



Commissioners Present

Robert B. Weisenmiller, Chairperson  
Karen Douglas  
Andrew McAllister  
Carla Peterman

Staff Present:

Rob Oglesby, Executive Director  
Michael Levy, Chief Counsel  
Kevin Bell, Senior Staff Counsel  
Jennifer Jennings, Public Adviser  
Harriet Kallemeyn, Secretariat

	Agenda Item
Michael Levy	1
Justin Regnier	1
Dale Rundquist	3
Kristy Chew	4
Robin Mayer	5
Owen Howlett	6
Martha Brook	7
Pippin Brehler	7
Nick Fugate	8
Jim Woodward	8
Andre Freeman	9
Shuai "James" Zhang	11
Phil Cazal	12
Marcia Smith	14, 15

Also Present

Interested Parties (\* Via WebEx)

*Matt Evans, Southern California Edison	1
Christopher Ellison, Mojave Solar LLC	3
*Richard Upton, American Lighting Assoc.	6
Dr. Michael Siminovitch, CLTC	6
*Jim Gaines, Phillips Lighting	6
*Aaron White, White Electric	6
Gary Fernstrom, PG&E	6
Brenda Baldwin, Lednovation	6
Bernie Kotlier, CALCTP	7
Tom Enslow, California State Pipe Trades Council	7

Also Present

Interested Parties (\* Via WebEx)

Rick Miller, RNM Engineering	7
Josh Rosa, CAL SMACNA	7
Tom Meyer, NEBB	7
Christopher Ruck, Final Air Balance	7
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P R O C E E D I N G S

DECEMBER 12, 2012 10:00 a.m.

CHAIRPERSON WEISENMILLER: Good morning, let's start the Business Meeting with the Pledge of Allegiance.

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

CHAIRPERSON WEISENMILLER: Okay, in terms of looking at the agenda -- well, first we're -- Items 10 and 13 are being held for a future meeting. And Item 1-h we will pull out of the Consent Calendar, on consenting issues.

And so with that, let's address the Consent Calendar, all by 1-h.

COMMISSIONER DOUGLAS: All right, I'll move the Consent Calendar except for Item 1-h.

CHAIRPERSON WEISENMILLER: All those in favor?

COMMISSIONER MC ALLISTER: Second.

CHAIRPERSON WEISENMILLER: Okay, now we have a second, all of those in favor?

(Ayes.)

CHAIRPERSON WEISENMILLER: The Consent Calendar, all but 1-h has been approved. Let's go on to 1-h.

I believe we have a speaker on the phone who wants to address 1-h.

MR. EVANS: Hello, this is Matt Evans from

1 Southern California Edison. Can you hear me?

2 CHAIRPERSON WEISENMILLER: Yes, go ahead.

3 MR. EVANS: Okay. I was wondering if my  
4 colleague from PG&E was on the line?

5 CHAIRPERSON WEISENMILLER: Apparently not.

6 MR. EVANS: Okay. So, we wanted to provide some  
7 comments regarding some of the back-up documentation or  
8 findings in the Hearing Notice, in particular on page 8.  
9 This has to do with the information, the IT costs regarding  
10 operation of maintenance costs for the Automated  
11 Benchmarking System.

12 So, in that paragraph it lists an estimate of  
13 about \$1 million per year. That would be more than just  
14 the operation and maintenance costs, that's more of an all-  
15 in cost. So, that would include marketing, IT development,  
16 training, technical support, et cetera.

17 So, we just wanted to clarify that if you're  
18 looking for an all-in cost or, really, the operation and  
19 maintenance costs?

20 COMMISSIONER PETERMAN: We're looking for the  
21 operation and maintenance costs, ideally.

22 MR. EVANS: Okay, if it's just operation and  
23 maintenance cost, so that doesn't include, say, any major  
24 development or such as the upgrade that will need to be  
25 done before June 2013, due to the upgrade that the EPA is

1 doing, if you're just talking about pure O&M IT costs,  
2 that's probably on the order of maybe 30 to 50 thousand  
3 dollars per year.

4 MR. REGNIER: And PG&E expressed that that will  
5 be their costs, as well?

6 MR. EVANS: I'm not sure for their IT O&M  
7 estimate. I think they were looking at more of an all-in  
8 cost.

9 CHAIRPERSON WEISENMILLER: Yeah, I believe  
10 actually PG&E's rep, Valerie Winn, is running a little bit  
11 late this morning.

12 MR. REGNIER: She is. We've actually got a plan  
13 to speak with some PG&E representatives about what the  
14 components of that cost will be next week, for inclusion  
15 into the app score and into the 399 paperwork.

16 MR. EVANS: Okay, so we could coordinate at that  
17 time to get the updates performed?

18 MR. REGNIER: Certainly, we can make sure that's  
19 in the rulemaking record and we'd be happy to have you, or  
20 any other utility representative, in on that discussion as  
21 well, Matt.

22 MR. EVANS: Okay, excellent. thank you very  
23 much.

24 CHAIRPERSON WEISENMILLER: Mr. Levy, comment on  
25 that?

1 CHIEF COUNSEL LEVY: That's fine, Chairman. The  
2 Commission -- the comment doesn't affect the regulatory  
3 language, itself, so you can proceed with the item.

4 CHAIRPERSON WEISENMILLER: Okay, thank you for  
5 that advice.

6 COMMISSIONER MC ALLISTER: So, I'll move it.  
7 I'll move Item 1-h for approval.

8 COMMISSIONER DOUGLAS: I second.

9 CHAIRPERSON WEISENMILLER: All those in favor?  
10 (Ayes.)

11 CHAIRPERSON WEISENMILLER: Item 1-h also passed  
12 unanimously.

13 Item 2 is being held.

14 So, let's go on to Item Number 3, Abengoa Mojave  
15 Solar power Project, 09-AFC-5C. Dale Rundquist.

16 MR. RUNDQUIST: Good morning Commissioners. My  
17 name is Dale Rundquist and I am the Compliance Project  
18 Manager for the Abengoa Mojave Solar Power Project.

19 With this morning is Kevin Bell, Senior Staff  
20 Counsel. On the telephone is Dr. Alvin Greenberg,  
21 representing the Hazardous Materials and Worker Safety  
22 Technical areas for the Energy Commission.

23 Also on the phone, representing the San  
24 Bernardino County Fire Department is Deputy Chief Peter  
25 Brierty.

1           Representatives from Mojave Solar LLC, the owner  
2 of Abengoa Mojave Solar Power Project are here at the  
3 Energy Commission.

4           The Abengoa Mojave Solar power Project was  
5 certified by the Energy Commission on September 8th, 2010  
6 and is currently under construction. It will be a 250-  
7 megawatt project with solar trough and heat transfer fluid,  
8 located near the town of Hinckley, approximately 20 miles  
9 northwest of the City of Barstow, in San Bernardino County,  
10 California.

11           On July 27th, 2012 Mojave Solar LLC filed a  
12 petition with the California Energy Commission requesting  
13 to amend the Abengoa Mojave Solar Condition of  
14 Certification HAZ-7.

15           The petition is requesting to eliminate the  
16 requirement for fire hydrant loops in the solar fields and  
17 revise hazardous Materials Management Condition of  
18 Certification HAZ-7 regarding solar field fire water loops.

19           In power plants licensed by the Energy  
20 Commission, the National Fire Protection Association  
21 Standard 850 recommends that projects using combustible  
22 Heat Transfer Fluid include fire protection hydrants and  
23 loops in the power block and solar fields.

24           In this case, and in this setting, the San  
25 Bernardino County Fire Department feels that firefighters

1 will not enter a solar field that is on fire. Deputy Chief  
2 Peter Brierty told Energy Commission staff that adequate  
3 water would be available by way of pumper trucks and water  
4 tenders so that life-saving actions and prevention of fire  
5 migration off-site could occur without fire water loops in  
6 the solar fields.

7 This unique position of a local fire department  
8 has not before been encountered by the Energy Commission  
9 staff and yet it is clear that it does not seem prudent to  
10 require the construction of solar field fire water loops  
11 and hydrants that would not be used.

12 The image on the television monitor displays the  
13 type of vegetation found outside the perimeter of the  
14 Abengoa site. This vegetation consists mostly of creosote  
15 bush scrub and Mojave Desert wash scrub. The entire  
16 Abengoa project site has been graded and there is no  
17 vegetation on the site.

18 The power blocks will have fire hydrants and fire  
19 water loops installed.

20 The Notice of Receipt was mailed to the Abengoa  
21 Mojave Solar post-certification mailing list, docketed and  
22 posted on the Energy Commission website on September 7th,  
23 2012.

24 Staff's analysis of the petition was docketed and  
25 mailed to interested parties on November 1st, 2012 and was

1 posted to the web on November 5, 2012.

2 No public comments were received concerning this  
3 Petition to Amend.

4 Energy Commission staff reviewed the petition and  
5 finds that it complies with the requirements of Title 20,  
6 Section 1769(a) of the California Code of Regulations and  
7 is not opposed to the project modification and associated  
8 revision to condition of certification HAZ-7, based upon  
9 staffs' findings and subject to the revision condition of  
10 certification. Thank you.

11 CHAIRPERSON WEISENMILLER: Thanks. Applicant?

12 MR. ELLISON: Christopher Ellison, Ellison,  
13 Schneider and Harris on behalf of the Applicant.

14 I think Dale's done a nice job of summarizing  
15 this issue. The bottom line of it is that this petition  
16 asks that the requirement to install very expensive, and  
17 we're talking \$15 to \$20 million, and that's not a full  
18 estimate of the cost of doing this, it's a partial  
19 estimate. That's the hard costs, not the monitoring and  
20 that sort of thing.

21 So, very expensive equipment that the fire  
22 department believes they will not use.

23 So, we certainly want to thank Chief Brierty and  
24 his staff for working with us on this issue. We certainly  
25 want to thank the Energy Commission staff, Dale and his

1 team for working with us on this issue.

2 This is something that will help reduce the cost  
3 of renewable energy in California and will not in any way  
4 increase the fire hazard of this facility.

5 I'd be happy to answer any questions, if you have  
6 them, on that latter point in particular, but that's the  
7 bottom line.

8 CHAIRPERSON WEISENMILLER: Thank you.

9 Commissioners, any questions or comments?

10 COMMISSIONER DOUGLAS: Commissioners, we do have  
11 a representative of the San Bernardino County Fire  
12 Department on the line -- or I think we do. Do we?

13 MR. RUNDQUIST: Yes.

14 COMMISSIONER DOUGLAS: So, you know, I think it  
15 would be helpful to hear a comment from the Fire  
16 Department.

17 CHAIRPERSON WEISENMILLER: Oh, yes.

18 MR. RUNDQUIST: Okay. I'm sorry, I was assured  
19 that he would be calling in. I just spoke with him this  
20 morning so --

21 CHAIRPERSON WEISENMILLER: Yeah. No, certainly  
22 we could, but in terms of at least the list I had of  
23 speakers, he's not on it.

24 COMMISSIONER DOUGLAS: Well, I also had thought  
25 he would be on. In any case, as the Applicant pointed out,

14

1 this issue has been vetted with the county and analyzed by  
2 our staff.

3 I looked at the materials closely, as well, and I  
4 support this amendment. I think it's a reasonable step and  
5 I agree with the statement that it will not increase fire  
6 risk and that the county will be able to respond  
7 effectively to any event, you know, as they were planning  
8 on responding and pursuant to the license.

9 So, if there are no other questions or comments,  
10 I'll move Item 3.

11 COMMISSIONER PETERMAN: I'll second.

12 CHAIRPERSON WEISENMILLER: Okay, all those in  
13 favor of Item 3?

14 (Ayes.)

15 CHAIRPERSON WEISENMILLER: Item 3 passed  
16 unanimously.

17 Thank you, Dale.

18 MR. RUNDQUIST: Thank you.

19 CHAIRPERSON WEISENMILLER: The next item is Item  
20 4, which is the Model MOU for the Desert Renewable Energy  
21 Conservation Plan, possible approval of a template MOU.

22 Kristy Chew.

23 MS. CHEW: Good morning Commissioners. I'm  
24 Kristy Chew with the Siting, Transmission and Environmental  
25 Protection Division.

1           This item is a Model Memorandum of Understanding  
2 between the Energy Commission and those counties within the  
3 Desert Renewable Energy Conservation Plan area.

4           The purpose of this Memorandum is to help create  
5 a cooperative relationship between the agreement parties to  
6 effectively plan for and promote renewable energy  
7 development in California while conserving important desert  
8 ecosystems and species.

9           I'm asking for two approvals today.

10           The first approval is for approval of the Model  
11 Memorandum of Understanding.

12           And the second approval is to allow the Executive  
13 Director, or his designee, to use the Model MOU to enter  
14 into individual agreements between the Energy Commission  
15 and each of the DRECP counties, subject to the following  
16 three conditions:

17           Condition A, the Executive Director shall make no  
18 substantive changes to the Model MOU when entering into  
19 agreements with individual DRECP counties.

20           B, if necessary, the Executive Director may make  
21 minor, nonsubstantive changes to the Model MOU when  
22 entering into agreements with individual counties.

23           And C, if a county requests that substantive  
24 changes be made to the Model MOU, the Executive Director,  
25 if he agrees with the proposed changes to the Model MOU,

1 will direct the Energy Commission staff to bring the  
2 proposed changes to the Model MOU to a Business Meeting for  
3 consideration and approval by the Energy Commission.

4 Thank you. And I'm available for any questions  
5 you may have.

6 COMMISSIONER DOUGLAS: I've just got a couple of  
7 comments, Commissioners, and Commissioner Peterman may have  
8 some comments as well.

9 This item comes out of State legislation that  
10 charges the Energy Commission with administering a \$7  
11 million fund for supporting renewable energy planning at  
12 the county level. And the legislation identifies specific  
13 counties as eligible to apply for that funding, including  
14 DRECP counties, or counties in the DRECP planning area.

15 For DRECP counties to be eligible to compete to  
16 this funding or to receive this funding they have to enter  
17 into a Memorandum of Agreement with the Energy Commission,  
18 particularly around how we're going to partner together in  
19 developing and moving forward with the DRECP, the Desert  
20 Renewable Energy Conservation Plan.

21 This template MOU will enable the Executive  
22 Director of the Energy Commission to enter into these  
23 agreements and I think that's obviously very important that  
24 we be able to do that, and do that expeditiously because,  
25 of course we're moving forward with the Grant Program with

1 all reasonable and feasible speed, as well.

2           So far, I'm very pleased to report that both  
3 Imperial County and San Bernardino County, two counties  
4 within the DRECP area have approved this agreement with the  
5 Energy Commission, and they've taken that to both of the  
6 board of supervisors. So, I appreciate their very quick  
7 action to move forward with agreements.

8           And we're also in dialogues with other counties  
9 and very hopeful, I think, and have gotten some very  
10 positive signs that this partnership will be carried  
11 forward with a number of other counties, as well.

12           The Energy Commission has released some draft --  
13 or just some questions, just for input, to counties on the  
14 scope of the Grant Program. And I believe that the  
15 comments -- we're asking for responses to those questions  
16 on December 21st so, hopefully, those responses will come  
17 in and we'll continue moving forward with the program.

18           The only other update I have, that I'll give at  
19 this moment, is that in our work on the Desert Renewable  
20 Energy Conservation Plan we are going to be releasing an  
21 informal draft document on Monday. And this document will  
22 contain a significant amount of analysis of the  
23 alternatives that we're currently looking at in the DRECP.

24           It will be, I think, a really valuable  
25 opportunity for public input into the way that we are

1 framing these alternatives and the way that the  
2 alternatives look like they would play out on the ground.  
3 It's not a formal document, it's informal, and it's for the  
4 purpose of getting additional public input.

5           So, with that, you know, I strongly support this  
6 item and I'll see if there are any other comments or  
7 questions.

8           COMMISSIONER PETERMAN: I'd just like to comment,  
9 first, Commissioner Douglas, thank you for your work on  
10 this. And I think it's a good example of our continued  
11 efforts to integrate our siting and renewables work within  
12 the Commission, and staff in both divisions have been  
13 excellent with helping to design this program going  
14 forward.

15           I'd also like to thank staff and the DRECP  
16 counties for working in consultation on the development of  
17 the MOU. Indeed, that initial connection has made this  
18 process go quite quickly and will expedite getting the  
19 grants out and renewable energy considered in the local  
20 land use planning.

21           I'm so excited about this program and the  
22 opportunity for the Commission to administer it.

23           COMMISSIONER MC ALLISTER: I just wanted to  
24 congratulate Commissioner Douglas on all the work. You  
25 know, even from a little bit afar I know how much work this

1 has been, so it's quite a lift.

2           And I would just like to highlight and just as an  
3 example of multi-, multi-stakeholder collaboration that the  
4 Commission, just in the short time that I've been here, has  
5 really shown to be extremely serious about.

6           And I think rightly so because it's necessary to  
7 get to the right -- to get buy-in for the kinds of policies  
8 that are increasingly aggressive that we need to get done  
9 in the State.

10           So, this is a model -- not only a model agreement  
11 for the counties, but I think it's also a model process for  
12 the Commission. A heavy lift that required a lot of people  
13 to roll up their sleeves and is getting -- is moving  
14 forward in a way that is producing results.

15           So, I hope to use this model in some of my own  
16 work in other areas, but it's a nice sort of star in the  
17 sky to have us orient towards so, thank you.

18           COMMISSIONER DOUGLAS: Well, thank you,  
19 Commissioner McAllister and Commissioner Peterman. And  
20 thank you, Kristy, and other staff working hard on the  
21 DRECP, not only Energy Commission, but federal and state  
22 agencies pulling together to get the draft out.

23           There were a lot of people, for example, working  
24 over Thanksgiving is my understanding, which is very much  
25 above and beyond the call of duty.

1           So, with that and I've said this already, but  
2 great appreciation for San Bernardino and Imperial County,  
3 and the other counties that we're working with very  
4 collaboratively.

5           And with that I move approval of Item 4.

6           COMMISSIONER PETERMAN: I'll second.

7           CHAIRPERSON WEISENMILLER: Okay, all those in  
8 favor?

9           (Ayes.)

10          CHAIRPERSON WEISENMILLER: Item 4 passed  
11 unanimately.

12          Thank you, Kristy.

13          CHAIRPERSON WEISENMILLER: Okay, let's go on to  
14 Item Number 5, which is Biannual Amendments to Conflict of  
15 Interest Regulations. Robin Mayer.

16          MS. MAYER: Good morning Commissioners. My name  
17 is Robin Mayer, Staff Counsel of the Chief Council's  
18 Office.

19          This item is to open a biannual and mandatory  
20 rulemaking to amend our conflict of interest regulations  
21 concerning employee classifications.

22          Every two years the Fair Political Practices  
23 Commission requires agencies to update their employee  
24 classifications and interests for annual reporting.

25          The Energy Commission classifications are located

21

1 in Title 20, section 2402. the classifications express  
2 which positions are required to report financial interests  
3 on Form 700, as well as what types of interests are to be  
4 reported.

5 The rulemaking will make any necessary amendments  
6 to update classifications and interests.

7 Our portion of the rulemaking requires an  
8 internal notice and comment period for 45 days. This  
9 allows employees to comment on proposed amendments, raise  
10 concerns, or ask questions. We anticipate the comment  
11 period to begin December 28th, with potential adoption of  
12 any amendments at the February 13 Business Meeting. This  
13 allows us to submit the amendments to the Fair Political  
14 Practices Commission, which conducts a review, in time to  
15 meet its statutory March 1st deadline.

16 The benefits are to give an accurate picture of  
17 current classifications, narrowly-tailor reporting  
18 interests to correspond with the existing duty statements  
19 of the employees, and to comply with the law.

20 I'm happy to answer any questions.

21 CHAIRPERSON WEISENMILLER: Thank you. We have  
22 one speaker on the phone, Richard Upton.

23 MR. UPTON: This is Mr. Upton but I'm not -- I'm  
24 with the American Lighting Association and I have no  
25 interest in this particular item. I'm sorry for the

1 confusion.

2 CHAIRPERSON WEISENMILLER: Okay, thank you.

3 Yeah, I was looking at 5 and trying to figure it out. I  
4 would have guessed 6. Thank you.

5 Any comments or questions, Commissioners?

6 COMMISSIONER DOUGLAS: Just briefly that I  
7 appreciate staff bringing this forward and certainly think  
8 it's important to move forward with this, so I'll move  
9 approval of Item 5.

10 COMMISSIONER MC ALLISTER: I'll second.

11 CHAIRPERSON WEISENMILLER: All of those in favor?

12 (Ayes.)

13 CHAIRPERSON WEISENMILLER: Item 5 also passed  
14 unanimously.

15 So, now we'll go on to Item Number 6, Voluntary  
16 Certification -- Voluntary California Quality Light-  
17 Emitting Diode (LED) Lamp Specification.

18 Owen Howlett, please.

19 MR. HOWLETT: Thank you. Good morning  
20 Commissioners, I'm Owen Howlett with the Energy Efficiency  
21 and Renewables Division.

22 The item you have before you this morning is the  
23 California Voluntary LED Lamp Specification and we're  
24 seeking your approval of the specification.

25 Just to set the scene, the image that's shown up

1 there shows some of the lamps that would be eligible for  
2 this voluntary specification. You'll notice that they --  
3 many of them have screw bases. These are lamps that are  
4 intended to be bought by consumers through regular retail  
5 channels and they're intended to replace incandescent  
6 lights.

7           The goal of this specification isn't to take the  
8 place of compact fluorescents, this is designed to try to  
9 capture the remaining market of people who have not gone to  
10 compact fluorescents but have stuck with their incandescent  
11 lamps.

12           There are various kinds of lamps that are  
13 eligible. There are typical A lamps, there are reflector  
14 lamps and there are recessed can lights.

15           Also to set the scene, typically these lamps use  
16 around 10 watts to produce as much light as an incandescent  
17 that would consume 53 watts under the Energy Commission's  
18 upcoming Title 25 standards, so they're saving around 43  
19 watts per socket.

20           So, for every light bulb that's replaced, that's  
21 about a two and a half percent reduction in the lighting  
22 energy use of the average household. And the average house  
23 has 25 suitable sockets.

24           So, if people replaced all of the incandescents  
25 that they currently have with these LEDs, which have a

1 similar quality, then they'd be saving around half of their  
2 lighting end use.

3           The pie chart on the bottom right shows that the  
4 green section is residential lighting energy use, it's  
5 about seven percent of California's total electricity  
6 consumption.

7           So, the goal of this effort was to set a high-  
8 quality specification, so high quality means that the lamps  
9 produce very good color which consumers feel creates good  
10 visual conditions in their homes with their colors of  
11 fabrics, and woods, and other materials as well.

12           And the intention is to ensure that consumers  
13 have a positive experience and that these LEDs meet all the  
14 expectations or exceed the expectations that consumers have  
15 for lamps, so the consumers don't feel that they're having  
16 to sacrifice the quality of the light for efficiency. They  
17 feel that they're able to maintain quality, while also  
18 getting efficiency.

19           And in terms of the Energy Commission's long-term  
20 goals, this is part of the effort to phase out low-quality  
21 lamps entirely by 2018 or shortly after 2018.

22           The scope of the specification is that it applies  
23 at this time only to upstream programs that are run by the  
24 California investor-owned utilities. And what that  
25 translates to is these are mainly lamps that consumers will

1 buy in retail stores and put in their homes. There will be  
2 a few of these lamps that go into small commercial  
3 projects, contractors buying lamps in Home Depot, that kind  
4 of thing, but it's mainly residential use.

5 We worked with the California Public Utilities  
6 Commission and we worked with them on crafting language so  
7 that they issued a decision in November of this year which  
8 requires the investor-owned utilities to only rebate lamps  
9 that are complying with this specification.

10 So, this is a specification that's voluntary for  
11 everybody in California except the utilities, they have to  
12 only rebate lamps that are compliant.

13 And it's the utilities that will do certification  
14 of the lamps. So, the Energy Commission is not going to be  
15 verifying or certifying that lamps meet the specification,  
16 we're just setting the technical requirements for the  
17 quality specification.

18 So, in terms of its technical content, the  
19 technical content of the specification, it's what might be  
20 called a reach standard for Energy Star lighting, so it's  
21 designed to be complementary to Energy Star. It goes line  
22 by line and refers to Energy Star for a lot of its test  
23 procedures and protocols.

24 What it adds on top, in technical terms, is it  
25 adds additional requirements for color quality. So, these

1 LED lights have to be very close on the color spectrum to  
2 where incandescents are. The idea is if you hold up one of  
3 these LED lamps and you hold up an incandescent you won't  
4 be able to tell the difference, the color will be exactly  
5 the same.

6 And also, when the light from these lamps falls  
7 on the objects in your house, those objects will look  
8 exactly the same under the LED as they would under the  
9 incandescent. And, of course, that's not true for compact  
10 fluorescent lamps right now. Compact fluorescents have  
11 a slightly lower level of color quality that doesn't  
12 produce -- doesn't reproduce color so well.

13 The implementation of the specification in terms  
14 of the utilities requiring it for their programs, we worked  
15 with the California Public Utilities Commission to define a  
16 one-year phase-in period because when we put this  
17 specification out for public comment many of the comments  
18 we received said that at the moment there are many lamps on  
19 the market that meet parts of this specification, but don't  
20 meet the full specification. So, we took the position that  
21 a one-year phase-in period, and this was reflecting the  
22 manufacturers comments, a one-year phase-in period would be  
23 sufficient to allow the manufacturers to provide lamps that  
24 were fully compliant.

25 So, during that one-year period the CPUC decision

1 calls for the utilities to set an interim performance  
2 level, and so during the year of 2013 the utility programs  
3 will set a level of performance for LED lamps that's  
4 somewhere between the current market conditions and the  
5 full specification.

6 This slide just summarizes our process in  
7 arriving at the specification. It came from an idea  
8 developed by Professor Michael Siminovitch of the  
9 California Lighting Technology Center, who's in the room.

10 And it was developed by Energy Commission staff  
11 in consultation with the people who are listed there, the  
12 lamp manufacturers, the California Lighting and Technology  
13 Center, the Federal EPA that runs Energy Star and the staff  
14 at the California Public Utilities Commission.

15 We sent the first draft of the specification to  
16 stakeholders in September. We held a public meeting in  
17 October. We received 17 public comments and we sent out a  
18 second draft on December 5th.

19 And we're presenting the specification today for  
20 your approval and I'm available for questions.

21 CHAIRPERSON WEISENMILLER: Thank you. There are  
22 some speakers in the room and on the phone. So, we'll have  
23 Michael Siminovitch.

24 DR. SIMINOVITCH: Yeah, I was going to reserve  
25 mine after the public comments, if that's agreeable.

1 CHAIRPERSON WEISENMILLER: We can do that.

2 Okay, so on the California Voluntary LED Quality  
3 Spec, PG&E.

4 UNIDENTIFIED SPEAKER: And he would like to  
5 similarly hold his comments until after public comment.

6 (Laughter)

7 CHAIRPERSON WEISENMILLER: Okay, let's see, on  
8 the line Phillips, Jim Gaines.

9 COMMISSIONER MC ALLISTER: Maybe it would be  
10 helpful if somebody stepped up to the plate here.

11 MR. GAINES: Can you hear me?

12 CHAIRPERSON WEISENMILLER: Yes.

13 MR. GAINES: Oh, good.

14 CHAIRPERSON WEISENMILLER: Also, we have a copy  
15 of your e-mail, each of us on the dais.

16 MR. GAINES: Oh, okay. So, our take on it is  
17 that in the history of compact fluorescents there was an  
18 over-emphasis placed on cost and performance was under-  
19 emphasized and we think that the California Bulb Spec is  
20 taking the opposite approach of over-emphasizing  
21 performance and under-emphasizing cost. And the end result  
22 could be quite the same as the CFLs that if the prices are  
23 too high people won't buy them, rebate budgets won't go as  
24 far and adoption will be reduced.

25 SSL bulbs are selling well. They're selling much

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1 better than CFLs did in their early days. I don't have any  
2 numbers to give you on that but it shows that customers are  
3 already adopting them readily.

4           We believe that the Energy Star spec is a good  
5 spec both for the nation and for California and we would  
6 much prefer that California work within that Energy Star  
7 framework rather than creating a separate specification  
8 that we then have to meet.

9           The particular specs that are going to cause cost  
10 increase, that gives very little perceived benefit in the  
11 vast majority of applications, include the CRI-90 spec and  
12 the power factor greater than .9. There are a few other  
13 things, but I won't go into detail.

14           Now, I'm not saying it's impossible to meet these  
15 specs, it's certainly possible, but there is a cost for  
16 them both in the energy savings and in money, and possibly  
17 in color accuracy, depending on which approach you take.  
18 And we don't believe the benefits are enough to justify  
19 those specs.

20           We've submitted other, more detailed comments  
21 during the preparation process and continue to stand by  
22 those, so I'll stop here. Thank you.

23           CHAIRPERSON WEISENMILLER: Thank you.

24           Aaron Witt?

25           MR. WHITE: Yeah, Aaron White, White Electric.

1 CHAIRPERSON WEISENMILLER: Ah.

2 MR. WHITE: Can everybody hear me?

3 CHAIRPERSON WEISENMILLER: Yes. Please, go  
4 ahead.

5 MR. WHITE: So, I'm in agreement on the basic  
6 issues that Jim spoke of, of Phillips, but I have a couple  
7 of other issues that I'd like to talk about because all of  
8 the issues that Jim talked about we already spoke at the  
9 October 11th meeting that we had on this specification.

10 The issue I'm talking about right now is changing  
11 the R-9 from zero and greater to 50 and greater. That was  
12 not discussed at all at the meeting and unilaterally was  
13 changed without having a comment period, as you said  
14 December 5th is when you came out with the second draft and  
15 you want to decide today.

16 When we left that meeting -- when I left that  
17 meeting on October 11th, I put production lamps, I put  
18 lamps into production and samples to start testing and  
19 found out how to meet the CRI of 90 at a higher cost, and  
20 lower efficacy, so I'm not in agreement with it.

21 But also, following the Energy Star spec and your  
22 first draft spec of an R-9 of greater than zero, ones that  
23 we happen to be testing right now have an R-9 level in the  
24 20s.

25 I'm not understanding how this unilaterally got

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1 decided to do. I'm not understanding the reason you'd want  
2 to increase the cost even more.

3 I understand and I'm not an engineer, but I  
4 understand that the USVOE Fact Sheet of January 2012  
5 states that an R-9 score greater than zero is greatly  
6 considered -- is generally considered acceptable since the  
7 color space used in the CIE test color method often causes  
8 color shift in the red region to be exaggerated, in other  
9 words, an over-saturation of reds.

10 We have already, with a CRI of 90, probably with  
11 a CRI of 80, surpassed incandescent lamps as far as color  
12 is concerned because an incandescent lamp doesn't show  
13 blues and the CRI-90 or 80 lamps show blues.

14 Now, we're going additionally to try to saturate  
15 more reds. I really feel that this came out of the "blue",  
16 excuse my pun, and there's no reason to make this change.  
17 We went to a great expense to have several people at your  
18 October 11th meeting in Sacramento, made comments based  
19 upon the specification that you had and now, all of the  
20 sudden, you've changed that specification. I don't think  
21 you should change the specification. You should keep the  
22 R-9 at greater than zero especially since you're going  
23 after the residential market.

24 That concludes my comments.

25 CHAIRPERSON WEISENMILLER: Okay, thank you.

1 Richard Upton.

2 MR. UPTON: Thank you Commissioner. And I hope  
3 I'm clear and my voice is being heard by you clearly?

4 CHAIRPERSON WEISENMILLER: Yes.

5 MR. UPTON: First, thank you for giving us the  
6 opportunity to speak today, but also inviting Terry  
7 McGowen, our Director of Technology, to participate in your  
8 discussions as this process was developed.

9 As you see from our e-mail that we sent you this  
10 morning, we're certainly pleased that Energy Star specs are  
11 the broad -- are the basis, and we applaud your interest in  
12 supporting high-quality lighting and dimming.

13 But we are concerned and bothered that the staff  
14 report calls for rebates to only be offered on the  
15 California quality lamp.

16 We think significant unintended consequences will  
17 occur if you do that. One, you artificially impact the  
18 marketplace for other efficient energy-efficient products,  
19 some of which provide high-quality light. Not every  
20 lighting application needs that high-quality lamp, yet  
21 rebates for those products do meet your mission of  
22 advancing energy efficiency in California.

23 By and large we believe unintended consequence  
24 will be a diminishment in the overall sale of energy-  
25 efficient lamps and lost opportunities to gain on energy

1 efficiency.

2           Enough said on that subject, and I'll be pleased  
3 to respond to any questions you may have.

4           We also think, we support your idea for an  
5 extended warranty that should be supplied on a high-quality  
6 product, but we really think that it should not be the  
7 purview of the Commission, as outlined in the staff report,  
8 but that manufacturers that decide to market the product  
9 should determine the conditions of their warranty.

10           If the CEC believes that the warranty  
11 requirements must remain in your domain, then some  
12 significant adjustments should be made, such as the total  
13 hours and conditions of use. In fairness to manufacturers  
14 and retailers it really needs to be included.

15           On the subject of dimming, we're generally  
16 supportive of the staff's report. And you'll note in our  
17 last paragraph we support Phillips' comments today.

18           We applaud the California Energy Commission in  
19 all that you do and have done, and we've been pleased to be  
20 at the table with you on them, but in all of these  
21 instances we have to say to you we prefer Federal action  
22 and we strongly urge you to look to the Energy Star Program  
23 and see how this could be melded together.

24           When we get individual state actions it becomes  
25 inefficient, it's expensive and it's confusing, and not

1 only to the manufacturers and retailers that have to work  
2 with the product, but we think it's confusing to the  
3 consumer, as well.

4           So, I thank you for the opportunity to verbalize  
5 what we've sent to you on this issue and we would look  
6 forward to continuing to work with staff if some of these  
7 adjustments that we've pointed out, in your judgment, could  
8 be dealt with and we certainly would give the time and  
9 energy to help find the right kind of solutions to the  
10 issue. Thank you.

11           CHAIRPERSON WEISENMILLER: Thank you.

12           PG&E.

13           MR. FERNSTROM: Chairperson, Commissioners,  
14 staff, interested parties, I'm Gary Fernstrom, retired from  
15 PG&E, but representing it today, nonetheless.

16           PG&E participated with the other advocates in the  
17 development of this specification and would like to thank  
18 the Commission, the California Lighting Technology Center  
19 and the other participants in the development of this spec  
20 for their excellent work in this groundbreaking  
21 specification.

22           As you know, PG&E serves 9 million customers in  
23 Northern and Central California and it supports this  
24 specification. I believe it's a groundbreaking step for  
25 not only the Commission, the utilities, but residents in

1 California in meeting the legislated energy-efficiency  
2 goals.

3 I'd like to point out that in my 40 years'  
4 experience with PG&E, in the beginning when utilities first  
5 started offering incentives many of the participants in the  
6 market, the manufacturers, the vendors opposed incentives  
7 in general.

8 And PG&E would like to think that in conjunction  
9 with the California Public Utility Commission it has the  
10 exclusive right to determine what products it provides  
11 efficiency incentives for, not to be influenced by the  
12 manufacturers who may have other views.

13 In this particular case, the Commission and  
14 others have developed a specification that is excellent and  
15 the utilities are supporting it, so we believe we have the  
16 right to align with this specification.

17 We do have one reservation and that is we would  
18 like to see the Commission give us the means to certify  
19 that these products meet the specifications if the  
20 utilities are going to be required to determine that,  
21 rather than the Commission, itself.

22 So, with those comments I thank everyone for  
23 their work and would like to assure you that PG&E supports  
24 this specification. Thank you.

25 CHAIRPERSON WEISENMILLER: Thank you.

1 Brenda Baldwin?

2 MS. BALDWIN: Good morning. I'm Brenda Baldwin;  
3 I'm the West Coast Regional Sales Manager for Lednovation.  
4 We're an LED manufacturer out of Tampa, Florida. Our  
5 products are made here in the USA and we do meet this  
6 California initiative that Owen's trying to push through.  
7 We totally stand behind it. We believe there should be a  
8 quality product out there that should be getting the  
9 rebates, rather than just the Energy Star standard.

10 We've found that the Energy Star standard is just  
11 a minimum requirement; it's not the best lamp available out  
12 there.

13 So, I feel that this initiative would be the best  
14 thing for California and I'd love to see us start it. I'd  
15 love to see us put the Americans back to work, too, so  
16 that's why I would like to support this bill for Owen and  
17 the State of California. Thank you.

18 CHAIRPERSON WEISENMILLER: Thank you.

19 Michael Siminovitch.

20 DR. SIMINOVITCH: Thank you, Commissioners. I'm  
21 Michael Siminovitch. I'm a professor at UC Davis and I was  
22 Gary's graduate student on this project.

23 I wanted to say a couple of quick things. One is  
24 I applaud the Commission for moving from minimum  
25 performance standards to the best that the United States

1 can make for lighting, so I think this is a good first  
2 step.

3 Two issues, one is I think this was very much an  
4 Energy Star plus approach. So, we're using the minimum  
5 performance criteria associated with Energy Star and then  
6 bringing a plus to it that addresses issues of color,  
7 amenity, dimming and longevity.

8 We're working with Energy Star in this manner,  
9 with the concept that this is the leading edge. This is  
10 where Energy Star will be going. Energy Star has already  
11 started to move towards consumer issues of color, and  
12 dimming and longevity, so I think that this is sort of a  
13 trend in the right direction.

14 There's a lot of industries that are not  
15 represented here today and we've been working broadly with  
16 the industry, and there are many within the industry today  
17 that are supportive of this. And is it going to cost more?  
18 Yes, there's going to be, initially, a small premium on  
19 this, but the premium is going to be well worth it in terms  
20 of the kinds of products that consumers want to see in  
21 their home.

22 And so I think mainstream industry is by and  
23 large very supportive of this concept and applauds the  
24 leadership that California is showing on this so, thank  
25 you.

1 CHAIRPERSON WEISENMILLER: Thank you.

2 Commissioners, any questions or comments?

3 COMMISSIONER DOUGLAS: I have a few I think both  
4 questions and comments. One question for you, Owen, based  
5 on the speaker who raised the issue of the power factor --  
6 the PF, sorry, of .9 and the difference between, you know,  
7 setting the scale at zero versus the current proposal.

8 Can you address what we are going for in that  
9 change to the specification and what the both, say,  
10 benefits and potential costs of that are?

11 MR. HOWLETT: Just to clarify, do you mean the R-  
12 9 requirement that --

13 COMMISSIONER DOUGLAS: Yes, I'm sorry, I have  
14 scribbles right over that letter and so I --

15 MR. HOWLETT: Okay. Yeah, this is a -- it's one  
16 of those little, tiny technical issues that we could spend  
17 two weeks on. But R-9 is a measure of how well a light  
18 bulb reproduces reddish colors. So, if it has a high R-9  
19 value and you shine that light on, you know, a cherry wood  
20 cabinet or something, it will make that cherry wood cabinet  
21 look really rich.

22 If it has a low R-9 value, that cherry cabinet's  
23 going to look kind of greener and washed out.

24 So, R-9 is part of the color performance, where  
25 we're specifying color performance.

1 I acknowledge Aaron White's point that we did  
2 have a requirement for R-9 to be at least zero in our first  
3 draft and we raised that to being greater than 50 in our  
4 second draft.

5 We did that on the advice of several  
6 manufacturers who told us that all of the compliant lamps  
7 they would manufacture would have R-9 greater than 50 as a  
8 matter of course, so we felt confident to put that in  
9 there.

10 I did speak with Aaron earlier this week and he  
11 told me that they have lamps that meet the rest of the  
12 specification, but not the R-9 so that was an unexpected  
13 stumbling block. And it's something I'm not sure whether  
14 we -- well, this is actually a general point that applies  
15 to all of these technical issues. There are multiple  
16 technical issues that are stretching the industry. They're  
17 things the industry can be, but there are costs incurred  
18 and other elements.

19 And that's why we worked with the PUC to define  
20 this one-year transition period. There are two elements to  
21 that period. One element is for the year 2013 the utilities  
22 can back off of the full specification. So, if they decide  
23 the R-9 is a bridge too far, they don't need to go all that  
24 way in 2013, we'll also have an opportunity a year from now  
25 to make any amendments we need to make to the specification

1 before it goes into full effect.

2           So, it seems now like R-9 would definitely be on  
3 our list of things that we would want to review before the  
4 specification goes into full effect in 2014. So, we will  
5 have a chance -- we set it up this way deliberately so we  
6 will have a chance to choose the specification with regard  
7 to these technical issues. And they're very, very sort of  
8 minor technical issues in a way, but they're crucial to the  
9 success of the specification.

10           COMMISSIONER DOUGLAS: Well, thank you for that.  
11 And I, you know, was well aware of the issue and the  
12 benefits of that. Now, I just -- and I think that interim  
13 year at the CPUC, as you say, Aaron, will help address --  
14 or Owen, will help address the transition to the full  
15 specification.

16           I think it's important that it reflects what  
17 staff views as a reach, a reachable reach standard for LED  
18 lamps.

19           And I guess I wanted to step back to the question  
20 of why do this?

21           We put a lot of effort into this specification,  
22 in part because reflecting upon the investments the State  
23 makes into achieving energy efficiency savings and the  
24 really transformative moment that the lighting sector finds  
25 itself in right now, you know, I think that it is important

1 to step forward and define what we think of as a really  
2 good bulb.

3           And, you know, the fact of the matter, as we've  
4 gone really deep into this issue in the last couple of --  
5 you know, year or so, and the fact of the matter is people  
6 tend not to buy a light bulb for its energy efficiency  
7 benefit. Some people do, some people seek out energy  
8 efficiency. But, you know, if it makes their steak look  
9 green they change their mind about putting it in the dining  
10 room.

11           And when the State, either through PUC programs  
12 for example, or through some of the municipal utility  
13 programs, when we put public money, ratepayer money into  
14 incentivizing people to buy certain kinds of light bulbs  
15 that we believe will bring us efficiency benefits, it's  
16 really incumbent on us to make sure that people like those  
17 bulbs enough to want to go out and buy more of them,  
18 certainly. But also to keep them installed and not, you  
19 know, move them to the garage because they don't like the  
20 light quality, or they flicker, or hum, or have other  
21 annoying attributes.

22           So, I think it's really an important step. I  
23 think this is a step that will speed consumer acceptance  
24 and adoption of this technology. You know, I agree that  
25 there is some reasonably good adoption of LED bulbs,

1 probably prompted by people who actually do tolerate CFLs  
2 because they really value the efficiency.

3 But for these bulbs to get really widespread  
4 adoption and use and for LEDs to become the standard and  
5 the bulb that people really want to have because it is the  
6 best lighting, it makes people feel the best, it makes  
7 their houses look the best, I think we need something like  
8 this.

9 So, you know, I wanted to thank you, Owen, for  
10 your good work.

11 And I wanted to make a comment, too, on the issue  
12 raised on the warranty. I mean my understanding and, Owen,  
13 you can step in if you want to nuance or say this  
14 differently, but my understanding is that part of the  
15 reason why staff put warranty into the specification was  
16 that it's actually pretty challenging to test the  
17 durability of these bulbs over all of the hours that they  
18 are supposed to be able to operate. I mean under normal  
19 usage conditions you'd have to sit there for years and see  
20 if the bulb burned out prematurely.

21 And, of course, there are tests to accelerate and  
22 increase pressure on the bulb, and increase heat and try to  
23 get some sense of how that bulb might deteriorate.

24 But currently when somebody buys an LED bulb they  
25 want the efficiency, they probably hope and expect that the

1 quality will be pretty good. I think our standard will --  
2 I'm sorry, our specification will, hopefully, lead to the  
3 adoption of bulbs that really, really underscore that or  
4 meet that expectation.

5           And people have been told that LED technology  
6 will last a long time. And we don't want consumers to have  
7 the experience of buying a bulb, you know, spending say \$30  
8 for a bulb that they think will last them for, say -- you  
9 know, I won't quite say the rest of their lives. But let's  
10 say they reasonably might expect it to last them for, you  
11 know, five or ten years, and that's not out of line with  
12 some of the estimates that are being promoted by  
13 manufacturers.

14           To my way of thinking, suggesting that, for the  
15 moment and the current state of the technology,  
16 manufacturers stand behind their bulb for the more limited  
17 period of time that is suggested in the specification is a  
18 reasonably good proxy for durability, or long-lasting.

19           So, at least from my perspective those are some  
20 of the benefits I think we get from moving forward with a  
21 specification like this. And again, it's really -- it's  
22 voluntary. You know, we're not trying to influence who  
23 gets to sell bulbs in California.

24           But as Gary said, you know, it's really about  
25 what do we think our best bet is when we spend ratepayer

1 money on incentivizing LED lighting.

2           So, with that I'll see if other Commissioners,  
3 particularly Commissioner McAllister, who I worked with  
4 closely in the -- in really pulling together with the real  
5 detail on the standard, if you have any comments.

6           COMMISSIONER MC ALLISTER: Yeah, thanks  
7 Commissioner Douglas.

8           Stepping in on energy efficiency over the last  
9 six months or so it's been great to work with you and also,  
10 I think we complement each other really well on these  
11 issues. You bring the kind of legal mind and I'm more of a  
12 technical geek.

13           And I have to say this discussion really reminds  
14 me of all of the back and forth we had about the various  
15 generations of T-8s over the years and how the incentive  
16 programs at the utilities were going to treat those, what  
17 the right sort of efficacy limits, and CRI and color  
18 temperatures were in commercial, which is where most of my  
19 experience was, which was a little more focused on, I  
20 think, efficiency and maybe less on some of the light  
21 quality issues.

22           You know, HOT-5s came in, and Hybase and all of  
23 these, each of the technology types in lighting has had a  
24 similar discussion to what we're having now.

25           I think the difference, now, is that we have so

1 clearly a technology that can satisfy, that actually  
2 physically can satisfy what the human eye naturally wants  
3 in light. And I think that's huge because, you know, we  
4 saw with CFLs what happened, where people bought them for  
5 the efficiency, they kind of jimmed them into their  
6 different sockets and tried to make them work, and they  
7 sometimes did, they sometimes didn't. They sometimes  
8 lasted, they sometimes didn't.

9           And so I think what you had was a vast diversity  
10 of offerings, many of which got incentives that people then  
11 sort of said, you know, I got it because it was cheap but I  
12 don't really like it.

13           And so I think a more informed and well-developed  
14 approach is absolutely what we should be doing in trying to  
15 influence a marketplace. And so I think this specification  
16 is an important sort of entry into that dialogue and that  
17 discussion.

18           The Energy Star base is absolutely valuable and  
19 we're very, very glad that it exists and happy to partner  
20 with the Federal government on it.

21           And, you know, what we're trying to do here is  
22 sort of have -- it's a little bit of the -- not exactly the  
23 new shot, but it's one end of the envelope where we're  
24 trying to orient the marketplace towards where we need to  
25 go by sending a signal that this is a voluntary spec, but

1 here is the sort of human desire for light that's  
2 equivalent to sunlight.

3 And I think, finally, we can have those detailed  
4 technical discussions about R-9 or CRI to some extent, and  
5 that we absolutely should. I think the year transition  
6 period is the perfect opportunity to do that with some  
7 seriousness.

8 And stuff that we should -- you know, we  
9 definitely want to get it right and industry has to be at  
10 the table, and we have to really -- even the industry, I  
11 mean we really need to talk with the folks who understand  
12 human light perception and what is really going to sort of  
13 be the kind of product, and maybe we need to disaggregate a  
14 little bit by application to understand the various,  
15 perhaps.

16 But I really do think that discussion -- that  
17 this opening kind of position for the voluntary  
18 specification is the right thing to do.

19 And, you know, the points are very well taken  
20 from industry, who have some reservations about this, and I  
21 think we will continue to work with them on this.

22 I would also challenge -- so, if we think about  
23 where this marketplace is likely to go, I think flexibility  
24 is pretty important. So, you know, we do have a limited  
25 pot for incentive monies. I think the utilities have all

1 the incentive in the world to try to use that effectively  
2 to cover the most products, the most volume of products  
3 that are going to allow them to achieve savings, and get  
4 the attribution, et cetera, et cetera.

5           And so I would challenge all of us to make sure  
6 we're keeping an eye on the marketplace, to the specs of  
7 the products that are actually on the shelves, and the cost  
8 differentials, and work with industry in, hopefully, a very  
9 open way.

10           I know there are company-specific details here  
11 that are often difficult to put in the open, and rightly  
12 so, but understanding the marketplace is really key so that  
13 we can optimally use the incentive funds that are  
14 available.

15           So, I think that's a -- in a way that's a  
16 programmatic issue, but it's, as Gary indicated, I think  
17 the utilities, you know, would like -- I mean they  
18 definitely should be participating in that discussion and  
19 letting us all know what they think the marketplace looks  
20 like, where the incentives are going, what kinds of  
21 products are being incented such that as a stakeholder  
22 group we can all know what the best direction for it is as  
23 we move through the year-long transition period and then  
24 afterwards.

25           I did want to ask one question to Owen and that

1 is could you talk about what sort of the range of products  
2 that meet the specification today and just want to sort of  
3 get a sense of -- from you on that general issue and how  
4 many -- you know, what sort of -- are there products in  
5 each of the kind of residential categories that meet the  
6 specification.

7 Don't need to talk about cost differential at  
8 this point, but I think this is an issue that -- give us a  
9 little bit better understanding of where the marketplace is  
10 at the moment.

11 MR. HOWLETT: Sure, I can do that. If somebody  
12 could flip to my first slide, the five lamps that were  
13 showing in that image. All five of those lamps are  
14 currently available LED lamps that meet at least some of  
15 the requirements of the specification.

16 All of these lamps have a color rendering index  
17 of 90 or higher. And what that means is the color  
18 rendering index is the main way of specifying how good the  
19 color quality of a lamp is. CFLs are typically in the 80,  
20 low 80s range, these LEDs are in the 90s range and  
21 incandescents are at 100. So, the specification sets an  
22 interim level between current CFL performance and  
23 incandescent performance.

24 These five lamps, they meet our specification in  
25 terms of their color, in terms of their longevity, in terms

1 of their ability to be dimmed.

2           They -- I think none of them meet it, yet, in  
3 terms of power factor because power factor is set -- power  
4 factor is almost universally .74 consumer lamps, because  
5 that's set by Energy Star.

6           But we've got feedback that -- it's been mixed  
7 feedback, but we have had a lot of feedback that says that  
8 the power factor shouldn't be difficult to engineer into  
9 these lamps.

10           So, there are dozens and dozens of lamps on the  
11 market today that are more than halfway compliant with the  
12 specification.

13           And in fact, I wanted to mention earlier on we  
14 never know quite who's going to speak in favor, but a  
15 couple of the companies mentioned up here, Cree that makes  
16 the lamp on top left, they sent us public comment to say  
17 they were fully supportive of our specification. They're  
18 probably one of the four biggest LED manufacturers in the  
19 country.

20           And also Sylvania, which manufactures the lamp in  
21 the center at the top. Also, Sylvania's one of the big  
22 three worldwide manufacturers, they sent us comments to say  
23 they were supportive of the specification, as well.

24           COMMISSIONER PETERMAN: Just following up on that  
25 question, can you comment, then, what share of the LED

1 market these five nearly compliant lamps represent? I just  
2 want to get a sense of the total universe.

3 MR. HOWLETT: I do not have that information. In  
4 the LED market at the moment it's very challenging to say  
5 anything about it because it's changing so fast and it  
6 represents such a small slice of lamp sales right now. So,  
7 I don't think anybody could tell you with any authority  
8 what percentage of the market is represented.

9 But these lamps are on the shelves; you could go  
10 out at lunchtime and buy these.

11 COMMISSIONER MC ALLISTER: So, I'm very  
12 supportive, fully supportive of this and I've seen how much  
13 work has gone into it, and been involved in some of the  
14 discussions. And, you know, we'd be having a different  
15 conversation if this -- you know, this is a specification,  
16 it's nothing more than that.

17 So, I think it's really a platform in the  
18 marketplace that's needed to understand where the right --  
19 where that sweet spot is for possibly more -- you know,  
20 multiple tiers of program initiatives.

21 And so I think definitely would -- I know you're  
22 planning to do this, but definitely want to encourage staff  
23 and other stakeholders going forward to keep an eye on the  
24 power factor issue. If it turns out that there's a step  
25 there, you know, some cost step where, you know, giving a

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1 little there would massively increase the coverage of  
2 incentives, I think that's something that we ought to know.

3 And similarly with R-9, you know, I think that's  
4 a discussion that still needs to take place because it  
5 hasn't fully been vetted through the process.

6 So, things like that I think, you know, at the  
7 Commission we need to be open to the stakeholders, we need  
8 to push the envelope, we need to challenge them and I think  
9 we've done that. But at the same time we need to do what's  
10 reasonable in the marketplace, we need to understand how  
11 the marketplace is working out there.

12 As you say, this is a really rapidly evolving  
13 marketplace and we're going to see amazing things in the  
14 LED world. It's going to save the State a lot of energy,  
15 it's going to provide very high quality light in a way that  
16 I think we haven't really seen before, and so in that way  
17 it's very exciting and I'm totally supportive, therefore.

18 COMMISSIONER PETERMAN: Thank you for the  
19 presentation, as well as for the discussion. I appreciated  
20 hearing more from you, Commissioner Douglas and  
21 Commissioner McAllister about your thinking on these  
22 issues.

23 I also appreciate all the stakeholder comments,  
24 indeed, continuing to balance performance and cost with  
25 trying to achieve our environmental goals is important to

1 be mindful of and it seems that staff is. So, I have no  
2 other questions or comments.

3 CHAIRPERSON WEISENMILLER: Yeah, I have just a  
4 couple based on this one. As the scientist on the  
5 Commission, it's always gratifying to see that we're  
6 incorporating consideration of evolution in our standards  
7 that, obviously, our eyes evolved to deal with natural sun-  
8 lighting and so, basically, I think the closer we get to  
9 that, the better.

10 And at the same time, you know, we've often  
11 talked about as the State provides subsidies for  
12 technologies, different types such as this, it's very  
13 important that the ratepayers get the value from those,  
14 that we do have meaningful warranties, we do have  
15 meaningful quality standards, and that we basically get our  
16 money's worth out of them.

17 And this is certainly different, you know, that  
18 to the extent that other states are looking at Energy Star  
19 and are saying this is good, and we could have taken that  
20 approach where we could have said this is good enough. But  
21 we're saying we will also provide significant amounts of  
22 money and so it's important to make sure that it's not just  
23 good enough, but as good as we can get it.

24 COMMISSIONER MC ALLISTER: Yeah, I'll just -- and  
25 maybe Dr. Siminovitch might be able to inform us a little

1 bit more here, but some of the -- from my perspective, some  
2 of the most interesting discussion in the development of  
3 this specification was around this issue of how close --  
4 what numbers reflect -- what numbers for CRI, and R-9, and  
5 color temperature reflect, essentially, equivalents with  
6 sunlight and incandescent lamp.

7           And, you know, certainly I think that there are  
8 new areas of research that have informed this and so I  
9 think people -- you know, different stakeholders have  
10 different views of how important some of that research is,  
11 or how relevant. You know, a manufacturer might look at it  
12 differently from a behavioral researcher or something.

13           So, I think there's still a discussion that needs  
14 to take place on this. I think where we got with the .9  
15 CRI, particularly, is the right place for that perception  
16 barrier -- or that perception sort of threshold.

17           But I think many of the folks who were informing  
18 that particular discussion are not in the room today. I  
19 think Dr. Siminovitch probably is the most informed about  
20 that here.

21           But, you know, I look forward to -- again, as  
22 this discussion goes forward and we go into the transition  
23 period, and we look at the program designs and their  
24 impact, and the subsidy levels, and that sort of thing I  
25 think the specification will naturally evolve to reflect

1 those realities.

2           So, I think with that if, Michael, you have  
3 anything to add, otherwise I'm happy to proceed.

4           DR. SIMINOVITCH: Just a quick comment building  
5 on what you just said and also what Owen had chatted about,  
6 I think the concept is that in the first year of this it's  
7 going to be subject to a lot of research to try to further  
8 inform the process on this.

9           So, I look at this as this is the first step.  
10 And we pulled together a collective understanding of where  
11 this first step would be.

12           But I think that was really unique about this  
13 process is that by and large across the industry there was  
14 very strong agreement that moving forward we need to engage  
15 in further research to find out where is this trajectory,  
16 where are we ultimately heading in terms of the  
17 specification, the starting point and where do we go.

18           And all of the industry supported a collegial  
19 process in which we informed this moving forward, but this  
20 was the starting point.

21           COMMISSIONER MC ALLISTER: I also just, lastly, I  
22 want to acknowledge Gary Flamm, as well, who's in the back  
23 there. He was sort of the fearless leader of this project  
24 from the start and this is, I think, an achievement for him  
25 professionally, as well, and also just having a team that

1 was on this for a sustained period of time I think was  
2 essential to getting it down.

3 So, thanks Gary and the team for that.

4 With that, I guess I'll move Item Number -- what  
5 are we on here -- Item Number 6.

6 COMMISSIONER DOUGLAS: Second.

7 CHAIRPERSON WEISENMILLER: All those in favor?

8 (Ayes.)

9 CHAIRPERSON WEISENMILLER: Item 6 passed  
10 unanimously.

11 Thank you, Owen.

12 Let's go on to Item Number 7; Building Energy  
13 Efficiency Standards, possible adoption of proposed  
14 amendment. Martha Brooks.

15 MS. BROOKS: Thank you, good morning  
16 Commissioners.

17 We're here today to ask your adoption of proposed  
18 regulations. These proposed regulations to the Building  
19 Energy Efficiency Standards will add the requirement that  
20 acceptance tests for nonresidential lighting controls and  
21 mechanical systems in our standards be completed by  
22 certified field technicians.

23 These regulations will also adopt training and  
24 certification requirements for acceptance testing  
25 technician certification providers.

1           So, just a brief little bit of background just  
2 for context. In September 2011, the California  
3 Commissioning Collaborative, under contract to the Energy  
4 Commission, completed a report documenting the enforcement  
5 and effectiveness of the Title 24 Nonresidential Mechanical  
6 Acceptance Testing.

7           And this report basically concluded that building  
8 departments are understaffed and cannot adequately review  
9 compliance forms that document the acceptance test.

10           They also reported that mechanical contractors,  
11 who regularly test and balance HVAC systems have the  
12 measurement equipment needed and the experience to properly  
13 conduct these tests.

14           Further, mechanical contractors who are not  
15 familiar with the acceptance test and the measurement  
16 equipment are not able to successfully complete these  
17 tests.

18           The International Brotherhood of Electrical  
19 Workers and the California Local Unions of Sheet Metal  
20 Workers requested back in late 2011 that the Energy  
21 Commission consider adding certification requirements for  
22 technicians performing nonresidential lighting and HVAC  
23 acceptance tests in the 2013 standards update.

24           The Energy Commission found merit in these  
25 suggestions and undertook this rulemaking to develop these

1 nonresidential acceptance testing certification  
2 requirements that, in adopted, will reside in Title 24 Part  
3 1 and Part 6.

4           The benefits of these proposed regulations are as  
5 follows: The majority of the energy savings expected from  
6 the 2013 standards update are attributable to the lighting  
7 and mechanical system efficiency requirements in  
8 nonresidential buildings.

9           These regulations will significantly improve the  
10 quality of the nonresidential lighting controls and  
11 mechanical acceptance tests.

12           The Building Code enforcement community will  
13 benefit from acceptance test technicians being trained to  
14 complete these field inspections. Building owners will  
15 benefit by having their building energy systems properly  
16 commissioned by certified professionals.

17           These requirements will ensure annual savings of  
18 approximately 180 gigawatt hours and 3.3 megatherms. Over  
19 30 years of construction, these energy savings will equal  
20 the energy needed to power almost a million homes.

21           The last thing I wanted to mention is that we do  
22 have nonsubstantive changes to the regulations that we're  
23 asking you to adopt as part of the errata that goes along  
24 with the proposed regulations.

25           And we're here to answer any questions that you

1 have.

2 CHAIRPERSON WEISENMILLER: Thank you.

3 We have some speakers in the room and we'll start  
4 with Bernie Kotlier.

5 MR. KOTLIER: Good morning Commissioners and  
6 thank you for this opportunity to speak. My name is Bernie  
7 Kotlier. I am the Co-Chair of the California Advanced  
8 Lighting Controls Training program, CALCTP. And I just  
9 wanted to thank you for all the time and effort that you've  
10 put into this.

11 Also thank the staff, and their work, and  
12 appreciate everything that you've done to advance the cause  
13 of high standards to achieve our energy efficiency goals in  
14 California. Thank you.

15 CHAIRPERSON WEISENMILLER: Thank you.

16 Tom Enslow.

17 MR. ENSLOW: Good morning Commissioners, Tom  
18 Enslow with the law firm of Adams, Broadwell, Joseph &  
19 Cardozo. On behalf of the California State Pipe Trades  
20 Council I'd like to register their strong support for these  
21 regulations.

22 And in addition to the pipe trades, we've also  
23 represented IBEW and the sheet metal workers in these  
24 proceedings, and all three of these organizations are  
25 grateful.

1           You know, I want to extend the fact that they're  
2 grateful to Commissioner Douglas, Commissioner McAllister,  
3 Martha Brook and the rest of the staff for the hard work in  
4 bringing these regulations forward in what we recognize was  
5 a very, you know, short and expedited timeline. So, it  
6 required staff to go above and beyond to get these out the  
7 door but that was important because otherwise we'd be  
8 waiting until 2017 for these regulations to take effect.

9           I'd also like everyone to recall that, you know,  
10 at the very first workshop that we had on these  
11 regulations, back in the beginning of the year, there was a  
12 lot of trepidation and misconceptions about these  
13 regulations and there wasn't uniform support.

14           But as staff has moved along and, really,  
15 explaining what these regulations are and fleshing out what  
16 they require there's not all -- if you look at the 45-day  
17 comments and 15-day comments, there's almost unanimous  
18 stakeholder support for these regulations.

19           If anything, people are now saying, well, perhaps  
20 you should have been even more rigorous, which was opposite  
21 to what was being told to you in the beginning. So, I  
22 think that tells you you've gotten to where you need to be.

23           And some of the issues that were raised that  
24 perhaps, you know, some areas could be more rigorous,  
25 that's something that could be looked at as this moves on

1 and develops.

2 But we think what you have before you is an  
3 important package and will really help make sure that we  
4 get the energy efficiency that the regulations are intended  
5 to achieve. Thank you.

6 CHAIRPERSON WEISENMILLER: Thank you.

7 Rick Miller.

8 MR. MILLER: Hello, I'm Rick Miller, a lighting  
9 consulting engineer and electrical engineer. And I'm  
10 pleased to speak with you today.

11 I've sent in my written comments, I had about 14  
12 comments, 13 of which covered items that I thought were too  
13 broad in scope, which required just a one-word change,  
14 items which I thought were too narrow in scope, which  
15 required a one-word change, and items that required  
16 definitions.

17 The last item, item number 13 in my comments had  
18 to do with the educational requirements to become an  
19 acceptance testing technician.

20 There are 15 items that were on the particular  
21 list, six of which are covered very well by the California  
22 Advanced Lighting Controls Training Program in their 50-  
23 hour training course.

24 The remaining nine items I thought requires more  
25 than the four hours which is in the language. I think it

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1 requires more than 16 hours to cover the remaining nine  
2 items on the educational list.

3 That's the summary of my comments.

4 CHAIRPERSON WEISENMILLER: Thank you.

5 Josh Rosa.

6 MR. ROSA: Good morning Chair and Commissioners,  
7 Josh Rosa with the California Association of Sheet Metal  
8 and Air Conditioning Contractors, the National Association,  
9 CAL SMACNA. We're a nonprofit trade association of 600  
10 union sheet metal and air conditioning contractors.

11 I'm pleased to comment on this regulation today.  
12 I want to thank, first of all, staff, Martha Brook and  
13 Commissioner McAllister for working with us over the last  
14 several months on this very complex and broad regulation.

15 Having reviewed the 15-day language and conferred  
16 very extensively with staff on the proposed implementation  
17 of this, we're prepared to support it today.

18 A couple points I'd really like to hit on because  
19 while it's not explicit in the regulation, depending on how  
20 you read it, we have staff's assurance and it's our mutual  
21 understanding that the regulation will include sort of  
22 these two items. And one of them is that certification  
23 providers will be able to provide a test-out option for  
24 individuals who are able to show that they're already  
25 highly qualified in acceptance tests.

1           So, the regulation that does explicitly require a  
2 test as part of the certification process, that test will  
3 be able to be provided at the beginning of the process and  
4 somebody who passes it will be deemed to have satisfied the  
5 requirements of certification.

6           And the other item is just that certification and  
7 training will be broadly available to anyone seeking  
8 certification in the State of California without any  
9 excessive geographic or financial constraints.

10           And both of these items are in the interest of  
11 producing high-qualified technicians to do acceptance tests  
12 without overly constraining the market for HVAC work.

13           And with that, we really look forward to  
14 continuing to work with the Commission in the  
15 implementation of this regulation, it's very broad and very  
16 complex, so we look forward to that process. Thank you.

17           CHAIRPERSON WEISENMILLER: Okay, thank you.

18           John McNamara.

19           MR. MC NAMARA: I'd like to speak on Item 12.

20           CHAIRPERSON WEISENMILLER: Oh, right, my mistake.

21           Tom Meyer.

22           MR. MEYER: Good morning. I'm Tom Meyer; I'm the  
23 Director of Technical Programs for NEBB.

24           Commissioner Douglas' observation about "green  
25 steak" may have shed some light upon the inspiration for

1 Dr. Seuss's "Green Eggs and Ham", so we've solved that  
2 problem.

3 It's been a long journey to get here today. It  
4 took hard work, spearheaded by the Commission. Moreover,  
5 it took cooperation, understanding, open minds and keeping  
6 our eyes on the goal.

7 Today is a unique day, 12/12/12 is appropriate  
8 for the unique opportunity to benefit California's building  
9 industry and the people of California.

10 NEBB's position is to completely and  
11 energetically support this effort. Thank you for your  
12 time.

13 CHAIRPERSON WEISENMILLER: Thank you.

14 Tom Meyer.

15 MR. MEYER: That was me.

16 CHAIRPERSON WEISENMILLER: Oh, God, how did I do  
17 that one? I'm doing well.

18 Christopher Ruck.

19 MR. RUCK: Good morning Commissioners and Staff.

20 My name is Christopher Ruck, speaking in regards to the  
21 Nonresidential Mechanical Acceptance Test Training and  
22 Certification.

23 I am an operations manager for Final Air Balance.  
24 We're a company that's dedicated completely to verifying  
25 the performance, installation and operation of new and

1 existing mechanical systems, which means that I have  
2 firsthand knowledge of how things are installed, right  
3 after installation, and also get to verify and troubleshoot  
4 problems a year, a month, two years after installation.

5 Overall, I wanted to express my great  
6 appreciation to all of you for your work and your  
7 dedication. I felt the staff and the CEC in general went  
8 to great extent to listen to contractors and industry  
9 professionals, and to get advice from people such as  
10 myself.

11 As a professional in this I, of course, could  
12 look at this and say, yeah, it could go a little further.  
13 However, this is a well-thought-out compromise for the 2013  
14 standards.

15 We can always revisit and optimize for the next  
16 code cycle.

17 Ultimately, what the CEC has done, in my eyes, is  
18 created a pathway, one of the many that's needed to reach  
19 the energy saving goals. And really, this is being done by  
20 ensuring through verification that installed equipment  
21 meets the design intent. Ultimately, it's as simple as  
22 that. That's all we're really trying to do here is just  
23 verify that when we say something's going to do something  
24 it ends up doing that, and the operations and verifications  
25 prove that.

1 Thank you very much, appreciate your time.

2 CHAIRPERSON WEISENMILLER: Thank you.

3 Erik Emblem.

4 MR. EMBLEM: Commissioners, staff, I'm Erik  
5 Emblem. I'm with the Joint Committee on Energy &  
6 Environmental Policy.

7 I want to echo a lot of what's been said up here.  
8 You know, my hat's off to Commissioner Douglas,  
9 Commissioner McAllister, particularly Martha Brook and just  
10 the over-the-top effort of staff to do this with their  
11 loaded schedule.

12 I think that this is a monumental day. I think  
13 in the Energy Commission and in the verification process of  
14 the installed systems in California and the United States.  
15 I don't want to speak lightly on it. You know, I think  
16 that Tom Meyer bridged on it a little bit.

17 But the truth is and it was alluded a little bit  
18 to when we were talking about lighting, we can always kind  
19 of deflect to the national standards, but that's not  
20 California. That's not California, we set the way, we set  
21 the direction and that's what this is doing. And it's a  
22 well-thought-out compromise on a very effective way to  
23 implement a process that's going to assure the public that  
24 they're getting what they pay for, that's going to assure  
25 utilities that the incentives that they pay on the systems

1 that are installed are achieving the efficiency that was  
2 expected. That's huge. That's huge and I think that  
3 you're going to see this replicated across the country.

4 I know you're going to see it replicated in many  
5 states, particularly states that like to say they're better  
6 than us in energy efficiency, like what's that one on the  
7 East Coast out there near Boston somewhere?

8 But my hat's off to you. Again, it's just all  
9 gratitude for all the hard work.

10 And in closing I just want to commit that it's  
11 easy to come up here and propose something and walk out the  
12 door but we're not going to do that. We're here to work  
13 with you on the implementation and whatever's needed to  
14 make this a true success.

15 And I think the only thing else that would --  
16 that the Energy Commission has done over the last 15 years  
17 that would even come close to this was the adoption of the  
18 HERS process and the work that Bill Pennington did.

19 And my hat's off to him, he's worked hard and he  
20 also deserves a lot of kudos because he set the path.

21 Thank you very much.

22 CHAIRPERSON WEISENMILLER: Thank you.

23 Is there anyone else either in the room or on the  
24 phone?

25 Okay, Commissioners, any questions or comments?

1                   COMMISSIONER DOUGLAS:  Yeah, I'll keep my  
2 comments brief.  I appreciate the stakeholders who came to  
3 us with this idea, and who worked with us on it, and many  
4 of them are here today to support us moving forward with  
5 adoption of the standard, this requirement.

6                   I think that this is a really important way to  
7 make sure that the energy efficiency savings that we rely  
8 on delivering through our standards in fact materializes  
9 through the level of skilled installation that is necessary  
10 to realize the full benefits of the standards.

11                  And I think that's equally true and equally  
12 important on both the mechanical and the lighting side.

13                  So, I'm also pleased.  I also think this is a big  
14 day and I also recognize the very intense process that  
15 staff had to go through and that we, on the Commission  
16 side, worked with them on to get to where we are today.

17                  As was noted, we had a compressed timeframe, but  
18 that did not stop us from thoroughly vetting issues with  
19 our stakeholders and looking for pragmatic ways to resolve  
20 difficult issues when they came up.

21                  And I think that, you know, the comments that  
22 we've all heard today also reflect that very thorough  
23 process.

24                  So, I think that's all I'd like to say at this  
25 moment, but I really appreciate the work of everyone

1 getting us to this point.

2 COMMISSIONER MC ALLISTER: So, thanks  
3 Commissioner Douglas. This was in your shop from the  
4 beginning and I think, you know, I sort of came in as one  
5 of the last in the process.

6 I think we first -- when staff first laid out the  
7 critical path for what had to happen to get this thing to  
8 the finish line there was virtually, there was really no  
9 slack in that and every single milestone, no matter what  
10 had to happen to get it to where it needed to be, was met.  
11 And so it was quite a monumental task by staff, you know,  
12 and by the stakeholders that were in the room at the  
13 various stages, and in the comment period, and all the  
14 discussions. There was a lot of comment, back and forth  
15 that had to be processed and incorporated. It was just a  
16 big, big lift and so Martha and team, you know, kudos to  
17 you for getting all that done.

18 I just have a couple of brief comments. One, I  
19 think I need to do some archivery [sic] search about the  
20 "green steak" comment because I thought that came from Dr.  
21 Seuss's Undergraduate Institution, but I'll have to go  
22 recheck that, because I went through the same institution  
23 and that's what the lore says.

24 Anyway, so I think, you know, to put this in a  
25 little greater context to highlight the need for this, you

1 know, we had a little bit of this discussion in the LED on  
2 the previous item on the agenda, you know, these are highly  
3 mechanical, modern mechanical nonresidential lighting and  
4 lighting systems are extremely complex and they have a lot  
5 of pieces. And the installation and commissioning of those  
6 systems is only going to get more complex.

7           They're getting more efficient, which is  
8 fantastic, but they do require a level of  
9 professionalization in their installation and their  
10 commissioning that is higher than it once was.

11           So, in order to get the savings that the State  
12 needs, in order to have buildings that really perform you  
13 have to know how they are supposed to operate and check to  
14 see that they are.

15           So, I think this process, the acceptance testing  
16 is the way that that's going to happen in practice. I mean  
17 I think getting this done, getting this scoped and the  
18 stakeholders in the room to flesh out what this process  
19 ought to look like in the real world was a real challenge,  
20 because in theory it's easy to say that, but how's it going  
21 to work, actually, with institutions that we have today in  
22 the world I think was a lot of the discussion that took  
23 place, that are just very pragmatic, okay let's hammer it  
24 out kind of discussions and negotiations at times. And so  
25 that stuff takes time, and energy and knowledge, and I

1 think everybody really brought a good faith effort to this  
2 to get it done, and I really appreciate that.

3           So, we now have a process that's going to really  
4 help these systems and provide a foundation, you know,  
5 pending implementation, right, which is a whole other  
6 pragmatic effort. But now we have a way to ensure that  
7 we're moving along the road that we've laid out to get to  
8 the goals that we have.

9           So, I think that is a real achievement and we  
10 should all feel good about it. Obviously, not rest on our  
11 laurels here because we do have to implement and make sure  
12 that we get to the milestones for implementation for the  
13 program to actually start. And, you know, that's down the  
14 road a little ways. So, I think that this is a great  
15 milestone and I'm extremely supportive of this and, you  
16 know, recommend its adoption.

17           CHAIRPERSON WEISENMILLER: I'll be very brief.  
18 One is, again, I'd like to thank Commissioner Douglas. I  
19 remember when we were dealing with Title 24 and from our  
20 perspective this issue came up relatively late, but it was  
21 a very good strategic call to split it off, take the time  
22 to do it right, and at the same time to meet the time  
23 requirements to build it into this update.

24           And so, again, it was very good to get us to this  
25 point, but also to keep Title 24 on track.

1           The other aspect is, again, just the point of we  
2 really have to make sure that we get the performance we're  
3 shooting for, and that certainly means a lot of nuts and  
4 bolts in the field to apply incentives but, again, trying  
5 to make sure that our higher costs are justified in terms  
6 of performance.

7           So, again, strongly support this. And the notion  
8 of not just getting it -- well, having enough quality to  
9 get the efficiency savings we need.

10           So, thank you for that comment. And again, as I  
11 said, I'm just really pleased that we're here at this point  
12 considering an option on this item. And I'm very pleased  
13 to move adoption of Item 7.

14           MR. BREHLER: Commissioners, before you vote,  
15 this is Pippin Brehler with the Chief Counsel's Office, in  
16 light of a couple of references to the overall Part 6  
17 Standards, I thought it important to mention that these  
18 will be integrated with the rest of the Parts 1 and 6 for  
19 submittal to the Building Standards Commission in January.

20           And I'm pleased to say that this morning the  
21 Building Standards Commission approved our Part 11 CALGreen  
22 Building Code. So, you should know that all of that is  
23 proceeding smoothly towards implementation as well.

24           COMMISSIONER DOUGLAS: Excellent. And thank you,  
25 Pippin.

1 MR. BREHLER: Yes.

2 COMMISSIONER DOUGLAS: And that is very good news  
3 about Part 11.

4 So, yes, I'll move approval.

5 COMMISSIONER MC ALLISTER: I'll second.

6 CHAIRPERSON WEISENMILLER: Okay, all those in  
7 favor?

8 (Ayes.)

9 CHAIRPERSON WEISENMILLER: This item passed  
10 unanimously.

11 Thanks Martha.

12 Let's go on to Item 8, Forms and Instructions,  
13 Nick Fugate and Jim Woodward.

14 MR. FUGATE: Thank you, good morning  
15 Commissioners. My name is Nick Fugate. I'm with the  
16 Demand Analysis Office.

17 I'm here this morning to request that the Energy  
18 Commission adopt the December 2012 version of the *Forms and*  
19 *Instructions for Electricity Demand Forecasts*.

20 As you're well aware, the Energy Commission  
21 regularly assesses all aspects of energy demand and supply  
22 in California. These assessments serve as a foundation for  
23 the analysis and resulting policy recommendations that make  
24 up the Integrated Energy policy Report.

25 The item before you is one such assessment. Data

1 collected from load-serving entities through these forms  
2 will all staff to consider a broad range of perspectives as  
3 we prepare our own energy demand forecast. This includes  
4 historical and forecasted levels of electricity consumption  
5 and peak demand, economic and demographic trends, and  
6 descriptions of demand-side management activities.

7           On October 30th of this year, Energy Commission  
8 staff held a public workshop to present and solicit  
9 comments on these Forms and Instructions. This workshop  
10 was attended by a variety of stakeholders, including  
11 representatives from generators and utilities. The  
12 comments and questions submitted by workshop participants  
13 were clarifying in nature.

14           Based in part on our interactions with  
15 stakeholders during and after the workshop and in part on  
16 the fact that this data request is so similar to the one  
17 adopted during the 2011 IEPR cycle, staff feels confident  
18 that these forms and instructions are generally understood  
19 and accepted by those load-serving entities who will be  
20 responsible for responding.

21           If approved, the adopted forms and instructions  
22 would be released to load-serving entities. Responses  
23 would be due beginning February 15th for historical demand  
24 data, which the Energy Commission uses to calibrate our own  
25 forecasting models. The forecast portion of this data

1 request would be due by April 15th.

2 And at this point I'd like to turn it over to my  
3 colleague, Jim Woodward, to discuss Resource Plan Forms and  
4 Instructions.

5 MR. WOODWARD: Thank you, Nick. Good morning  
6 Chairman and Commissioners. I'm Jim Woodward and I serve  
7 in the Electricity Supply Analysis Division.

8 Electricity resource plans are used to assess the  
9 adequacy and types of capacity and energy supplies. The  
10 2011 supply forms adopted by this Commission were used to  
11 assess long-term supply trends in utility ownership of  
12 generation, development of new renewable resources, and the  
13 plans of publicly-owned utilities to remain resource  
14 adequate. We expect the 2013 supply forms will be  
15 similarly useful and will also provide information for an  
16 assessment of infrastructure needed in local reliability  
17 areas, especially in Southern California.

18 In addition to the IEPR and other Energy  
19 Commission uses, the data provided biennially by load-  
20 serving entities has been used in various studies and  
21 proceedings by the CPUC, the California ISO, the State  
22 Water Resources Control board and the ARB.

23 Study subjects have included the RPS, especially  
24 for POUs, Long-Term Procurement Plans for the IOUs, once-  
25 through cooling, South Coast Air Basin emissions credits

1 and the Transmission Planning Process.

2 All POU's report forecast energy and capacity  
3 supplies. The larger IOUs and ESPs also report, but  
4 requirements differ depending on LSE's annual peak demand.

5 Utilities that had annual peak demand of 200  
6 megawatts or greater in 2001 or 2012 will provide a  
7 resource plan forecast for ten years, 2013 through 2022.

8 ESPs with annual peak demand greater than 200  
9 megawatts provide a resource plan for 5 years, through  
10 calendar year 2017.

11 The small POU's and Rural Electric Cooperatives  
12 that had annual peak demand of less than 200 megawatts will  
13 report supply resources for the coming year.

14 In these forms and instructions all reporting  
15 LSEs are also directed to provide actual energy supply data  
16 for years 2011 and 2012.

17 In support of the 2013 IEPR, we again expect to  
18 receive a ten-year forecast of loads and resources from the  
19 State's three large IOUs and from 16 POU's. The latter  
20 includes the California Department of Water Resources, the  
21 Northern California Power Agency and the City of Vernon.

22 We also expect that 26 small POU's will again  
23 provide year-ahead forecasts, along with hourly load data  
24 for 2012 that is used in various demand forecasts. The  
25 small POU's are otherwise exempt from providing any

1 requirements to submit demand forecast data.

2 In September, staff provided draft forms and  
3 instructions to all LSEs from who we expect filings.  
4 Again, as Mr. Fugate stated, the October 30th workshop went  
5 well, it was brief and we just received clarifying  
6 questions from utilities that we expect will be able to  
7 provide accurate and timely data, as stated in the forms  
8 and instructions.

9 Staff is pleased to present, for your approval,  
10 these forms and instructions for submitting electricity  
11 resource plans in support of the 2013 IEPR.

12 CHAIRPERSON WEISENMILLER: Thank you. First, do  
13 we have the gentleman back on the phone? So, we may have a  
14 speaker but at this point let's go to comments and  
15 questions from the other Commissioners.

16 COMMISSIONER MC ALLISTER: So, thanks for that.  
17 I think this is a really foundational -- it's a key  
18 component of what we need to accomplish for the IEPR. It's  
19 one of the core objectives of each IEPR and, you know, I  
20 think it's important to get this information in a way that  
21 gets us the level of detail we need, but also takes into  
22 account the sort of ability and the bandwidth on the  
23 utility side, particularly with the small POUs.

24 So, I know you work hard to do that with the  
25 forms and data requests from the utilities.

1           I think there is kind of a trend these days to  
2 try to make -- to try to streamline and consolidate our  
3 data requests from different stakeholders, particularly  
4 utilities, and I think we're going to be talking a bit  
5 about that in the 2013 IEPR going forward.

6           So, this, I think, effort that you all, that  
7 staff has such experience with because it's a big lift that  
8 happens, you know, periodically, is something that's a  
9 great resource we can build on, and to respond to new  
10 legislation, new statute, and also sort of do what fits our  
11 needs to make sure that we get the right information, the  
12 right detail of information. You know, not just for the  
13 demand forecast, but actually other areas, as well, in a  
14 process that is as well-defined as we can make it and as  
15 sort of consistent across the Commission as we can make it.  
16 So, you know, you're in the middle of that.

17           And I think the other divisions in the Commission  
18 will be able to build on -- as this discussion gets a  
19 little more broad, necessarily, in the next year or so we  
20 have a lot to build on with these forms and I appreciate  
21 all your effort on it.

22           CHAIRPERSON WEISENMILLER: Yes, certainly as the  
23 Lead Commission on electricity we've gone through this,  
24 certainly would recommend to the Commission the adoption.

25           Let's hear -- is the gentleman back on the phone?

1           Okay, so let's have a motion.

2           COMMISSIONER MC ALLISTER:   So, I will move Item  
3   8.

4           COMMISSIONER PETERMAN:   I'll second.

5           CHAIRPERSON WEISENMILLER:   All those in favor?

6           (Ayes.)

7           CHAIRPERSON WEISENMILLER:   Item 8 passes  
8   unanimously.

9           Thank you both.

10          MR. FUGATE:   Thank you.

11          MR. WOODWARD:   Thank you.

12          CHAIRPERSON WEISENMILLER:   Let's go to Item  
13   Number 9 which is Alternative and Renewable Fuel Vehicle  
14   Buy-down Incentives, Andre Freeman, possible approval of  
15   \$1,094,000 of ARFVTP funding.

16          MR. FREEMAN:   Good morning Commissioners.   My  
17   name's Andre Freeman.   I'm a staff member in the Emerging  
18   Fuels and Technologies Office here at the Commission.

19                 Today I'm seeking approval of the next batch of  
20   vehicle incentive reservations from the Propane and Natural  
21   Gas Buy-Down Program that's funded through the Alternative  
22   and Renewable Fuel and Vehicle Technology Program.

23                 As you know, the Natural Gas and Propane Vehicle  
24   Buy-Down Program is designed to promote the purchase of  
25   alternative, clean-fueled vehicles to replace the aging

1 gasoline and diesel fleets.

2           This program provides incentives for consumers to  
3 adopt these new technologies which will help improve air  
4 quality, reduce petroleum usages and promote the California  
5 economy.

6           As we've reached the end of another successful  
7 year of buy-down reservations we'll be initiating the  
8 process of looking at next year's programs for  
9 incentivizing vehicle purchases.

10           These programs will be based off of the fiscal  
11 year 2012 and 2013 funding through our funding.

12           Currently, we are considering both a similar  
13 incentive program, as well as more targeted solicitations  
14 to reach out to groups that may not be well-catered to by a  
15 buy-down program. As part of the process we'll be  
16 interacting with the local air districts, as well as the  
17 Air Resources Board, who also runs incentive programs that  
18 cover low-emission school buses and the goods movement  
19 program.

20           The goal being to identify any of these needed  
21 groups, some of which have already come forward during our  
22 previous workshop, so we'll likely be running workshops to  
23 look more into these as the new year starts.

24           With that, I'd like to thank you for your  
25 consideration of this item and I'm available for any

1 questions you might have.

2 CHAIRPERSON WEISENMILLER: Great, thank you.

3 Commissioners, do you have any questions or comments?

4 COMMISSIONER PETERMAN: Commissioners, I'll just  
5 comment that in the last couple Advisory Committee meetings  
6 for the 118 Program this fall, staff received positive  
7 feedback, we got a number of public comments about the  
8 success of the Propane and Natural Gas Vehicle Buy-Down  
9 Program and the continued need for vehicle incentives for  
10 natural gas vehicles.

11 As the discussion went, although natural gas  
12 prices have declined, these vehicles are still more costly  
13 but additional incentives, there's belief that that will  
14 help continue to spur that market and lead it to be more  
15 self-sustaining.

16 We also got feedback on the rationale and reasons  
17 for the slower usage of the program buy-down funding and  
18 staff continues to work with those in the propane industry  
19 to try to deploy those funds.

20 And I'll just note that I appreciate staff's  
21 efforts to continuing to look at the program and think  
22 about ways to improve the funding distribution. But as  
23 you've seen from a number of Business Meetings, this has  
24 been a very active funding category and the incentives are  
25 rolling out in a timely manner.

1           So, I'm supportive of approving these grants,  
2 buy-down incentives.

3           Are there any other questions or comments from  
4 the dais?

5           COMMISSIONER MC ALLISTER: I did get a nice  
6 briefing from staff about it and, you know, I'm always  
7 interested in ways that we're pushing the marketplace and  
8 helping things move in the direction that they need to go.

9           And, you know, the propane vehicle market is --  
10 you know, it's a difficult one to sort of get moving, so I  
11 appreciate Commissioner Peterman's sort of effort to manage  
12 that discussion because I think it's been integral.

13           When there's a pot of money that's not being  
14 used, you know, it oddly kind of presents a dilemma, you  
15 know, so working through that with all of the stakeholders  
16 was needed and I think has happened in a nice way, even  
17 though it is ongoing. So, I'm supportive of this as well.

18           COMMISSIONER PETERMAN: And I'll just note when  
19 funding is not used within the program, and we pay in  
20 arrears, and so that money is returned to the 118 Fund, but  
21 the ultimate goal is to try to fund within the categories  
22 in which we've allocated the funding, and so staff  
23 continues to pursue those efforts.

24           And so with that I will move Item Number 9.

25           COMMISSIONER MC ALLISTER: I'll second.

1 CHAIRPERSON WEISENMILLER: All those in favor?

2 (Ayes.)

3 CHAIRPERSON WEISENMILLER: Item Number 9 passes  
4 unanimately.

5 MR. FREEMAN: Thank you.

6 CHAIRPERSON WEISENMILLER: Thank you.

7 Let's go on to Item 11, City of Monterey Park,  
8 possible approval of Grant ARV-12-014 for \$300,000 to the  
9 City of Monterey Park, also ARFVTP funding.

10 Shuai "James" Zhang, please.

11 MR. ZHANG: Good morning Commissioners. My  
12 name's James Zhang and I work in the Emerging Fuels and  
13 Technologies Office.

14 Today, staff is seeking approval of a grant of  
15 \$300,000 in Alternative and Renewable Fuel and Vehicle  
16 Technology Program Funds to City of Monterey Park, who  
17 responded to PON-11-602, a solicitation to support  
18 Alternative Fuels Infrastructure in California, and will  
19 provide \$475,634 in match funds for this project.

20 The City of Monterey Park will upgrade the  
21 outdated compressed natural gas fueling station at City  
22 Yard that will be accessible to the general public and  
23 supply sufficient fuel for the daily operation of the  
24 City's local bus service, as well as its growing fleet of  
25 Public Works service vehicles. The City currently operates

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1 8 CNG vehicles and will expand to 12 CNG vehicles by March  
2 2013. Total public and City fleets fuel displacement is  
3 estimated at 300 gallons per day.

4 The fueling station will initially provide  
5 convenient, clean, publicly-accessible compressed natural  
6 gas service for the City. This project will complement the  
7 California Air Resources Board Fleet Rule that requires the  
8 City's local bus service to meet Nitrogen Oxides and  
9 Particulate Matter Standards.

10 The City has opted to replace diesel buses with  
11 CNG-fueled vehicles in order to meet this requirement. The  
12 estimated nitrogen oxide and particulate matter reduction  
13 will be about 5,000 pounds per year. Additionally, the  
14 project will help to achieve carbon emissions gargets that  
15 are set in the City's Climate Action Plan and comply with  
16 air quality regulations through the conversion of  
17 conventional fuel vehicles with CNG-fuel counterparts.

18 In closing, staff asks the Commission to support  
19 approval of Agenda Item 11 for a grant agreement with City  
20 of Monterey Park in the amount of \$300,000.

21 I'm available to answer any questions you may  
22 have, thank you.

23 CHAIRPERSON WEISENMILLER: Thank you.

24 Commissioners, any questions or comments?

25 COMMISSIONER PETERMAN: Just a comment that as we

1 move and work towards expanding infrastructure for  
2 alternative fuels it's good to have an opportunity to  
3 upgrade an existing facility and expand it to make it more  
4 accessible to the public, as well as provide an opportunity  
5 for continued use by the city.

6 As noted in some of the discussion, the  
7 opportunity for the city to rely on one of its own  
8 compressed natural gas facilities versus using private  
9 companies will allow it to also get fuel at lower cost and  
10 so, again, helping the State with achieving its goals at  
11 the most cost-effective means possible. So, I'm supportive  
12 of this item.

13 Any other questions from the dais or comments?

14 Okay, then I'll move the item.

15 COMMISSIONER MC ALLISTER: I'll second.

16 CHAIRPERSON WEISENMILLER: All those in favor?

17 (Ayes.)

18 CHAIRPERSON WEISENMILLER: Item Number 11 passed  
19 unanimously.

20 MR. ZHANG: Thank you.

21 CHAIRPERSON WEISENMILLER: Thank you.

22 Let's go on to Item Number 12, Environ Strategy  
23 Consultants; possible approval of grant Agreement ARV-12-  
24 021 for \$1,211,370. And this is also ARFVTP funding. And  
25 it's Phil Cazal.

1           MR. CAZAL: Good morning, I'm Phil Cazal from the  
2 Emerging Fuels and Technologies office. Here today, also,  
3 is Jim McNamara from Environ Strategy Consultants and he  
4 may want to say a few words, also.

5           With this project, Environ Strategy Consultants,  
6 Incorporated plans to demonstrate how up to 300 tons per  
7 day of solid food waste can be converted into --

8           COMMISSIONER PETERMAN: Can you put your mic  
9 down, please? It's there, but you're not really being  
10 amplified.

11          MR. CAZAL: There we go. How's that?

12          Okay, they plan to demonstrate how up to 300 tons  
13 per day of solid food waste can be converted into  
14 compressed natural gas for use as a transportation fuel.

15          If approved, the Energy Commission will provide  
16 \$1,211,370 in Alternative and Renewable Fuel and Vehicle  
17 Technology Program funds.

18          Environ Strategy Consultants will contribute an  
19 equal amount as match funding.

20          The goal of the project is to combine a new food  
21 waste preprocessing system with existing anaerobic  
22 digesters to create biomethane for conversion into  
23 compressed natural gas fuel.

24          Environ Strategy Consultants will design and  
25 install this new solid food waste processing system at the

1 Inland Empire Utility Agency's Solid Waste Handling  
2 Facility in Chino, California.

3           The existing facility has two anaerobic digesters  
4 that are designed to handle liquid food waste, only, but  
5 with the addition of this new technology solid waste  
6 material can be screened mixed, and chemically adjusted for  
7 use as a feedstock in the production of biomethane gas.

8           The pilot project supported by the -- okay, the  
9 pilot project supported by this grant will convert enough  
10 biogas into compressed natural gas to displace the  
11 equivalent of 750 to 1,000 gallons of diesel fuel. The  
12 compressed natural gas produced during the project will be  
13 used in a demonstration of fueling heavy-duty waste  
14 collection trucks and for an on-site generator that will  
15 produce renewable electricity for the facility.

16           This project has many benefits for California.  
17 The compressed natural gas produced by this project will  
18 have an 88 percent lower carbon intensity than the baseline  
19 for ultra-low sulfur diesel.

20           Also, the use of solid food waste to generate  
21 biogas will reduce greenhouse gas emissions from landfills  
22 that release methane gas directly into the atmosphere.

23           And commercialization of this process could allow  
24 for up to 300 tons per day of solid food waste to be  
25 converted into compressed natural gas for transportation

1 use. This amount of biofuel could displace the equivalent  
2 of 1.76 million gallons of diesel fuel and eliminate almost  
3 40 million pounds of CO2 from vehicle emissions each year.

4 The project site has the required air and water  
5 quality permits, has complied with the California  
6 Environmental Quality Act and the project is scheduled for  
7 completion by October 30th, 2014.

8 Staff is requesting the Commission's support and  
9 approval of this proposed grant award.

10 CHAIRPERSON WEISENMILLER: Thank you.

11 Mr. McNamara wants to say a few words.

12 MR. MC NAMARA: Yeah, good morning Commissioners.  
13 I just wanted to say that when I found out we were Item  
14 Number 12 on 12/12/12 I was hoping that would help our  
15 chances.

16 Appreciate the opportunity to present this to  
17 you. And we're very excited about this project. It's a  
18 collaboration between ourselves, Inland Empire Utility  
19 Agency, a company called FirmGreen that actually converts  
20 the waste gas into CNG, and also Burrtec Waste Industries  
21 that's going to provide the food waste.

22 So, we're really excited about it and hope it's a  
23 spark that kind of changes the market so we can make CNG  
24 out of biomethane.

25 Thank you very much, I'm happy to answer any

1 questions.

2 CHAIRPERSON WEISENMILLER: Thank you.

3 Commissioners, any questions or comments?

4 COMMISSIONER PETERMAN: I'll comment and say,  
5 first of all, it's too bad we didn't think about that and  
6 could have avoided -- you know, taken a five-minute break  
7 so we could have been hearing this at 12:12, Item 12 on  
8 12/12/12.

9 MR. MC NAMARA: I could wait.

10 COMMISSIONER PETERMAN: But alas, you know,  
11 government is known for getting things done quickly, so  
12 we're ahead of 12:12.

13 I just wanted to offer a couple of comments on  
14 this. On the last two items when we focused on vehicle  
15 buy-downs for natural gas and propane vehicles, as well as  
16 on CNG fueling, you know, those really emphasize the need  
17 to get the vehicles and infrastructure and supports the  
18 adoption of a lower-carbon alternative fuel that's  
19 available now, you know, natural gas.

20 This item is a real complement to those  
21 investments because this is talking about where do we go  
22 long term in terms of getting fuels that are the least and  
23 the lowest in carbon intensity and that can be substituted,  
24 that can be utilized with some of the infrastructure we're  
25 investing in for compressed natural gas, now.

1           And indeed, this project is one of those that  
2 will be doing the investment in alternative fuels to  
3 produce biogas that can be used and converted to CNG.

4           So, I think this is beneficial in terms of our  
5 long-term strategy with bioenergy resources. And, really,  
6 it's a complement as well to the State's landfill diversion  
7 goals.

8           So, I'm excited to see this project and I am  
9 supportive of it.

10           Any other comments?

11           COMMISSIONER MC ALLISTER: Yeah, just the idea of  
12 bio-CNG that's already leveraging an existing facility, I  
13 mean it just makes a lot of sense and in that particular  
14 area there's a lot to like about it.

15           So, I agree with Commissioner Peterman's comment.

16           And I think another -- the procurement process or  
17 the RFP process for this has done a good job at identifying  
18 the best projects that apply and I'm supportive of this  
19 project. Not that I'd talk for four more minutes so we can  
20 be at 12:12.

21           COMMISSIONER PETERMAN: And I'll say we are  
22 investing in many demonstration projects and I look forward  
23 to discussions with the industry and stakeholders about how  
24 we can then move these demonstrations to commercial scale  
25 projects because, indeed, we are limited with the

1 availability of commercial-scale biofuels and we need to  
2 work earnestly on that issue.

3 So, did you want to have another comment?

4 MR. MC NAMARA: Oh, yes, if I could.

5 COMMISSIONER PETERMAN: Please.

6 MR. MC NAMARA: FirmGreen is a California-based  
7 company, based in Orange County. Their intention is if it  
8 goes well and the results that we get, and we analyze show  
9 that it can be commercial, they want to build a commercial-  
10 scale facility at this location as a regional facility.

11 So, we're hoping we can come back and get some  
12 more support. We won't wait until 12/12/12 comes again,  
13 but we'd be happy to come back and share that with you. We  
14 have a vision for a full-scale commercial facility there.

15 COMMISSIONER PETERMAN: Terrific, that's good  
16 news to hear. I'm glad you are thinking about that and are  
17 engaging with partners to do that.

18 So, if there are no other questions or comments,  
19 I will move Item Number 12.

20 CHAIRPERSON WEISENMILLER: All right.

21 COMMISSIONER DOUGLAS: Second.

22 CHAIRPERSON WEISENMILLER: Okay, all those in  
23 favor?

24 (Ayes.)

25 CHAIRPERSON WEISENMILLER: Item Number 12 passed

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1 unanimously. Thank you.

2 Let's go on to Item Number 14, which is Energy  
3 Conservation Assistance Account (ECAA) Loans; a possible  
4 approval of eight ECAA loans, \$12,396,666.

5 Marcia Smith, please.

6 MS. SMITH: Good morning Commissioners. My name  
7 is Marcia Smith and I'm Manager of the Special Projects  
8 Office in the Fuels and Transportation Division.

9 I'm here today to request approval of eight  
10 Energy Conservation Assistance Account or "ECAA" loans  
11 totaling \$12,396,666.

12 Because there's been a great deal of interest  
13 recently in the ECAA Loan Program, we've prepared a short  
14 slide presentation to provide a program overview.

15 The Energy Commission offers two key programs to  
16 help public agencies meet some of California's energy  
17 saving goals. Our programs can provide technical and  
18 funding assistance to identify and implement energy  
19 efficiency, renewable energy, and many greenhouse gas  
20 reduction projects.

21 We provide assistance to identify cost-effective  
22 measures in existing and planned facilities through our  
23 Bright Schools and Energy Partnership Programs. To date  
24 we've helped over 600 organizations.

25 Once projects are identified we can provide low-

1 interest rate loan funding. The program is structured so  
2 the estimated annual energy cost is equivalent to the  
3 annual loan payment.

4 Our Technical Assistance Programs, Bright Schools  
5 and Energy Partnership have provided over \$5.5 million in  
6 technical assistance to over 529 participants, resulting in  
7 an average annual utility bill savings of an estimated 10  
8 to 15 percent.

9 This next slide shows examples of technical  
10 assistance offered through the Bright Schools and Energy  
11 Partnership Programs. The photo shows one of our engineers  
12 conducting an energy audit. Most of our services are  
13 available at no cost, the Energy Commission pays up to  
14 \$20,000 of our consultants' costs.

15 Once programs are identified, we have low-  
16 interest rate financing available. The current interest  
17 rate is one percent. To get a hundred percent funding, the  
18 average simple payback of the combined projects must be  
19 less than 13 years.

20 The maximum per loan application is \$3 million  
21 and there's no minimum. Organizations can submit multiple  
22 loan applications so long as there is sufficient energy  
23 savings identified to result in the 13-year simple payback.

24 The funds are available on a first-come, first-  
25 served basis.

1           Some of the unique features of our program  
2 include a very simple application. Each application is  
3 reviewed by our technical staff to assure the assumptions  
4 are reasonable and the energy saving realistic.

5           Debt payments are based on the estimated annual  
6 energy cost savings. Once the loan debt is paid, the local  
7 jurisdiction realizes the energy savings.

8           Additional benefits that come to the ECAA  
9 borrowers are we give borrowers at least six months after  
10 project completion before the first payment is due. This  
11 allows plenty of time to accrue the energy savings to go  
12 toward repayment.

13           Our Unsecured Loan Program has an outstanding  
14 track record. During ECAA's 33-year history and portfolio  
15 of 772 loans, the program has experienced only two partial  
16 defaults.

17           Funds can be supplemented with incentives and  
18 rebates, such as those offered by utilities.

19           And finally, our technical staff and engineers  
20 are available throughout the life of the project for  
21 assistance.

22           So to conclude, since the ECAA program began in  
23 1979 we've awarded over \$279 million to 772 recipients  
24 mostly, as you can see local governments.

25           And since 2001, we've loaned \$206 million,

1 resulting in participating agencies saving 275 million  
2 kilowatt hours annually and seeing energy costs reduced by  
3 over \$26 million per year.

4 So, that completes the overview, if there are no  
5 questions I'll move on to presenting the agenda item.

6 As I stated before the slides, the eight ECAA  
7 Loan projects before you today total almost \$12.4 million  
8 in loan funds. If approved, projects will annual provide  
9 energy cost savings of \$1,093,718; reduce electricity  
10 consumption by 8,056,471 kilowatt hours; and reduce  
11 greenhouse gases by 2,772 tons.

12 The eight loans are: The Monterey Peninsula  
13 Unified School District for a loan of \$2,710,721 to install  
14 PV at four schools; the City of San Diego for a loan of  
15 \$2,000,000 to retrofit 2,147 high pressure sodium  
16 streetlights with LED lights. The City expects to receive  
17 approximately \$106,000 in rebates from San Diego Gas and  
18 Electric.

19 The third is the City of San Marcos for a loan of  
20 \$602,188 to retrofit various HVAC projects. The City  
21 expects to receive approximately \$53,000 in rebates and  
22 incentives from San Diego Gas and Electric Company.

23 The fourth is the City of Richmond for a loan of  
24 \$1,559,577 to retrofit 2,542 high pressure sodium and  
25 mercury vapor streetlights with LED streetlights. The City

1 expects to receive approximately \$230,673 in rebates from  
2 Pacific Gas & Electric Company.

3 The next is the City of San Luis Obispo for a  
4 loan of \$1,287,920 to retrofit 2,263 high pressure sodium  
5 and mercury vapor streetlights with LED streetlights. The  
6 City expects to receive approximately \$162,000 in rebates  
7 from Pacific Gas & Electric.

8 Next is the City of Santa Maria for a loan of  
9 \$2,000,000 to retrofit 5,283 low and high pressure sodium  
10 streetlights to LED streetlights. The City will be  
11 providing approximately \$1,000,000 to fully fund this  
12 \$3,000,000 project.

13 Next is the City of Rancho Cordova for a loan of  
14 \$1,809,734 to retrofit 4,736 high pressure and mercury  
15 vapor streetlights to Led streetlights. The City expects  
16 to receive \$100,000 in rebates from the Sacramento  
17 Municipal Utility District.

18 And finally, the eighth is the City of Los  
19 Angeles for a loan of \$426,526 to retrofit interior  
20 lighting and controls at various city-owned buildings.

21 Thank you and staff and I are available for any  
22 questions.

23 CHAIRPERSON WEISENMILLER: Great. Commissioners,  
24 any questions or comments?

25 COMMISSIONER MC ALLISTER: I have some comments

1 about the program and, briefly, about this suite of loans.

2 So, Marcia, you're obviously on the front lines  
3 helping educate everyone about ECAA. And I think I've been  
4 involved in those discussions as well.

5 And, really, there's a lot of interest in the  
6 program because it's a very successful model. It loans,  
7 first of all, it's not grants and I think there's an  
8 attraction, obviously, to that for long-term sustainability  
9 reasons and we're at a point with lighting, and HVAC, and  
10 the kinds of things you're putting up now where there's  
11 clearly a well-developed market for those things and  
12 there's a need for capital to be able to do the projects.

13 And I'll point out that the long payback, the  
14 relatively long payback, right, the ten-year, roughly ten-  
15 year payback is actually still a great return that's  
16 attractive in today's marketplace for investment in  
17 projects and reflects the social benefits that these  
18 projects represent.

19 Schools and cities love this program. I've been  
20 on the other end, working with those entities to receive  
21 these loans and I think it's enabling, it's the right tool  
22 that they need to get projects done that they need to do to  
23 improve their infrastructure.

24 So, you know, the HVAC upgrades and the thousands  
25 and thousands of streetlights that absolutely need

1 replacing and need updating that this tool is the right  
2 tool to make that happen.

3           And so I think just it's a model that, you know,  
4 currently it has a certain design and part of that's built  
5 in the statute, but I think there's much interest out there  
6 in the policy environment for potentially scaling up this  
7 kind of -- this program, itself, or this kind of approach  
8 and appropriately so because it works.

9           And so we'll be, I think, working together a lot  
10 on that going forward. And I'm excited about that because  
11 I think channels to get resources out there to good  
12 projects are just sorely needed and one that works is  
13 something that is -- you know, we should highlight and we  
14 should really be proud of.

15           Another point is that the combination of  
16 technical assistance and funding, you know, capital on the  
17 one hand, but technical assistance on the other I think is  
18 really hitting a marketplace need that we can build on.  
19 Particularly with local jurisdictions, and schools, and  
20 other largely public entities lately, in the last few years  
21 and over time have had a lot of their resources, their  
22 internal knowledge base kind of eroded, they've had to lay  
23 off permitting officials, they've had to lay off planners.

24           At the school districts, obviously, as you know,  
25 don't have a lot of resources. So, the Bright Schools

1 Program that complements, the Technical Assistance  
2 Provision that complements the ECAA program I think is a  
3 relatively inexpensive piece of the puzzle, but one that is  
4 absolutely critical for keeping projects at a level of  
5 quality and giving them the right specification, giving it  
6 the right scope such that the local entity can implement a  
7 good project, and keep an eye on it, understand what's  
8 happening, and follow up if needed.

9           So, I really think that that model overall is a  
10 very powerful one that we can leverage.

11           On these particular projects there's just a lot  
12 to like. I mean the light we had -- well, we've talked a  
13 lot about lighting in this meeting today and I think  
14 streetlights are a really great application of LED  
15 technologies and the cities are ripe to want to update  
16 their streetlights.

17           I know in the case of San Diego they've had a lot  
18 of very open, public stakeholder-driven discussions to  
19 decide what technologies they want to adopt. So, those  
20 projects and I imagine that many of the projects of local  
21 jurisdictions that I haven't been involved in have had  
22 similar discussions where they've said, okay, what  
23 technology do we want to adopt? What are our citizens  
24 going to like? What technologies are going to give us the  
25 savings we need to construct a good project and update our

1 infrastructure appropriately.

2           So, I like the fact that it is responding to  
3 local needs and then we're handshaking with them in a way  
4 that supports them but isn't -- and it's streamlined. It's  
5 streamlined and effective.

6           So, I'm supportive of this item and really  
7 believe that it's an exemplary program.

8           COMMISSIONER DOUGLAS: I will just add I, too,  
9 really appreciate the effort that it took to get these  
10 projects that we're considering today together, to get them  
11 to this Business Meeting.

12           These are all great projects, we're really happy  
13 to see them move forward.

14           And, of course, ECAA was one of our real go-to  
15 programs during the ARRA time, so there really has been no  
16 rest for the weary here on the ECAA front because we went  
17 from putting a considerable number of ECAA projects through  
18 to getting some additional funding from the Legislature  
19 that we're allocating here with the projects that we're  
20 looking at today.

21           And I've been really pleased to see the way that  
22 we have been able to scale ECAA up and to meet the demands  
23 for the program, and scale it as needed to really bring  
24 maximum benefits home to Californians and to the local  
25 governments that apply to the program.

1           So, thank you, I'm very strongly supportive of  
2 this.

3           So, what item are we on?

4           COMMISSIONER MC ALLISTER: Oh, you want to move  
5 so it's --

6           COMMISSIONER DOUGLAS: Is it 17?

7           CHAIRPERSON WEISENMILLER: It's 14.

8           COMMISSIONER DOUGLAS: I lost my place on the  
9 agenda, I'm sorry. I'll move approval of Item 14.

10          COMMISSIONER MC ALLISTER: And I'll second.

11          CHAIRPERSON WEISENMILLER: Okay, all those in  
12 favor?

13          (Ayes.)

14          CHAIRPERSON WEISENMILLER: Item 14 passed  
15 unanimously. Thank you.

16          Let's look at Item 15, Amended Interest Rates for  
17 Seven ECAA Loans.

18          And again, this is Marcia Smith. So, anyway,  
19 please go forward.

20          MS. SMITH: So, continuing with the ECAA Program  
21 business, I have one additional item for your  
22 consideration. Item Number 15 is a request to amend the  
23 interest rate from 3 percent to 1 percent for seven  
24 previously approved ECAA loans.

25          On February 14th, 2012 the Energy Commission

1 released Solicitation Number PON-11-610, announcing the  
2 availability of ECAA loans at an interest rate of 3  
3 percent.

4 On October 5th, 2012 the solicitation was amended  
5 to reduce the interest rate to 1 percent as allowed under  
6 the Public Resources Code Section 25415(b).

7 Between the original solicitation and the amended  
8 solicitation the Energy Commission approved seven loans at  
9 the interest rate of 3 percent.

10 This action, if approved, will minimize paperwork  
11 and time for our borrowers and the Commission. Just as  
12 homeowners take advantage of lower interest rates to  
13 finance homes and equity loans, experience has taught us  
14 that our ECAA borrowers also watch changes in our interest  
15 rates.

16 Rather than require each borrower to submit a  
17 cancellation request for its current loan and reapply under  
18 the new interest rate, I'm requesting one package -- or  
19 presenting one package to you.

20 The request is to approve amending these seven  
21 loans, totaling \$14,150,885 from an interest rate of 3 to 1  
22 percent.

23 The seven loans are Golden Valley Unified School  
24 District, Taft City School District, Sonoma Valley Health  
25 Care District, the City of Hayward, Scott Valley Unified

1 School District, the City of Napa, and the County of Santa  
2 Clara.

3 Thank you. And once again, staff and I are  
4 available if you have any questions.

5 CHAIRPERSON WEISENMILLER: Commissioners, any  
6 questions or comments?

7 COMMISSIONER MC ALLISTER: Just, Marcia, if you  
8 could talk about your sort of interaction with these  
9 applicants or with these loan recipients, sort of verifying  
10 that they would -- you know, we'd like to know what they  
11 would do if we didn't go ahead and effectively lower the  
12 interest rate for them?

13 MS. SMITH: Yeah, basically, staff did talk with  
14 each of the borrowers, making sure that they were aware of  
15 the change in the interest rate as part of our loan  
16 servicing, and determined that they were interested in the  
17 lower interest rate. And as a result, would have submitted  
18 a cancellation request and then asking for a  
19 reconsideration of the 1 percent rate.

20 And based on that input we decided to work with  
21 legal staff, actually, to make sure that we could approach  
22 it this way and make this request of the Commission.

23 COMMISSIONER MC ALLISTER: So from a  
24 streamlining -- I'm sorry, from a streamlining perspective  
25 this is the process that makes the most sense and still

1 we're not running afoul of any legal issues.

2 MS. SMITH: Absolutely.

3 COMMISSIONER MC ALLISTER: So, I think it's just  
4 a good government kind of thing to be doing proactively.

5 So, thank you very much.

6 MS. SMITH: Thank you.

7 COMMISSIONER MC ALLISTER: I'll move -- well,  
8 does anybody have -- I'll move Item 15.

9 COMMISSIONER PETERMAN: I'll second.

10 CHAIRPERSON WEISENMILLER: All those in favor?

11 (Ayes.)

12 CHAIRPERSON WEISENMILLER: Item 15 passed  
13 unanimately, thank you.

14 MS. SMITH: Thank you.

15 CHAIRPERSON WEISENMILLER: Let's go to the  
16 Minutes; possible approval of the November 14th Business  
17 Meeting Minutes.

18 COMMISSIONER DOUGLAS: Move approval of the  
19 Minutes.

20 COMMISSIONER PETERMAN: I'll second.

21 CHAIRPERSON WEISENMILLER: All those in favor?

22 (Ayes.)

23 CHAIRPERSON WEISENMILLER: Possible approval of  
24 the November 29th Business Meeting Minutes.

25 COMMISSIONER DOUGLAS: Move approval.

1 COMMISSIONER PETERMAN: Second.

2 CHAIRPERSON WEISENMILLER: All those in favor?

3 (Ayes.)

4 CHAIRPERSON WEISENMILLER: This is also adopted  
5 unanimately.

6 CHAIRPERSON WEISENMILLER: Let's to Lead  
7 Commissioner and Presiding Member Reports. Commissioner  
8 Douglas?

9 COMMISSIONER DOUGLAS: As I noted earlier in this  
10 Business Meeting, the Desert Renewable Energy Conservation  
11 team is going to post an interim, informal document on  
12 Monday that will provide some analysis, some considerable  
13 analysis of the alternatives we're looking at with that  
14 plan. So, I will call the attention of any listeners, who  
15 are still with us, to that document on Monday.

16 And I guess what I really wanted to do with this  
17 time, though, is acknowledge that this is the last Business  
18 Meeting of 2012 and say something, a little something about  
19 the year and in particular some of the notable achievements  
20 of the Energy Commission, particularly in the areas, at  
21 least for my comments, where I had enough real personal  
22 engagement and oversight to be able to speak, really, and  
23 witness firsthand the really hard work that it took to  
24 bring some of these achievements about.

25 So, you know, I've been providing on Siting and

1 Recovery Act, and Energy Efficiency over most of the year,  
2 although, of course, we've transitioned probably quickly,  
3 in some cases, many items over to Commissioner McAllister.  
4 I still occasionally find files and walk them over to his  
5 office and I have a little additional pile to do that.

6           But, you know, on the Siting side the Energy  
7 Commission, in 2012, analyzed or reviewed a number of  
8 proposed natural gas plants, solar plants, we had a large  
9 number of amendments that staff had to work on. And we  
10 also had an incredible effort on the Desert Renewable  
11 Energy Conservation Plan, as well as the compliance effort  
12 around particularly the solar projects that were approved  
13 and moving forward in construction, so a very active year  
14 in siting.

15           And just an extremely, extremely great effort on  
16 DRECP.

17           In energy efficiency, of course, we approved the  
18 nation's first battery charger standards and the 2013  
19 Building Energy Efficiency Standard Update, which is the  
20 greatest incremental achievement in energy efficiency  
21 savings that we have enacted as a standards package. So  
22 we, with that effort, dramatically improved the performance  
23 of buildings in California.

24           The acceptance testing addition, approved today,  
25 is yet another kind of important part of that package.

1           The LED specification that we discussed today I  
2 think is going to make a real difference to Californians  
3 and to the market.

4           I really want to thank the staff who worked on  
5 all of those initiatives, as well.

6           And finally, I'll speak briefly to ARRA. We've  
7 been living with the Recovery Act now for what, about three  
8 years, and it's been a Herculean effort from day one of  
9 Recovery Act in sifting through Federal requirements, and  
10 sometimes -- sometimes confusing, or conflicting, or  
11 changing Federal requirements, moving forward to get money  
12 out on the street as quickly as possible.

13           We created a large number of new programs very  
14 quickly and had to move forward on them, and oversee  
15 literally hundreds of contracts and agreements through the  
16 Recovery Act process.

17           And, you know, that money has been drawn down,  
18 it's been spent. In some cases we've been able to also  
19 create programs that will be sustainable going forward.  
20 For example, by putting money in the ECAA Program, which is  
21 a revolving loan fund, and other financing efforts.

22           So, you know, again it was a major effort. There  
23 are very few people in this building who were not at,  
24 sometime or another in the past three years, but  
25 particularly in 2012, you know, working incredibly hard to

1 help bring the ARRA effort to some kind of a close.

2           So, you know, and I've really gone through  
3 programs but, of course, it takes more than programs to  
4 make the Energy Commission work. You know, we need legal  
5 working very hard, we need media, and contracts, and some  
6 other parts of the organization that aren't really seen or  
7 talked about much by us on the dais.

8           So, anyway, as 2012 runs to a close and as I  
9 begin to reflect on what was a really incredible year, I  
10 just wanted to extend my thanks to the staff at the Energy  
11 Commission and my appreciation for a very good year, so  
12 thank you.

13           CHAIRPERSON WEISENMILLER: Yeah, let me follow up  
14 on that theme of recognition for people. You know, and  
15 again I will speak to the areas where I have responsibility  
16 although, certainly, there are lots of other pieces of the  
17 Commission and Commissioner Douglas has covered a number of  
18 those, perhaps others may chime in.

19           But first, you know, and foremost I'd like to  
20 thank the Executive Director, Rob Oglesby, and his office.

21           I came into this year with a couple of  
22 priorities. One was to basically reset our relationship  
23 with the Legislature. And in spite of not having a full  
24 office there, I think we've achieved much of what I was  
25 trying to do there.

1           I think as part of the reset, the thing that was  
2 important was to really enhance the performance of the  
3 Energy Commission and I'm going to characterize it because  
4 we're almost running out of time, but we do lots and lots  
5 of contracting and it's very important that we have the  
6 fiscal controls and that we're running this thing smoothly.

7           So, again, I think certainly both of them have  
8 done a lot to move that forward which I think, again, is  
9 very important for us organizationally.

10           I'd also like to thank our Chief Counsel, Michael  
11 Levy for that, and his office, in that first we have  
12 maintained our success record in sort of the legal defense  
13 of the organization which, you know, is critical. And,  
14 obviously, that legal defense comes to being part of the  
15 ground floor as we're doing things, so he's not trying to  
16 mop up afterwards, but having us acting appropriately as we  
17 go through.

18           But also certainly appreciate his staff's  
19 contribution in all these joint projects. You know,  
20 getting our regs over to OAL, certainly the contracting.  
21 Trying to keep that piece of the stuff going requires a lot  
22 of creativity and certainly appreciate their efforts there.

23           Certainly, with Adam, and the Communications  
24 Office, I think that's been a key part of, again,  
25 repositioning ourselves as having that proactive strategy

1 on stuff.

2 Also, in terms of starting to move forward on the  
3 whole website rebuild, revamp which, again, is a lot of the  
4 window of the world into this place, and sort of a huge  
5 activity, sort of ongoing. But, again, I certainly  
6 appreciate that effort.

7 And then also in terms of the whole social media  
8 effort, you know, again I think in terms of this sort of  
9 being creative about the new tools that we have available.  
10 You know, having the YouTube videos, having Facebook,  
11 having Twitter, you know, again trying to really get the  
12 message out that this isn't your -- well, this isn't the  
13 Energy Commission that existed when I first came, you know,  
14 30 years ago. But, you know, it's certainly a place that  
15 recognizes the changes.

16 And at the same time, obviously, Adam's staff has  
17 continued to plow through the daily reports that we put out  
18 and having editors there who really love the English  
19 language and try to make sure that our reports are at least  
20 somewhat reflective of the English language and can convey  
21 their content is also a yeoman's activity.

22 Obviously, Paul Kramer, when it comes to the  
23 Hearing Office, helping guide all of us through on the  
24 siting cases so that we have -- you know, basically makes  
25 sure that we're doing our jobs there, we're sort of looking

1 at the cases seriously, that we look at the mitigation, and  
2 we make sure that the public has an opportunity to really  
3 fully participate.

4 Obviously, Jennifer Jennings and her staff have  
5 been a key part of reaching out to the public and, again,  
6 assisting them in interacting with the Commission and  
7 that's just huge.

8 Certainly, the Business Services folks, again,  
9 having run a small business, you have to really know what's  
10 going on, on your fiscal management side, and we've been --  
11 we run a lot of money through here and we've certainly gone  
12 through a lot of audits, but it's very important that we do  
13 that in a way which really looks out for the interest of  
14 California's taxpayers and we get every dime of value that  
15 we can get out of those.

16 In terms of my specific areas, it's been a real  
17 pleasure to work with Laurie ten Hope on R&D. This has  
18 been a very tough year and she's really risen to the  
19 occasion there. I mean first, you know, she and whatever,  
20 the EPIC 11, in terms of putting in that document and our,  
21 obviously, having -- as I said earlier, that's been a key  
22 part of -- Michael's people have been really a part of that  
23 group, too.

24 But getting a strong following at the PUC, it's  
25 something we've never had to come up with that sort of plan

1 but, again, that was a strong product.

2           Carla and I -- Commissioner Peterman and I had  
3 very high expectations and they met them in a timely  
4 fashion, so that was really important.

5           I think at the same time they've had to basically  
6 roll down the PIER Program, at least on electricity. The  
7 natural gas continues. But that wind-down and doing it in  
8 a smooth fashion has been very important for us.

9           Certainly, the whole Climate Reports that we got,  
10 the 34, and sort of, again, sort of pioneering, key part of  
11 what California needed to know and hear about at this  
12 stage. It's not something that people wanted to but,  
13 again, starting to think through the consequences of  
14 climate change to us is critical.

15           There's a lot of other really pioneering studies  
16 there, but I'm just trying to stay at a really high level.

17           I think one of the other things where a lot of us  
18 came together on was the, you know, putting on my more  
19 electricity hat, or agency hat, or nuclear liaison hat was  
20 the sort of summer of 2012 and now 2013 and 2014  
21 contingency planning. That's been certainly an interagency  
22 activity which, again, shows how well we all come together  
23 when things are important.

24           But certainly, in our agency Drew's had a very  
25 big role there as our contact. Certainly, Sylvia has been

1 really digging into the pieces there. And it's going down  
2 to like de Graff or Jaske, you know, as we've dealt with  
3 various pieces, John there, on the nuclear stuff. Again,  
4 it's really been one of the high priority challenges we've  
5 had to deal with.

6           Certainly, on the electricity side, along with  
7 those items, on the whole infrastructure, which is  
8 critical, we also have had the 1368 workshops and we're  
9 marching that along. As we said, the demand forecasting  
10 stuff, they always do a marvelous job of trying to struggle  
11 with what I tend to think are some of the more uncertain  
12 times.

13           I'm glad Roger is here because I also wanted to  
14 point to the work that he's done with us as he's labored  
15 with the PUC and the ISO in trying to deal with the  
16 transmission planning scenarios.

17           And again, it's trying to get our land use  
18 planning expertise into the ISO's transmission planning and  
19 the PUC's procurement is really a sort of critical link.

20           Sort of the other group I was going -- there may  
21 be more, but at least I passed over, I think is I had the  
22 pleasure of working with Commissioner Peterman on the IEPR,  
23 again. And, certainly, Suzanne and her folks are a  
24 marvelous team to work with. I mean they're always really  
25 polite as they keep reminding us of deadlines and keep

1 things organized, but take a lot of comments from a lot of  
2 people and, again, come out with quality products in a  
3 timely fashion.

4 I guess I want to mention -- let me look at my  
5 list here. CHP has been another area where I think it's  
6 been a tough year, but a good year. You know, I think we  
7 now have a task force, you know, of combining the PUC,  
8 Energy Commission, ISO and the Governor's Office.

9 We sort of on the cap and trade managed to not  
10 kill all the existing cogen projects, but give them a path  
11 forward. Certainly, the settlements are going forward and,  
12 you know, the FERC has, indeed, adopted the proposal we put  
13 in there for cogeneration or CHP in terms of giving them  
14 more operational flexibility. So, hopefully, they can  
15 interact on renewable integration.

16 I think, actually, FERC has been very responsive  
17 to some of our filings in this summer on stuff, although we  
18 still have a huge lift on -- let's see what -- condensers  
19 for Huntington Beach and the RMR contract has been in here.

20 So, anyway, as I said it's been certainly a good  
21 year to reflect a lot of high quality activities by any  
22 number of people in this organization.

23 COMMISSIONER PETERMAN: Commissioner Douglas and  
24 Chair Weisenmiller thank you for those reflections on the  
25 year and your comments.

1           And I will just touch on a couple of other  
2 specifics before I turn over the mic to Commissioner  
3 McAllister.

4           This has been a very busy year. I can't believe  
5 how quickly it has gone by. And there's been a tremendous  
6 amount of work happening at the Commission and I'll just  
7 speak to some of the activities that happened with the  
8 Renewable and Transportation Divisions, as well as at the  
9 IEPR.

10           I think a hallmark of this year has been the  
11 significant amount of engagement we've had from  
12 stakeholders. Across all of these programs we've had a  
13 large number of workshops and meetings, public meetings,  
14 you know, meetings in different parts of the State, with  
15 different groups really just trying to engage more folks in  
16 our decision-making process.

17           It is not easy, there is usually not one right  
18 answer to doing anything, but I think our thinking has been  
19 improved and our processes have benefitted from the  
20 comments we've received, both verbally and written.

21           So, within the renewable space, again let me note  
22 my thank you and the importance of the Draft EPIC  
23 Investment Plan, and my thank you to the Chair and Laurie  
24 ten Hope and her team for their tremendous work on that.

25           I think staff took what could have been an

1 unfortunate circumstance of not having funding continue for  
2 some of our research and renewable programs, and they took  
3 their desire to continue with the goals of those programs  
4 to help motivate them to construct a terrific Draft  
5 Investment Plan for the PUC's consideration. And so I  
6 thank them for their continued support of the overall goals  
7 of this State.

8           We issued a number of updated guidebooks for  
9 renewable programs this year. There was an updated RPS  
10 Guidebook, there was an updated New Solar Homes Partnership  
11 Guidebook, and we're working on the next updates of both of  
12 those guidebooks.

13           There have been initial workshops already on  
14 those topics this year and expected an updated Renewables  
15 Program Guidebook in the early part of the year.

16           Staff contributed significantly to the updates of  
17 the Bioenergy Action Plan, the 2012 Bioenergy Action Plan.  
18 That was a highly coordinated effort among all the various  
19 agencies in the staff that somehow are engaged in bioenergy  
20 work, and our staff has really taken a lead role in terms  
21 of the writing and the coordination on that plan so, thank  
22 you and well done on that.

23           We're moving forward with implementing the  
24 Landmark RPS Legislation, 33 percent renewables by 2020.  
25 Regs for the public utilities will be submitted to OAL by

1 the end of the year and we continue to move forward in that  
2 arena.

3 And in transportation there's a tremendous amount  
4 of work happening in the Transportation Division and I'll  
5 just speak to the AB 118 Program, but will note staff's  
6 efforts in our Transportation and Fuels Office, as well as  
7 our Special Projects Office.

8 In the 118 Program we're in the fifth year of a  
9 seven-and-a-half year program where approximately \$100  
10 million is allocated annually for alternative fuels,  
11 vehicles and infrastructure.

12 So far the program has allocated \$450 million and  
13 we're beginning to see the true greenhouse gas, air quality  
14 improvements and petroleum reduction, as well as workforce  
15 development and manufacturing development successes and  
16 benefits from this program.

17 We have a very active stakeholder group and we  
18 really do appreciate their involvement.

19 Our staff here, we can only follow so much and so  
20 it's really good to hear from those on the ground about how  
21 the programs are working and continuously we try to move  
22 forward to reach our goals, but to have the dialogue in a  
23 public process to work with industry timelines. And I so  
24 appreciate staff's efforts to really balance those goals,  
25 as well as moving forward on, as the Chair noted,

1 processing current contracts as we think forward to where  
2 the policy needs to go.

3 We are currently working on the Investment Plan  
4 for 2013-2014. We had a workshop on the draft plan a  
5 couple weeks ago. We asked for comments by December 11th  
6 in order to prepare our first draft that must go to the  
7 Legislature in January.

8 But we welcome comments continuously throughout  
9 the process, it's an iterative process. We'll have more  
10 public forums on the 118 Plan this year and I encourage  
11 everyone to participate either on WebEx or in person.

12 I want to turn to the IEPR. I've had the  
13 privilege of being Lead Commissioner on the 2012 IEPR and  
14 working with Chair Weisenmiller.

15 And this IEPR really focused on very important  
16 issues to think about in the near term in the energy space.  
17 It focused on energy infrastructure, and reliability, and  
18 resource needs, particularly in the southern part of the  
19 State, forecasts for our fuels, and our electricity demand,  
20 as the Chair noted combined heat and power, as well as  
21 provided a Renewable Action Plan for the State.

22 And that Action Plan is focused on actions that  
23 staff and the Commission, based on stakeholder feedback,  
24 see as important for positioning the State to be successful  
25 in meeting not only the 2020 Renewable goals, but also to

1 have clean energy necessary to meet 2050 goals for  
2 greenhouse gases, as well as for our air quality.

3 Many of the actions are foundational in nature  
4 and really meant to make sure our institutions are moving  
5 in the right direction. I think there are about 30  
6 something actions right now. We're getting feedback on  
7 prioritization. But I think considering all of the  
8 activity happening in this space, the fact that we're able  
9 to get down to that smaller number.

10 Also on the IEPR, I really appreciate the  
11 feedback we've gotten from stakeholders. We've had  
12 opportunities to meet with various parties throughout the  
13 process and we're processing comments now.

14 I'll note, if you're really interested in  
15 understanding different perspectives in the energy space  
16 it's good not only to look at the IEPR, but to look at the  
17 comments that have been submitted by the parties.

18 Because, indeed, our staff has to take on the  
19 heavy task of weighing the comments and considering what to  
20 put in the draft, and what in the final report, and we get  
21 many good suggestions that are at a granular enough level  
22 that if we included it all, it would make it too big a tome  
23 to carry around, much less read.

24 But please note that even if all your comments  
25 aren't reflected in the IEPR, our staff has reviewed and

1 they'll be reflected in our thinking as we move forward  
2 with implementing these policies.

3           One thing that I have tried to do with my office  
4 in the last year is reach out to stakeholder groups that  
5 don't normally participate in our process, and that's  
6 something I wish I could do more of and would encourage us  
7 to continue to do.

8           Specifically, in the IEPR process we had nine  
9 workshops and we had participation from members from  
10 environmental justice groups and community groups on  
11 panels. I think representation is important, not just one  
12 person, but multiple people on the panels representing  
13 different groups that sometimes are left out of our energy  
14 system planning.

15           We've also made a request for participation from  
16 an environmental justice group on the AB 118 Advisory  
17 Committee. We don't yet have a group or a person that's  
18 going to assume that role, but if anyone out there is  
19 interested, the notice is on the 118 page and you can  
20 follow up with the 118 Program on how to be an Advisory  
21 Group member.

22           And finally, I also continue to engage as the  
23 Commission's representative on a number of Western Regional  
24 activities. The Western Interstate Energy Board works with  
25 WGA.

1           If you look in our Action Plan for Renewables,  
2 you'll see as we look to lower the cost of renewables, to  
3 integrate them better into our electricity system there are  
4 a number of efforts that will be improved from regional  
5 coordination.

6           And so even though California continues to lead,  
7 as we lead we need to make sure others are following and  
8 working well with us, and so appreciative of that  
9 engagement that we have.

10           And then just like to generally note what I think  
11 is the role of the Energy Commission because I didn't  
12 realize how much work this Commission really did until I  
13 got to be a part of it, and it is a tremendous machine.  
14 And a lot of the work that we do is really around planning  
15 and making sure that the institutions and projects that  
16 we're putting out there are connected enough in a way as to  
17 be sustainable long term.

18           And I like to think about it, if you're trying to  
19 build a great building, you need bricks and mortar. And  
20 oftentimes a lot of focus is on the bricks, but what a lot  
21 of the folks at the Commission do is the mortar. We are  
22 the glue, the staff is the glue and presents ideas about  
23 planning and readiness to make sure that the foundation is  
24 strong.

25           And oftentimes that work goes under-acknowledged,

1 but just like to make sure everyone's aware of that and  
2 just really note the importance of it and so let me just  
3 convey an overall thank you to all the staff that have  
4 worked on these projects. A number of people work on the  
5 evenings, they work on the weekends and because they care  
6 about this work.

7           And I'd particularly like to thank the staff in  
8 my office, my advisers, Saul Gomez, Jim Bartridge, Leslie  
9 Baroody, Tim Olson who served as an adviser for me earlier  
10 in the year, and my assistant Kathleen McDonald because  
11 it's with their continued effort and support that my office  
12 is able to engage.

13           And then we've talked a lot in the Business  
14 Meetings about the grants and the things we need to  
15 improve, but a lot of our work also is about just  
16 stakeholder engagement that many of you in the public never  
17 see.

18           And so, for example, I've spoken around the State  
19 on a number of energy issues and staff has always been able  
20 to provide me with the facts that I need. And people are  
21 hungry for information out there. We have a tremendous  
22 amount of information here at the Commission and one of the  
23 challenges is how do we get it out there to a broader array  
24 of people.

25           And so on that note I will again thank Adam

1 Gottlieb, as well, for continuing to work on our  
2 communication strategy.

3 So, with that thanks and happy holidays.

4 COMMISSIONER MC ALLISTER: So, as the freshman  
5 member here, still -- maybe that will change in the next  
6 few months as we fill the fifth seat, possibly, I'll bat  
7 cleanup here, as it will.

8 And I have less retrospective comments to make,  
9 than prospective, but I will just make some observations  
10 from my time, all of which has been in this calendar year  
11 here at the Commission.

12 I think, you know, obviously, this is a -- I knew  
13 how much -- I knew the importance of what the Commission  
14 did before I got here, but like Commissioner Peterman,  
15 didn't really understand all of the elements that went into  
16 what the Commission does and how involved it is for any  
17 given office, even any given staff member, but definitely  
18 any given team.

19 I have a real appreciation, just to echo what  
20 Commissioner Weisenmiller, Chair Weisenmiller said about  
21 the Executive Office, and how important it is, and how I  
22 think Rob's leadership has -- there have been many, many  
23 improvements that predate me and a vision, I think, that is  
24 really moving things in the right direction, so I very much  
25 appreciate that.

1           And on the same page with it, but just  
2 operationally and where I think the Commission needs to go  
3 to demonstrate to the world how much expertise we have, I  
4 think that part of the issue has been that the reflection  
5 out there in the world hasn't really done justice to how  
6 much expertise there actually is here in the building. And  
7 I think that matching those two up, with Adam's office, and  
8 with Rob's leadership, and with the Commissioners on any  
9 given topic I think is really important to keeping us sort  
10 of -- keeping us where we need to be with respect to our  
11 effectiveness is out there in the world, because I think  
12 our brand needs to reflect our actual expertise.

13           And I'm committed to working with Chair  
14 Weisenmiller and the other Commissioners to help that  
15 happen, particularly over at the Legislature where I think  
16 a lot of interesting and very, very important things are  
17 going to be happening in this upcoming year.

18           So, I think -- so, I'm really enjoying working  
19 with the other Commissioners for sure, definitely looking  
20 forward to working with Commissioner Peterman on the IEPR  
21 this year.

22           And have probably worked most with Commissioner  
23 Douglas just in the transition with the energy efficiency  
24 items and I really appreciated that. And I feel like we  
25 have a good team going on and, obviously, led by our

1 fearless here, Chair Weisenmiller.

2           And some surprises that I've seen really have to  
3 do with -- well, in a way I'm disappointed that I don't get  
4 to work with the other Commissioners more because I really  
5 did not understand all the Bagley-Keene issues and some of  
6 the conflict issues that are built into Warren Alquist that  
7 can make it -- absolutely understand the motivation behind  
8 those and, obviously, having -- you know, minimizing  
9 conflicts and making decisions in the public is absolutely  
10 essentially to operating within a democracy. I think it's  
11 just the right thing to do and it's good government.

12           But it also means that I get to spend less time  
13 with people that I obviously would, you know, jive with on  
14 a professional level, do jive with. But did not quite  
15 understand all the fences were up. And the reasons behind  
16 them I think are obviously well-intentioned and there are  
17 good motivations for why that happens.

18           But it does make it challenging to sort of get  
19 things done and I think the Commission does a remarkable  
20 job within those constraints.

21           Also, just a couple of items that I want to  
22 highlight of importance, and one thing I've noticed is the  
23 interagency communication and the interagency collaboration  
24 that I'm really pleasantly -- not surprised by, but I just  
25 think that it's moving in a direction of more collaboration

1 that's very much needed. We have a lot of agencies that  
2 have different mandates and are subject to different pieces  
3 of the statute and our efforts need to be well-coordinated  
4 and I'm satisfied that they're moving in the right  
5 direction there.

6           Particularly in my wheel house, on the energy  
7 efficiency stuff, we're really committed to working with  
8 the PUC to mobilize resources and coordinate efforts in a  
9 way that makes sense for the marketplace, for the  
10 utilities, for all the actors out there working in our  
11 areas. So, I think that's super important and I'm  
12 committed to doing it.

13           Going forward, this year I think has had a lot of  
14 successes along those lines and we're building a good  
15 foundation.

16           And then I think that fundamentally the interest,  
17 the kind of dynamic is that we have a tension between what  
18 we have to do -- you know, several, I think Chair  
19 Weisenmiller and Commissioner Peterman brought up the  
20 contracting issue and with Commissioner Douglas's  
21 leadership in ARRA it really highlighted the fact that  
22 the -- you know, getting responsibly, getting resources  
23 through the agency is just a huge lift. And the systems  
24 and processes that we have to be able to do that and scale,  
25 and it's a huge challenge, it's a massive challenges, and

1 there's this inherent tension between satisfying sort of  
2 statutory requirements and in the case of ARRA even all the  
3 way up to the Federal level in very complex ways, but also  
4 maintaining the kind of flexibility and responsiveness to  
5 the marketplace that's going to make our efforts a success.

6           And so I think working through those issues with  
7 legal, with the Executive office, and with the individual  
8 project teams, and with accounting just on the back end of  
9 the contract, the actual administration of the contracts is  
10 a hugely important effort to keep moving in the right  
11 direction.

12           There have been a lot of, I understand,  
13 improvements which predate me, getting the contract  
14 agreements down and streamlining, and I'm committed to  
15 helping that continue, so working with Rob and his team on  
16 that.

17           But I'm -- from what I've seen so far, I'm only  
18 more excited now than I was when I first got here to be  
19 here, so I think -- you know, people ask me, well, how's it  
20 going? You know, is the shine off -- off the opportunity?  
21 And no is the answer. We're doing really important work  
22 here and many, many challenges, I think, but there are a  
23 lot of good people across the board, inside and outside the  
24 building that are committed to moving California in the  
25 direction that we know it has to move in, that's built in

1 the policy and will continue to be so.

2 So, I'm looking forward to 2013 and working with  
3 all of you even more closely.

4 CHAIRPERSON WEISENMILLER: Okay, Chief Counsel's  
5 Report.

6 MR. LEVY: Thank you, Chair Weisenmiller and  
7 Commissioners, and on behalf of my office I would just like  
8 to take a minute as well to thank you very much for your  
9 acknowledgement of my team efforts this year.

10 As you know, we have a 23-attorney, 6-support  
11 staff, a very highly functioning, committed law office that  
12 works tirelessly throughout the year to satisfy the desires  
13 of the Commission to meet the policy and legal demands of  
14 the Commission. And it's been working very hard,  
15 especially over the last year, to retool its processes in  
16 partnership with Rob and Drew's guidance, to try to foster  
17 collaborative relationships with all the deputies.

18 I'd like to call out just a couple, Dave  
19 Ashuckian, in particular, on the rulemaking efforts that  
20 we've been doing.

21 I want to call out one of my teams as well, just  
22 because of the Building Standards being adopted today.  
23 Half a dozen lawyers have worked tirelessly since June on  
24 getting through all of the various aspects of the Building  
25 Standards, including 1103, and they include Pippin Brehler,

1 Kristin Driscoll, Robin Meyer, Lisa DiCarlo, Karen Holmes  
2 and Jonathan Blies, a retired annuitant who loves his work  
3 here so much that he can't seem to leave. Literally,  
4 weekends, evenings, around the clock to get through all of  
5 the standards and continuing to do so now to get them  
6 through the Building Standards Commission and OAL. And I  
7 appreciate your acknowledgement for them because they  
8 really deserve a hand. They've done really hard work.

9           Three outstanding Assistant Chief Counsels who  
10 are 100 percent committed to customer service and into  
11 filling the needs of the Commission, a support staff team,  
12 including dockets that have been extremely nimble in  
13 retooling its own efforts over the last year to try to  
14 implement efficiencies and to speed up the pace of  
15 docketing, and to make sure that mistakes are not made in  
16 our recordkeeping requirements, and at the same time to  
17 plan moving forward to develop the process for our new  
18 CRIMS Program, which has been a huge effort.

19           I don't want to talk about everybody here. I  
20 could. I'll spare everybody that. But I will just like to  
21 say that the -- as you know, a lot of the programs that we  
22 service are low visibility and you don't see the lawyers  
23 who are working hard on everything from public records and  
24 management of litigation. We're a team and taking it on,  
25 on a daily basis, even though it doesn't rise to your

1 attention, very hard-working people.

2 And I will again thank you for the privilege for  
3 allowing me to be a part of such a wonderful team. It's  
4 been remarkable this year.

5 Before I pass over the microphone, I would like  
6 to ask for a Closed Session today to discuss facts and  
7 circumstances that present a risk of litigation against the  
8 Commission. Thank you.

9 CHAIRPERSON WEISENMILLER: Okay, great.

10 Executive Director's Report.

11 MR. OGLESBY: Well, on behalf of the Executive  
12 Office and the staff I want to thank you for your kind  
13 words and the recognition of the hard work that staff has  
14 put in throughout the year.

15 And I don't want to repeat praise for that -- but  
16 I wanted to add those that have been working very hard and  
17 performed extraordinarily during the course of the year.  
18 Drew Bohan as my right hand has been instrumental in many  
19 of the achievements of the Commission over this year.

20 Also, I wanted to call out Suzanne Korosec for  
21 her work on the IEPR process. She's steady and does high  
22 quality work, long, long hours as many of the staff do.

23 And I'll mention some of the new addition to  
24 staff, or at least new positions for some, including Joan  
25 Walther (phonetic), who's worked tirelessly and long, and

1 called to service on nuclear issues. And with so much  
2 going on in those areas she's had to put in long hours,  
3 lots of travel for a very important role that the  
4 Commission undertakes.

5 Also, Dave Ashuckian, as just mentioned, joined  
6 staff, has already been effective, had an impact player,  
7 and happy to have his addition to our staff and  
8 contribution to our success of this year.

9 And elevation of Randy Roesser, who took on a  
10 full plate of work to head up the Fuels and Transportation  
11 Division.

12 I think also, in closing, I'd have to observe  
13 that when we talk about the Commissioners it's always, Rob,  
14 how are we going to work with full time Commissioners, and  
15 have staff, and it's going to take a lot to work for four  
16 bosses, usually, and five when we're at our full load.

17 But I'd have to say that in recognition and  
18 appreciation of your work that it's more than a full time  
19 job and that has been demonstrated by you, as serving as  
20 Commissioners, that your contribution of deep involvement  
21 on the issues, technical expertise, and dedication to the  
22 policies and the implementation of the programs deserves  
23 recognition and I want to thank you for your service and  
24 your support during this past year.

25 CHAIRPERSON WEISENMILLER: Thank you.

1                   Public Adviser's Report.

2                   MS. JENNINGS: I don't have a report, but thank  
3 you for the kind words. It's been an honor serving the  
4 Commission over the past year. And it's also been very  
5 enjoyable to me working with the members of the public who  
6 take on the rather Herculean task of participating in our  
7 siting cases. I think they are to be commended for all the  
8 hard work they do in the evenings, and the weekend,  
9 themselves, to engage in matters that are of critical  
10 importance to them. Thank you.

11                   CHAIRPERSON WEISENMILLER: Thank you.

12                   COMMISSIONER PETERMAN: May I say on that point,  
13 just as a public member, I want to just highlight what the  
14 Public Adviser said because the siting process is  
15 challenging to follow for even those who are familiar with  
16 it, and the level of engagement we have seen from the  
17 public has been really impressive. And I appreciate that  
18 it's not easy and it's hard moving technical, scientific  
19 issues through a policy format and we continue to work to  
20 always improve public engagement.

21                   And that being said I'm thankful for what we have  
22 with it and the role that the Public Adviser has played in  
23 facilitating some of that interaction.

24                   And particularly wanted to also, while I have the  
25 opportunity, acknowledge one of our attorneys, Gabe Herrera

1 who, you know, has engaged in almost everything, if you  
2 will, and he's so thoughtful in his approach and his  
3 detailed read. And all the legal team is, but particularly  
4 he has really stepped up and been of service across the  
5 Commission and we are grateful for him.

6 CHAIRPERSON WEISENMILLER: Public comment?

7 Okay, so we're going to go into Executive  
8 Session. I think it's going to be about an hour, so we'll  
9 be back at around 2:00.

10 (Whereupon, an Executive Session was held and  
11 thereafter the Business Meeting was adjourned.)

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