaker will be
6 Bruce Dawson, if you're on the line?

7 MR. DAWSON: Yes, I'm on the line. I
8 actually want to echo the last part of that comment.

9 CHAIRMAN WEISENMILLER: Would you please
10 identify your company?

11 MR. DAWSON: I'm Bruce Dawson. I'm with
12 Liquid Capital Exchange. We financed quite a few of
13 these projects based on the program that was approved,
14 and, in fact every application of this technology that
15 was installed prior to financing we had requested a
16 review by staff of the renewable energy group and they
17 approved everyone saying, "Yes, this applies." And,
18 "Yes, go ahead and submit the documents because
19 they're all accurate and in place." So, now we've
20 been calling for days, 3-4 days leaving dozens of
21 messages that no one returned and I'm getting the
22 impression that after it's been approved and the
23 installations have been done and the money has been
24 spent and California has kind of moved organizations
25 and small companies to invest, there's a retroactive

1 response to not paying the bills that have been
2 approved. And I really don't know how to go about
3 this except that it's going to put a severe burden on
4 our company and could actually cause our company to
5 fail if these aren't paid. So I don't really know the
6 response. I'm really disappointed that no one in the
7 Renewable Group would return any calls all this week.
8 I just by accident found out about the hearing today.
9 So it seems to me like folks are hiding and it's very
10 difficult for us to know how to address our financial
11 condition now that the program was approved and
12 installations were approved and now, all of a sudden,
13 it's like well, it doesn't matter anymore. And we
14 don't know how to respond. So how do we get
15 information? How do we know what to do next?

16 MR. LEVY: Mr. Chairman, if I may address
17 that? Every stakeholder may communicate with the
18 Executive Director about both the status of the ERP
19 program and also the status of the complaint moving
20 forward. Staff on both sides of the wall, the
21 Commission side and the Prosecution side, are very
22 well of the ERP program. It takes this complaint and
23 every complaint very seriously and has every intention
24 to move expeditiously. So the gentleman on the phone
25 and DyoCore will certainly receive notice one way or

1 the other with whatever the Chair decides to do with
2 the complaint after due consideration, but again, we
3 have every intention of moving expeditiously.

4 CHAIRMAN WEISENMILLER: Thank you. And,
5 again, I would point everyone to look at the
6 transcript of the last Business Meeting and
7 Commissioner Peterman's general conversation about the
8 program.

9 COMMISSIONER BOYD: And this is Commissioner
10 Boyd. I would hope that somebody returns the
11 gentleman's phone calls, it's a common courtesy.

12 MR. OGELSBY: If I could respond to that,
13 Commissioner Boyd. One of the things that one has to
14 be careful of in these types of things is to not
15 disrupt an investigation by revealing information
16 while it's in progress. So I think there was
17 reluctance by staff to get ahead of the process.
18 We're now at a point where everyone knows what's going
19 on all at the same time in a public setting and we can
20 proceed fairly from there.

21 COMMISSIONER BOYD: Thank you.

22 CHAIRMAN WEISENMILLER: Is there anyone else
23 on the phone? Commissioners, any questions or
24 comments for staff or for folks in the audience or on
25 the phone?

1 COMMISSIONER PETERMAN: I don't have any--
2 this is Commissioner Peterman. I don't have any
3 questions. I will offer a comment or two. Number one
4 I respect staff's decision to bring this action before
5 the Chairman and will continue to follow how this
6 plays out.

7 Thank you to everyone who's provided
8 comments in particular those who are with us in person
9 today. Commissioner Boyd and I and the Renewables
10 Committee will continue to work on restoring the ERP
11 program as quickly as possible. I encourage everyone
12 who would like to participate to participate in the
13 upcoming workshop. We value the feedback that we've
14 gotten from stakeholders at a previous workshop we had
15 on the guidebook was very informative and those
16 comments were considered in this draft version of the
17 guidebook.

18 We are, of course, committed to deploying
19 clean energy; particularly, distributed clean energy
20 in the state. I was just at a conference on the
21 subject over the last couple of days and the ERP
22 program is a part of that process. So we look
23 forward, as the Chief Counsel noted, moving forward
24 expeditiously on these issues.

25 COMMISSIONER BOYD: Mr. Chairman, a brief

1 comment. I want to assure the gentleman who were
2 concerned about the collateral damage or the effect of
3 the issue that is before us today on other aspects of
4 the Emerging Renewables Program, specifically the
5 small fuel cell folks, I would, not that this is a
6 great consolation, but I would indicate to those
7 folks, Mr. Oros and others, when Commissioner Peterman
8 and I were first introduced to the concerns about the
9 Emerging Renewables Program and the possible need to
10 suspend it, we were concerned about the effect on
11 other programs; in particular, the small fuel cell
12 business and the small fuel cell programs. So rest
13 assured we are conscious of this issue, we will deal
14 with this as a Commission as best we can. Some of us
15 are particularly committed to the fuel cell technology
16 and are anxious to see that that technology is moved
17 forward. So as we resolve this issue, and as the
18 Commission and the Chairman some future committee deal
19 with it, I'm sure we will continue to try to see that
20 the small fuel cell business is not adversely affected
21 and can carry on in the future. I'm particularly
22 interested because of late, we've had a lot of
23 interest expressed in the technology of small fuel
24 cells after nurturing it for years and so we don't
25 want to lose that inertia, let's just say. So we are

1 conscious of that and we will do everything in our
2 power to deal with that.

3 COMMISSIONER PETERMAN: I'll just also add
4 addressing these deficiencies in the guidebook will
5 help to strengthen the program and the opportunities
6 for all players as well as protect the ratepayer
7 investment that we have been mandated to oversee.

8 CHAIRMAN WEISENMILLER: Thank you. I was
9 just going to say that I've obviously spent decades
10 trying to move the state forward on renewables and
11 take very seriously my obligation to look at the
12 complaint and move forward in an expeditious fashion.
13 It's—given the budget times that we're in in
14 California, it's very, very important, particularly as
15 legislature is looking at extending this program, that
16 we can convince them that we're spending the money as
17 effectively as we can. And particularly to get
18 renewable generation in the ground and to get
19 manufacturing in California. But we have to convince
20 the legislature that this program merits its
21 extension. So, again, we take our obligations very
22 seriously on this and I would note that on the fourth,
23 when we suspended the program, was Commissioner
24 Peterman's first day, first actually Business Meeting,
25 not first day, fourth day, and she has stepped into

1 the breach and certainly has moved forward very
2 expeditiously. It's a good time to—I think she was
3 forced to do the top to bottom review of the guidebook
4 and find where it needed enhancements so anyway we
5 certainly appreciate her stepping forward to deal with
6 these tough issues.

7 COMMISSIONER PETERMAN: Thank you, Chairman.
8 I also appreciated the continual support from
9 Commissioner Boyd who also serves with me on the
10 Committee. Thank you.

11 MR. OGELSBY: Mr. Chairman, if I could also
12 add a comment reflecting a little bit more on my last
13 response. I think there's a difference between not
14 returning calls as all and acknowledging calls that
15 come in requesting information and I think it's
16 important that staff not release on a random basis
17 information before it's ripe at the same time, I'd
18 like to make sure that staff is responsive to at least
19 acknowledging calls and we'll work on that.

20 CHAIRMAN WEISENMILLER: That'd be good.
21 Also, remind the public that we do have a public
22 advisor here to help on collecting information. Help
23 them access the Commission to get the information they
24 need.

25 COMMISSIONER BOYD: Mr. Ogelsby, I

1 appreciate your additional comment.

2 CHAIRMAN WEISENMILLER: Thank you staff for
3 the information. Next Item 10 are the minutes.
4 Possible approval of July 13.

5 COMMISSIONER BOYD: Move approval.

6 COMMISSIONER PETERMAN: Second.

7 CHAIRMAN WEISENMILLER: All those in favor?

8 (Ayes.)

9 Commission Committee Presentations and
10 Discussions. Item 11.

11 COMMISSIONER BOYD: I was just going to
12 mention a workshop yesterday but there's not much on
13 it. Okay. I'll start. Commissioner Weisenmiller and
14 I sat in these very seats yesterday for an IEPR
15 Workshop on the subject of nuclear which, while
16 lengthy, and arduous was extremely interesting and
17 informational. And I commend all the staff associated
18 with that for putting on a good show. I wish Barbara
19 Byron were here for me to personally thank her at the
20 late hour we got out of here last night. I neglected
21 to do that but I feel that she did an incredibly
22 outstanding job in coordinating this whole effort and
23 seeing that she's a retired and new to it who donated
24 a lot of time to this agency, I just want the record
25 to show that I appreciate what Barbara has done and

1 did and appreciate everybody's role in that workshop.

2 I think we learned a lot. We uncovered a
3 lot of information that we're going to have to digest.
4 And this is something that we'll include in the 2011
5 Integrated Energy Policy Report for this agency. And
6 that perhaps, Commissioner Weisenmiller will need to
7 follow up on a few of the items that were brought to
8 our attention yesterday.

9 Second thing I'll mention—secondly, last
10 Friday I attended a meeting that was facilitated and
11 hosted by ICTC, the International Clean Transportation
12 Coalition. This is an organization that's
13 headquartered in San Francisco that's been in
14 existence for a number of years. Alan Lloyd is now
15 the President.

16 The subject was hydrogen and fuel cells.
17 Thinking of a mobile source application in particular.
18 But it brought together the largest in terms of
19 numbers of different representative groups. A group
20 of people I have seen. We have a fuel cell
21 partnership that represents some folks. We have
22 multiple agencies but it—I felt it necessary for us to
23 have a presence. Afterwards I was very glad we were
24 participants because this really got into the heart of
25 a whole host of different issues, not just hydrogen

1 and fuel cells but the low carbon fuel standard, the
2 Air resources Board's debate about whether or not they
3 will pull the trigger on requiring the oil industry of
4 California to put in place hydrogen fueling stations
5 and it provided a forum that's going to broker some of
6 these very contentious issues in the future. So I
7 think it was a very positive move and, of course,
8 because of our AB118 program, we're pretty intimately
9 involved in these kinds of activities and resolutions.
10 These efforts inform us and we, in turn, inform the
11 efforts through the knowledge that we've gained
12 through the work we've done on the AB118 program. So,
13 hopefully, this effort on the part of Alan and his
14 folks to be kind of neutral brokers is going to move
15 the subject along. We had the oil industry marketers
16 there for the first time sitting down with the oil
17 industry folks, the auto folks as well as
18 environmental community and government agency. So, I
19 think it was a very positive thing and we'll probably
20 be reporting on it in the future. Thank you.

21 CHAIRMAN WEISENMILLER: Thank you. I was
22 obviously sitting right next to you through the IEPR
23 Workshop. I would note that, for the first time at
24 least in this IEPR, we had not one but actually PUC
25 Commissioner Involvement, so we had Mike Florio and

1 Commissioner Sandoval both were here. I was going to
2 say Mike for the duration, Commissioner Sandoval had a
3 few trips across the legislature to sort of fit into
4 her schedule in Sacramento. They were certainly very
5 engaged and very engaging and afterward were very
6 complimentary to Barbara and the staff. And found it
7 to be a very informative conversation and assured them
8 that we continue to keep them in the loop on upcoming
9 IEPR events. And that, certainly, they're always
10 welcome.

11 I would also note that on Monday I was at
12 the Governor's UCLA Conference. I chaired the
13 opening, well actually the Governor had the opening
14 panel and I had the next panel which sort of looked at
15 the industry with a very provocative discussion. Dan
16 Kammen, Steve Beberich from the ISO, Laura Wisland,
17 Jeanne Clinton, anyway a very productive conversation
18 trying to look at the overall policy context. And
19 also, again, it was a very interesting session.
20 Certainly the governor was very animated in his
21 conversation. Certainly the trade press has picked up
22 his comment that certainly at some point you just have
23 to deal-smash the opposition, I think, was his term.
24 Crush the opposition and move forward if you're ever
25 going to get anything done.

1 He noted that obviously one aspect of
2 distributed generation is that instead of a large
3 project it may be a single entity that makes a
4 decision and then the mammoth moves but here, and
5 certainly that's an aspect of the say more brittle
6 power parts of it. Brittle power is things like
7 nuclear. While here you need thousands of people to
8 make decisions and those thousands of people then have
9 thousands of permits or thousands of interactions, so
10 it's not going to be easy.

11 And then on Friday, I was at an ACORE
12 Workshop on renewables in the west. It was myself and
13 Dian Grueneich who hosted it. Dan Adler and ACORE. It
14 was a pretty level discussion on the status of
15 renewables. It tended to be more from the lens of the
16 financial community while UCLA was much more from the
17 local official NGO—basically, it was a very good mix
18 but there wasn't that many financial people there. So
19 anyways, it was a pretty busy three days.

20 COMMISSIONER PETERMAN: Well—

21 COMMISSIONER BOYD: Excuse me, can I ask you
22 a question about your presentation before we move on
23 to—

24 CHAIRMAN WEISENMILLER: Sure.

25 COMMISSIONER BOYD: The Governor's forum,

1 and you mentioned the press and I noted yesterday
2 while we were sitting here, I was provided a copy of a
3 press clip that referenced the CEC and I must confess
4 taking it out of context not being there. One wonders
5 if it was a compliment, a pat on the back or a pat on
6 the backside. You never know. It was a rather strong
7 statement of what won't be the CEC; it was hard to
8 interpret the rest of the meaning of that comment so
9 maybe you can help.

10 CHAIRMAN WEISENMILLER: Well, the Governor
11 did make the observation that, which I was sitting
12 next to Mark Ferron and in front of Mark Florio, was
13 obviously that these programs move very fast. On the
14 other hand, if there was a rate revolt they were out.
15 Anyhow, we didn't have that type of comment about us.

16 COMMISSIONER BOYD: Other comments that I
17 heard were positive about the CEC so I wanted to
18 interpret that one as positive as well but you have to
19 appreciate the years here, you take a lot of abuse and
20 you take a lot of compliments and it's hard to
21 separate one from the other once in a while. Thank
22 you.

23 COMMISSIONER PETERMAN: So I'll also note
24 that I attended the Governor's Conference on localized
25 generation in LA as well with Chair Weisenmiller and I

1 was there for both days. And, again, I found it very
2 informative. It was approximately 250 people gathered
3 together with background and participation of both the
4 state, the city, the county level, industry
5 representatives. There were some from the finance
6 community because I facilitated a finance panel which
7 I found very valuable. And those from the
8 environmental community as well and a big takeaway was
9 that the state, through our Governor's office, through
10 the Energy Commission, through the PUC, that we can
11 exercise leadership in this area but that when we're
12 talking about localized generation we're also talking
13 about the involvement by a lot of local parties. And
14 so, in order to increase distributed generation we
15 also have to acknowledge the roles of distributed
16 power and individual power accordingly.

17 I think the other takeaways from the
18 conference were that this is not easy. It's not going
19 to be easy but we've got a lot of people thinking
20 about these issues, very focused. The finance panel
21 was very illuminating. It was nice to hear that there
22 are those within the state and around the country who
23 are thinking about how do we provide renewables at
24 lower costs, how do we facilitate financing them
25 during these economic times.

1 I left the conference feeling very hopeful
2 and empowered about the opportunities and the role
3 that the Commission can play. I'll also say it was
4 nice to be down in Southern California and LA and to
5 visit with those who are working on issues there. We
6 don't have the chance to see them so much in person
7 being based here in Sacramento but I'd like to
8 encourage our colleagues and stakeholders down there
9 to listen in to our business meetings, attend in
10 person when they can and in turn, when we're in the
11 region we'll be sure to reach out to you because that
12 area will play a large load, especially because it's
13 such a large load center in our energy future going
14 forward.

15 CHAIRMAN WEISENMILLER: Chief Counsel's
16 Report?

17 MR. LEVY: Good morning, Commissioners. I
18 have two items for closed session today. First, is
19 Item 12D, BNSF Railway versus CEC and also I'd like to
20 discuss facts and circumstances that constitute a
21 significant exposure to litigation against the
22 Commission.

23 CHAIRMAN WEISENMILLER: Okay. We will go
24 into Executive Session after this, after we cover the
25 rest of the reports, 15 minutes after that. Okay?

1 Executive Director's Report.

2 MR. OGELSBY: Thank you. Nothing more to
3 add today.

4 CHAIRMAN WEISENMILLER: Public Advisor's
5 Report.

6 MS. JENNINGS: I have nothing to report,
7 thank you.

8 CHAIRMAN WEISENMILLER: Public Comment.
9 Okay. Again, we will go into Executive Session at
10 about 11:15 in my office.

11 (Whereupon, at 11:01 a.m., the business
12 meeting was 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 10th day of August, 2011.

Kent Odell

Kent Odell
CER**00548