

Commissioners Present

Robert B. Weisenmiller, Chair
Karen Douglas
Carla J. Peterman

Staff Present

Michael Levy
Rob Oglesby
Jennifer Jennings
Dennis Beck

	Agenda Item
Caryn Holmes	3
Eric Veerkamp	4
Steve Bonta	5
Cheng Moua	6
Haile Bucaneg	7
Jared Cacho	8 & 9
Consuelo Sichon	10
Adrian Ownby	11
Mike Gravely	12
Andre Freeman	13
David Ware	14
Laurie ten Hope	15
Mike Leاون	16

Also Present

Interested Parties (*on phone)

	<u>Item #</u>
Tom Young, E3 NorCal	3
Jane Lockhart, CalCERTS	3
Tamara Raspberry, Sempra Energy Utilities	10
*Corey McClelland, SDG&E	10
Chuck White, Waste Management	13
Frank Ziegler, Greenkraft	13
*George Nesbitt, Environmental Design Build	14
Mark Stanga, Daiken AC Americas	14
Patrick Splitt, APPTech, Inc.	14
*Lee Smith, Daiken AC Americas	14
John Constantino, TechNet	16
Amy Blumberg, Rose & Kindel	16

Public Comment

Item #

*Al Zeller

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Proceedings

Items

1. CONSENT CALENDAR 16
- a. CITY OF CHULA VISTA. Possible approval of the City of Chula Vista's locally adopted building energy standards to require greater energy efficiency than the 2008 Building Energy Efficiency Standards.
 - b. CITY OF LATHROP. Possible approval of Amendment 1 to Agreement CBG-09-023 with the City of Lathrop to allow the city to purchase and install four additional HVAC units and energy efficient lighting at the Lathrop Community Center and help fund the replacement of the boiler at City Hall. The City has \$61,454 of the original grant of \$93,700 still available after completion of the original Agreement items and would like to use the funds for these additional measures. (ARRA funding.)
 - c. CITY OF EL SEGUNDO. Possible approval of Amendment 1 to Agreement CBG-09-155 with the City of El Segundo to change the scope of work by removing HVAC work in favor of additional interior and exterior lighting retrofit items at various city-owned locations throughout El Segundo. Dual technology occupancy sensor switches would also be added to three buildings. The City requests a time extension until June 14, 2012 to complete the project. The grant amount remains \$90,691. (ARRA funding.)
 - d. CITY OF SEASIDE. Possible approval of a change in scope under Amendment 1 to Agreement CBG-09-036 with the City of Seaside. The City originally proposed retrofitting its streetlights, traffic and pedestrian signals city-wide under the Direct Equipment Purchase Program. Instead, the grant funds will be used to upgrade streetlights, interior lights, exterior lights, and exit signs to more efficient lights and install lighting controls under the Energy Efficiency Program. (ARRA funding.)

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Items

1. CONSENT CALENDAR (Continued).
 - e. CITY OF WILDOMAR. Possible approval of Amendment 1 to Agreement CBG-09-114 with the City of Wildomar for a change of scope that cancels the LED parking lot lighting project, but adds illuminated street signs. A budget change is needed to reduce the total grant amount from \$134,140 to \$134,118. (ARRA funding)
 - f. UTILITY SAVINGS AND REFUND, LLC. Possible approval of Amendment 1 to Agreement PIR-10-023 with Utility Savings and Refund, LLC to change the venue and utility partner for the project. The amendment will move the demonstration of a vanadium redox flow battery from the Dublin/San Ramon Wastewater Treatment Facility located in Pleasanton, California to the Gills Onion processing facility located in Oxnard, California. The amendment will also change the utility partner from Pacific Gas and Electric to Southern California Edison. (PIER electricity funding.)
 - g. COULOMB TECHNOLOGIES. Possible approval of Amendment 1 to Agreement ARV-09-007 with Coulomb Technologies for a no-cost time extension of eight months to give the recipient additional time to complete its tasks. Coulomb Technologies is expected to provide 1,850 networked electric vehicle charging stations to the San Francisco, Sacramento and Los Angeles regions. Residential installations have been slower than expected due to vehicle production constraints from the Japanese tsunami. The additional time will allow Coulomb to catch up with residential installations as more battery electric vehicles become available. The new term end date of the agreement is requested to be December 30, 2013. (ARFVT funding.)

Items

1. CONSENT CALENDAR (Continued).
 - h. MOTIV POWER SYSTEMS, INC. Possible approval of Amendment 1 to Agreement ARV-09-015 for a no-cost time extension of six months to December 30, 2012, and budget reallocation for the Motiv Power Systems, Inc. prototype electric shuttle bus project. Critical work that was originally slated for subcontractors will be conducted in-house by Motiv Power Systems, Inc. and will require additional time. (ARFVT funding.)
 - i. CUMMINS, INC. Possible approval of Amendment 1 to Agreement ARV-10-044 with Cummins, Inc. to extend the agreement by six months to accommodate delays caused by budget changes, including additional match funding and a change in the size of the "downsized" engine. Cummins will develop and demonstrate a low-carbon emission powertrain with a specially designed E-85 engine and a dedicated hybrid drive system. There are no changes to the amount of the grant. (ARFVT funding.)
 - j. ALTEX TECHNOLOGIES CORPORATION. Possible approval of Amendment 1 to Agreement PIR-09-012 with Altex Technologies Corporation to reallocate reimbursable budget funds to reflect revised project team capabilities. There is no time extension and no funds are being added. (PIER electricity funding.)
 - k. KEMA, INC. Possible approval of Amendment 2 to Contract 400-07-030 with Kema, Inc. for a no-cost time extension of 20 months to December 31, 2013 to complete current projects and to fulfill program obligations. The contract supports developing policies and protocols, analyzing the renewable industry and market context, and ensures the effectiveness of the overall Renewable Energy Program. (RRTF funding.)

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1. CONSENT CALENDAR (Continued).
 1. CROCKETT COGENERATION PROJECT (92-AFC-1C). Possible approval of Crockett Cogeneration's petition to amend the Crockett Cogeneration project by installing electric motor-driven natural gas compression equipment.
 - m. ORANGE GROVE ENERGY PROJECT (08-AFC-4C). Possible approval of the Orange Grove L.P. petition to modify the Orange Grove Energy Project to comply with San Diego Air Pollution Control District staff's recommended changes to the Authority to Construct conditions.
2. ENERGY COMMISSION COMMITTEE APPOINTMENTS. Possible approval of appointments to the Energy Commission's Standing Committees and Siting Case Committees. HELD
3. COMPLAINT AGAINST AND REQUEST FOR INVESTIGATION OF CalCERTS, INC. (Docket No. 12-CAI-01): Possible appointment of an Energy Commission committee to conduct proceedings as set forth in Commission Regulations sections 1675 and 1230 and following, on the complaint against and request for investigation of CalCERTS, Inc., filed on behalf of Erik Hoover and Patrick Davis relating to their Rater certification under the Energy Commission's California Home Energy Rating System Program. 17
4. STARWOOD POWER PLANT (06-AFC-10C). Possible approval of Starwood Power-Midway, LLC's petition to modify air quality conditions for the Starwood Power Project to allow the plant an annual limit on nitrogen oxides (NOx) of 50,000 pounds per year. 26

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5. RMA CONSULTING GROUP, INC. Possible approval of Purchase Order 11-409-011 to RMA Consulting Group, Inc. for \$98,000 to provide expertise and guidance in the development and use of a Master Project Plan to help the Energy Commission's Information Technology Services Branch identify and plan its resources in support of its projects and activities. (ERPA funding.)	30
6. GOLDEN VALLEY UNIFIED SCHOOL DISTRICT. Possible approval of Agreement 001-11-ECE for a loan of \$3 million to the Golden Valley Unified School District to implement its solar photovoltaic (PV) project. The project includes installing a total capacity of 1.12 megawatts of solar PV at the district office and four schools. The solar PV systems are estimated to produce a total of 1,725,114 kilowatt-hours annually, which translates to approximately \$295,408 of annual cost savings for the school district. The payback period is 10.2 years based on the loan amount. (ECAA funding.)	32
7. PHASE 2 ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG). Possible approval of six block grants to small cities for energy efficiency projects. No funds are currently available under the Phase 2 EECBG program. However, as funds become available they will be allocated to these Phase 2 grants on a first-come, first-served basis. (ARRA funded).	35
a. CITY OF LAGUNA WOODS. Possible approval of Agreement CBG-11-001 for a grant up to \$100,000 to the City of Laguna Woods to install induction streetlights to replace high pressure sodium streetlights. This project is estimated to save 81,888 kilowatt hours and reduce annual greenhouse gas (GHG) emissions by approximately 28 tons. (Project Manager: Adel Suleiman)	

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7. PHASE 2 ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT
(Continued)
- b. CITY OF MARYSVILLE. Possible approval of Agreement CBG-11-002 for a grant of up to \$447,790 to the City of Marysville to install LED streetlights to replace high pressure sodium and metal halide streetlights. This project is estimated to save 335,000 kilowatt hours annually and reduce annual GHG emissions by approximately 115 tons. (Project Manager: Akasha Kaur Khalsa)
 - c. CITY OF EAST PALO ALTO. Possible approval of Agreement CBG-11-003 for a grant of up to \$247,231 to the City of East Palo Alto to install LED streetlights to replace high pressure sodium, low pressure sodium, and metal halide streetlights. This project is estimated to save 94,870 kilowatt-hours annually, and reduce annual GHG emissions by approximately 32 tons. (Project Manager: Shahid Chaudhry)
 - d. CITY OF RIVERBANK. Possible approval of Agreement CBG-11-004 for a grant of up to \$539,614 to the City of Riverbank to install LED streetlights to replace high pressure sodium streetlights. This project is estimated to save 430,800 kilowatt hours and reduce annual GHG emissions by approximately 148 tons. (Project Manager: Anne Fisher)
 - e. CITY OF SAUSALITO. Possible approval of Agreement CBG-11-005 for a grant of up to \$126,019 to the City of Sausalito to install LED streetlights to replace high pressure sodium and metal halide streetlights. This project is estimated to save approximately 110,000 kilowatt hours annually and reduce annual GHG emissions by approximately 38 tons. (Project Manager: Haile Bucaneg)

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7. PHASE 2 ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (Continued)	
f. CITY OF LEMOORE. Possible approval of Agreement CBG-11-006 for a grant of up to \$635,144 to the City of Lemoore to install LED streetlights to replace high pressure sodium streetlights. This project is estimated to save 232,349 kilowatt hours and reduce annual GHG emissions by approximately 80 tons. (Project Manager: Amir Ehyai)	
8. REDWOOD COAST ENERGY AUTHORITY. Possible approval of Agreement ARV-11-006 for a grant of \$199,949 to the Redwood Coast Energy Authority to produce a comprehensive Plug-In Electric Vehicle (PEV) Readiness Plan for the tri-county North Coast Region. The plan will support the mass adoption of electric vehicles by developing plans for PEV infrastructure deployment, streamlining of permitting, installation and inspection processes, and consumer education and outreach in the region. (ARFVTP funding.)	39
9. SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION DISTRICT. Possible approval of Agreement ARV-11-008 for a grant of \$200,000 to the San Joaquin Valley Unified Air Pollution District to produce a comprehensive Plug-In Electric Vehicle (PEV) Readiness Plan for the seven-county region. The plan will support the mass adoption of electric vehicles by developing plans for PEV infrastructure deployment, streamlining of permitting installation and inspection processes, and consumer education and outreach in the region. (ARFVTP funding.)	39
10. SAN DIEGO GAS AND ELECTRIC CO. Possible approval of Agreement PIR-11-003 for a grant of \$1 million to San Diego Gas and Electric to install an advanced, wireless communications system to monitor and control smart grid devices. This award will be cost-share for the recipient's \$28.1 million American Recovery and Reinvestment Act of 2009 award for its \$63.1 million project. (PIER electricity funding.)	44

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11. SAN FRANCISCO MAYOR'S OFFICE OF HOUSING. Possible approval of Amendment 2 to Contract 400-09-019 with the San Francisco Mayor's Office of Housing (SFMOH) for the Bay Area Multifamily Fund Program. The program provides financing through a revolving loan fund for energy efficiency and renewable generation retrofits of affordable multifamily housing buildings in the Bay Area. The amendment will ensure that the Energy Commission can still enforce the U.S. Department of Energy requirements for the revolving loan fund aspects of the contract after April 30, 2012. The amendment will also realign the remaining funding, and provide a budget and matching scope of work for the extended administration and implementation of the program by SFMOH through April 30, 2013. Revisions will be made to the statement of work, budget, and terms and conditions. (ARRA funding.)	47
12. UNIVERSITY OF CALIFORNIA LOS ANGELES. Possible approval of Contract 500-11-013 for \$499,999 with the Regents of the University of California on behalf of the Los Angeles Campus to implement auto demand response with the campus WINSmartGrid communication platform. Research will determine the most effective methods of deploying demand response based on the behavior of the campus residential consumers. (PIER electricity funding.)	49
13. ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY BUY-DOWN INCENTIVE RESERVATIONS. Possible approval of a total of \$8,554,000 in vehicle buy-down incentive reservations (ARFVT funding).	51
a. CRANE CARRIER COMPANY (BDIR-11-15) in the amount of \$884,000 for the buy-down of 34 natural gas vehicles of 26,000 pounds gross vehicle weight and greater (fuel tank capacity less than 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent).	

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13. ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY BUY-DOWN INCENTIVE RESERVATIONS. (Continued)
- b. KENWORTH TRUCK COMPANY (BDIR-11-16) in the amount of \$884,000 for the buy-down of 34 natural gas vehicles of 26,000 pounds gross vehicle weight and greater (fuel tank capacity of less than 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent).
 - c. NAVISTAR, INC. (BDIR-11-17) in the amount of \$400,000 for the buy-down of 20 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight and \$884,000 for the buy-down of 34 natural gas vehicles of 26,000 pounds gross vehicle weight and greater (fuel tank capacity less than 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent) for a total reservation amount of \$1,284,000.
 - d. ARATA EQUIPMENT COMPANY (OEM - American LaFrance), (BDIR-11-18), in the amount of \$884,000 for the buy-down of 34 natural gas vehicles of 26,000 pounds gross vehicle weight and greater (fuel tank capacity less than 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent).
 - e. PETERBILT MOTORS COMPANY (BDIR-11-19), in the amount of \$884,000 for the buy-down of 34 natural gas vehicles of 26,000 pounds gross vehicle weight and greater (fuel tank capacity less than 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent).
 - f. AUTOCAR, LLC (BDIR-11-20), in the amount of \$884,000 for the buy-down of 34 natural gas vehicles of 26,000 pounds gross vehicle weight and greater (fuel tank capacity less than 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent).
 - g. GREENKRAFT, INC. (BDIR-11-21), in the amount of \$400,000 for the buy-down of 20 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight.

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13. ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY BUY-DOWN INCENTIVE RESERVATIONS. (Continued)
- h. TOWNE FORD (BDIR-11-22), in the amount of \$80,000 for the buy-down of 10 natural gas vehicles of 8,501 to 14,000 pounds gross vehicle weight.
 - i. A-Z BUS SALES, INC. - OEM - Blue Bird (BDIR-11-23), in the amount of \$384,000 for the buy-down of 12 natural gas vehicles of 26,000 pounds gross vehicle weight and greater (fuel tank capacity of at least 190 Liquefied Natural Gas or 90 Diesel Gallon Equivalent) and \$500,000 for the buy-down of 25 propane school buses of 14,001 pounds gross vehicle weight and greater, for a total reservation amount of \$884,000.
 - j. A-Z BUS SALES, INC. - OEM - Collins Bus Corporation (BDIR-11-24), in the amount of \$500,000 for the buy-down of 25 propane school buses of 14,001 pounds gross vehicle weight and greater.
 - k. A-Z BUS SALES, INC. - OEM - ARBOC (BDIR-11-25), in the amount of \$200,000 for the buy-down of 10 natural gas vehicles of 14,001 to 26,000 pounds gross vehicle weight.
 - l. BIG VALLEY FORD (BDIR-11-26), in the amount of \$84,000 for the buy-down of 14 propane vehicles of 8,501 to 14,000 pounds gross vehicle weight.
 - m. HANSEL FORD, INC. (BDIR-11-27), in the amount of \$56,000 for the buy-down of seven natural gas vehicles of 8,501 to 14,000 pounds gross vehicle weight.
 - n. SERRAMONTE FORD (BDIR-11-28), in the amount of \$64,000 for the buy-down of eight natural gas vehicles of 8,501 to 14,000 pounds gross vehicle weight.
 - o. GALPIN MOTORS, INC. dba GALPIN FORD (BDIR-11-29), in the amount of \$96,000 for the buy-down of 16 propane vehicles of 8,501 to 14,000 pounds gross vehicle weight and \$80,000 for the buy-down of 8 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight, for a total reservation amount of \$176,000.

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13. ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY BUY-DOWN INCENTIVE RESERVATIONS. (Continued)
- p. TUTTLE-CLICK FORD (BDIR-11-30), in the amount of \$18,000 for the buy-down of three propane vehicles of 8,501 to 14,000 pounds gross vehicle weight.
 - q. BONANDER BUICK GMC - OEM - General Motors (BDIR-11-31), in the amount of \$190,000 for the buy-down of 19 propane vehicles of 14,001 to 26,000 pounds gross vehicle weight.
 - r. AMERICAN HONDA MOTOR COMPANY, INC. (BDIR-11-32) in the amount of \$198,000 for the buy-down of 66 natural gas vehicles of up to 8,500 pounds gross vehicle weight.
14. APPLICATION FOR A COMPLIANCE OPTION FOR THE ALTHERMA AIR-TO-WATER SOURCE HEAT PUMP. Possible approval of a Compliance Option that would establish the equipment efficiency ratings necessary to calculate performance of the Altherma heat pump system for combined space heating, space cooling, and water heating. The compliance option will show compliance with the residential building energy performance path under the Building Energy Efficiency Standards. The application for a Compliance Option has been submitted by the manufacturer of the system, Daiken AC (Americas), Inc., and is consistent with the Compliance Options procedures in Section 10-109 of the Standards. 57
15. PUBLIC INTEREST ENERGY RESEARCH (PIER) ANNUAL REPORT. Possible approval of the Public Interest Energy Research (PIER) 2011 Annual Report to the Legislature. 80

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16. APPLIANCE EFFICIENCY REGULATIONS ORDER INSTITUTING RULEMAKING Possible approval of an Order Instituting Rulemaking to begin a multiple phase proceeding to amend the Energy Commission's Appliance Efficiency Regulations in Title 20 of the California Code of Regulations. The potential appliances to be considered for efficiency standards and other regulations include but are not limited to consumer electronics; residential, commercial, and outdoor lighting; water-using appliances and fixtures; and other household appliances or "white goods."	91
17. Minutes:	114
a. Possible approval of the February 8, 2012, Business Meeting Minutes.	
b. Possible approval of the February 13, 2012, Business Meeting Minutes.	
18. Lead Commissioner or Presiding Member Reports. A Lead Commissioner on a policy matter may report to the Commission on the matter and discussion may follow. A Presiding Member on a delegated committee may report to the Commission on the matter and discussion may follow.	114
19. Chief Counsel's Report: The Energy Commission may adjourn to closed session with its legal counsel [Government Code Section 11126(e)] to discuss any of the following matters to which the Energy Commission is a party:	119
a. <i>In the Matter of U.S. Department of Energy (High Level Waste Repository)</i> (Atomic Safety Licensing Board, CAB-04, 63-001-HLW);	
b. <i>Public Utilities Commission of California</i> (Federal Energy Regulatory Commission, Docket No. EL10-64-000); <i>and Southern California Edison Company, et al.</i> (Federal Energy Regulatory Commission, Docket No. EL10-66-000);	

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19. Chief Counsel's Report (Continued)	
c. <i>BNSF Railway Company v. US Department of Interior, California Energy Commission</i> (U.S. District Court Central District of California-Riverside, CV 10- 10057 SVW (PJWx));	
d. <i>Richard Latteri v. Energy Resources, Conservation and Development Commission, et al.</i> (Sacramento County Superior Court, 34-2011-99985);	
e. <i>Communities for a Better Environment, Robert Sarvey v. California Public Utilities Commission, Energy Resources Conservation and Development Commission, Real Parties in Interest, Pacific Gas and Electric Company, Contra Costa Generating Station, LLC</i> (California Supreme Court, S194079).	
20. Executive Director's Report	119
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P R O C E E D I N G S

MARCH 14, 2011 1:08 p.m.

CHAIRMAN WEISENMILLER: Good afternoon.

Let's start the Business Meeting with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: Good afternoon. Let me start out with two minor corrections to the Consent Calendar Items. For 1(e) that's actually Amendment 2 and for 1(k) the Amendment is for 12 months, which takes it to April 30 of 2013.

COMMISSIONER DOUGLAS: Move the Consent Calendar with those two changes.

COMMISSIONER PETERMAN: I'll second.

COMMISSIONER DOUGLAS: All those in favor?

(Ayes.) The Consent Calendar is unanimously adopted.

Item 2 is being held until next meeting. So now we're at Item 3 and this is Complaint Against and Request for Investigation of CalcERTS, Inc. This is Docket 12-CAI-01 and today what we're going to do is consider the complaint and consider adopting – setting up a Committee. Just to be clear for the people in the audience we are not resolving the complaint today

1 and we will take comments but you will be limited to
2 three minutes. And, again, you don't have to make
3 your case. The only thing we're considering today is
4 whether to set up an investigation about your
5 complaint.

6 Please go forward.

7 MS. HOLMES: Thank you. Good afternoon,
8 Commissioners. I'm Caryn Holmes with the Chief
9 Counselor's Office. As the Chairman has indicated,
10 the Item before you is possible appointment of a
11 Committee to preside over a complaint and request for
12 investigation proceeding.

13 On February 15, 2012 the Commission received
14 a complaint against and a request for investigation of
15 CalCERTS, Inc. filed on behalf of Eric Hoover and
16 Patrick Davis.

17 The complaint arises out of the Energy
18 Commission's Home Energy Rating System or HERS
19 Program. Under the HERS Program, which is mandated by
20 Public Resources Code Section 25942, home energy
21 rating system organizations called providers
22 administer a Home Energy Rating System in conformity
23 with the Commission's HERS regulations.

24 Providers are responsible for training,
25 testing and certifying Raters who perform the tests

1 that are necessary to establish a HERS Rating.

2 Mr. Hoover and Mr. Davis worked as certified
3 raters under the Energy Commission's HERS Program
4 until they were decertified by CalCERTS in January of
5 2012.

6 In the complaint they state that CalCERTS
7 failed to file the Commission's regulations governing
8 the HERS Program and that the manner in which CalCERTS
9 acted violates applicable due process requirements.

10 They requested that the Commission provide
11 the following relief:

12 1) Reverse the decision of CalCERTS to
13 decertify Mr. Hoover and Mr. Davis,

14 2) Investigate the way CalCERTS imposes
15 discipline on HERS Raters who are alleged to have made
16 mistakes, and

17 3) Require CalCERTS to adopt a written
18 discipline program that complies with the HERS
19 regulations and with Constitutional requirements of
20 due process.

21 On March 5, 2012 pursuant to the Energy
22 Commission's Regulations governing complaint and
23 investigation proceeding, the Energy Commission's
24 Chief Counsel Office served the complaint and request
25 for investigation on CalCERTS. The complaint was also

1 provided to other HERS providers as well as to Mr.
2 Hoover and Mr. Davis.

3 Today's Item, if approved, will create a
4 Committee that has the authority to conduct
5 proceedings to address the complaint and request for
6 investigation.

7 COMMISSIONER DOUGLAS: Thank you. We have
8 two parties who want to address this. First, Mr.
9 Young?

10 MR. YOUNG: My name is Tom Young. I'm the
11 owner of E3 NorCal and I've been a CalcERTS HERS Rater
12 since 2007. I'll be as brief as I can, definitely
13 less than 3 minutes.

14 I wanted to start by referring to the
15 February/March 2010 issue of "Blueprint," which is the
16 Title 24 newsletter and in it it says this was
17 referring to a decertified HERS Rater. It said that
18 the HERS Rater has falsified the CF4, did not have the
19 CF6R from the contractor and did not visit the project
20 site to conduct the diagnostic tests prior to signing
21 the CF4R.

22 These actions were cause for the Rater's
23 certification to be immediately revoked by the
24 provider and it ends with the following:

25 "This is a reminder to all HERS Raters that

1 it is a felony to submit falsified documents to a
2 government agency."

3 The way that I currently read the request
4 for investigation it's turning it into a civil rights
5 case with due process when our Rater agreement clearly
6 states that we are independent contractors and I think
7 it would be a dangerous precedent to set if the CEC
8 was to investigate matters where we're not allowing a
9 public – publically owned company – or privately
10 owned, I'm sorry, CalCERTS to revoke that contract and
11 end that contract at will.

12 Also, the wording of the complaint is
13 incomplete in the fact that it states that CalCERTS
14 did this and didn't follow Title 20, which says that
15 these kind of things which we can say signing –
16 submitting false documents would basically subject you
17 to a penalty of being on-notice for 12 months.

18 So it's my hope that you will find that
19 CalCERTS did positively do the right thing. Thank
20 you.

21 COMMISSIONER DOUGLAS: Thank you. Jane
22 Lockhart?

23 MS. LOCKHART: Good afternoon. Jane
24 Lockhart on behalf of CalCERTS.

25 I just have a clarification and maybe it was

1 my misunderstanding when you spoke initially about
2 this. I was under the impression since the complaint
3 had been served that a decision had been made to
4 proceed with the complaint and therefore what we were
5 doing or what the Commission was tasked with doing
6 today was appointing a Committee to address the
7 complaint and I just want to make sure that my
8 understanding it correct?

9 [Affirmative nod.]

10 MS. LOCKHART: Okay. Thank you.

11 Then I just have a few comments. Initially
12 I'd just like to say that CalCERTS takes its statutory
13 mandate to promote accurate ratings and to protect
14 consumers seriously and that they believe that the
15 action that they have taken in the case of Mr. Hoover
16 and Mr. Davis is justified.

17 The complaint itself concerns the
18 decertification of Mr. Hoover and Mr. Davis and a
19 question that we have that we would like addressed by
20 the Committee, and I realize that you all are not the
21 Committee but some of you will be, very soon is what
22 to do with those decertifications during the pendency
23 of the complaint. Do the decertifications remain
24 enforced during the pendency of the complaint? Or do
25 we suspend the decertifications during the pendency of

1 the complaint? I understand and I'm not asking you,
2 any of you, to make that decision here today but we do
3 need to have, sooner rather than later, some sort of
4 either filings or a short hearing to determine what
5 you would like CalCERTS to be doing with those two
6 Raters and the current decertifications while the
7 complaint is pending.

8 We look forward to working with the
9 Committee and the Hearing Officer that you'll appoint,
10 and we also will be looking forward to getting an
11 understanding as to whether you're going to wall off
12 the entire Commission to hear the complaint or whether
13 there will be a portion of staff that we will be
14 working with through this process.

15 Thank you.

16 CHAIRMAN WEISENMILLER: Thank you.

17 Commissioners, any questions or comments?

18 COMMISSIONER DOUGLAS: Well, I'm just
19 looking to see what I'm moving here. I think Ms.
20 Lockhart is - so - go ahead.

21 COMMISSIONER PETERMAN: Just offer a
22 comment. For the first gentleman, Mr. Young was that
23 it who spoke, I believe that the matters that you
24 raised would be addressed by the Committee if
25 appointed to hear the issues so we won't be explicitly

1 addressing them now but we heard your comments. Thank
2 you.

3 COMMISSIONER DOUGLAS: So I think right now
4 what I'm doing is moving that we will take up the
5 complaint. No? Go ahead, Caryn.

6 MS. HOLMES: The complaint has already been
7 served.

8 COMMISSIONER DOUGLAS: Well, the complaint
9 has already been served. So all we're doing at this
10 point is assigning a Committee, is that correct?

11 MS. HOLMES: That's correct.

12 COMMISSIONER DOUGLAS: All right.

13 MS. HOLMES: To decide what to do with the
14 complaint now that it has been served. There is an
15 answer. I said that the complaint was served on the
16 5th, which is true except that these particular set of
17 regulations require registered return receipt and we
18 got that back and it says the 6th so there will be an
19 answer filed on the 21st so presumably a Committee will
20 decide how to proceed, including addressing the issues
21 that the members of the public have raised today after
22 the answer is filed.

23 COMMISSIONER DOUGLAS: All right.

24 COMMISSIONER PETERMAN: Can I ask a
25 clarifying question, Ms. Holmes? Regarding Mr.

1 Young's comments then is the issue that since we did
2 not serve the complaint we cannot amend that
3 complaint?

4 MS. HOLMES: Well the complaint belongs to
5 the -

6 COMMISSIONER PETERMAN: Right.

7 MS. HOLMES: People who filed it. The
8 Committee can choose to address whatever issues it
9 considers are appropriate. They may be the issues
10 that are raised in the complaint. They may be other
11 issues that are raised in the complaint but I would
12 imagine that the - whichever Committee is assigned or
13 whichever Commissioners are assigned to hear this
14 would prefer to wait and read the answer before they
15 begin to scope out exactly what the nature of the
16 proceedings will be. There could factual issues,
17 there could be legal issues, there may be both.

18 COMMISSIONER PETERMAN: Thank you for that
19 clarification.

20 CHAIRMAN WEISENMILLER: Okay. So the
21 Committee will be Commissioner Douglas will be the
22 Presiding Member and Commissioner Peterman will be the
23 second member and so with that let's have a motion for
24 the Committee.

25 COMMISSIONER DOUGLAS: With that I'll move

1 approval of that Committee.

2 COMMISSIONER PETERMAN: I will second.

3 COMMISSIONER DOUGLAS: All those in favor?

4 (Ayes.) The Committee is adopted and so the
5 next step will be that that Committee will work with
6 the Hearing Office to schedule a hearing and, again,
7 that will presumably be after the replies are filed
8 and that will address the issues such as the ones
9 Lockhart and other parties addressed in terms of
10 scope.

11 MS. HOLMES: Right. The Committee could –
12 the Committee can certainly schedule a hearing, it may
13 also ask for a briefing. It has a number of options
14 open to it.

15 CHAIRMAN WEISENMILLER: Good. Okay. So
16 Item 4. Starwood Power Plant, 06-Afc-10c. Possible
17 approval of Starwood Power-Midway, LLC's petition to
18 modify air quality conditions. Eric?

19 MR. VEERKAMP: Good afternoon,
20 Commissioners. My name is Eric Veerkamp and I'm the
21 Compliance Project Manager for Starwood Power-Midway.
22 With me this afternoon is Joseph Hughes representing
23 our Air Quality staff and we also have J.J. Fair who's
24 the Vice President of Operations for Starwood Power.

25 Starwood Power is an operating simple cycle,

1 peaking generating facility with a nominal output of
2 120 MWs. They're located in unincorporated Fresno
3 County, approximately 15 miles south of the City of
4 Mendota. The project was certified by the Commission
5 in January of 2008 and began commercial operation in
6 May of 2009. It was in July of 2011 that Starwood
7 Power filed a petition with the Commission to amend
8 the final decision for air quality conditions.

9 The amendment would primarily increase the
10 allowable startup nitrogen oxides, or the NOx
11 emissions, resulting in increases of permitted hourly,
12 daily and annual NOx emissions. While permitted
13 combustion turbine start-up emissions would increase
14 from, and again that's permitted increase, from 4.17
15 pounds per hour to a rate equivalent to 30 pounds per
16 hour. Start-ups for this peaking facility are likely
17 to average about 10 minutes.

18 However, for conservatism, the worse case
19 NOx was modeled is 30 pounds per hour while the daily
20 and annual permitted NOx emission assumed 10 minute
21 long start-ups, which would result in an almost 15
22 percent or roughly a 5,200 pound increase in permitted
23 annual NOx emissions.

24 I provided, for a little additional
25 background, that California Energy Commission has

1 approved 3 previous amendments for Starwood Power, 2
2 in '08, 1 for revisions to structure locations and
3 associated site layout and the second was for
4 relocated gas line and in 2009 they also petitioned
5 for revisions pertaining to noise survey locations.

6 The requested amendment before you this
7 afternoon would also reduce permitted carbon monoxide
8 emission by less than 4 percent and increase permitted
9 volatile organic compound, or VOC, emissions by less
10 than 3 percent.

11 Lastly, the amendment would change
12 administrative averaging periods and some testing
13 requirements. The proposed emission increases were
14 modeled and found not to cause violations of health
15 protective emission standards and, in particular, the
16 one hour NOx standards. Offsets would be provided at
17 1.2 or 1.5 to 1 depending on the distance of the
18 project to address the increases in permitted daily
19 and annual NOx and VOC emissions.

20 The Energy Commission staff or your Energy
21 Commission staff has reviewed the petition to amend
22 the modeling, the proposed offsets and all the
23 conditions and assessed impacts on environmental
24 quality and public health and safety and finds that
25 the changes would comply with the requirements of

1 Title 20, Section 1769 CCR. Therefore staff is
2 recommending approval of all of the proposed changes
3 to the effected air quality conditions of
4 certification, which will also ensure consistency
5 between our conditions and the approved permit issued
6 by San Joaquin Valley Air.

7 And, just procedurally, this notice was
8 mailed to the Starwood Power Midway post-certification
9 mailing list in August of 2011 and was docketed and
10 posted on our web in August of 2011; August 9 to be
11 specific.

12 The staff analysis was originally docketed
13 and posted to the website in October of 2011. A
14 revised analysis, which happened to be for an
15 administrative error to one of the conditions, was
16 docketed and posted again in January of this year. We
17 didn't receive any comments after – well, the public
18 review period ended on February 17 and we didn't
19 receive any comments from either the first posting or
20 the most recent posting.

21 That concludes my presentation. I'd be
22 happy to answer any questions you have.

23 CHAIRMAN WEISENMILLER: Thank you very much.
24 Commissioners, any questions or comments?

25 COMMISSIONER DOUGLAS: I was wondering if

1 Starwood Power is here if there's anything that they
2 would like to say?

3 Okay. They're here in case we have any
4 questions. All right. Thanks for being here.

5 You know, Commissioners, I've reviewed this
6 and I think that it's a reasonable amendment. It's
7 definitely within air quality laws and in fact it's
8 consistent with the air district's permit so I would
9 recommend this and I'll - if there are no questions
10 I'll move Item 4.

11 COMMISSIONER PETERMAN: I agree. It's
12 currently compliant so I would also second that
13 motion.

14 CHAIRMAN WEISENMILLER: All those in favor?
15 (Ayes.) This Item passes unanimously.
16 Thanks again for the presentation.

17 Number 5. RMA Consulting Group, Inc.
18 Possible approval of Purchase Order 11-409-011 to RMA
19 Consulting Group, Inc. for \$98,000. This is ERPA
20 funding. Steve?

21 MR. BONTA: Yes. Hi. I'm Steve Bonta with
22 our Information Technology Services branch and I'm
23 actually now in charge of our newly formed Project
24 Management Office. So this is in an effort to better
25 identify and plan for the Energy Commission's IT needs

1 we're implementing an IT governance policy that
2 involves having our IT Project Managers meet with each
3 division's management to gather information about
4 their IT related projects and their priorities for
5 those.

6 From that, along with the IT activities that
7 are driven by us such as maintaining our network and
8 systems, we've started developing a Master Project
9 Plan and this tool will give us more of a centralized
10 way to plan the overall timing of all the IT
11 activities needed with the ultimate goal of assigning
12 and load balancing our resources such as our people.
13 So to assist us with this new effort we're requesting
14 approval of the purchase order for \$98,000 to provide
15 expertise and guidance in the development and use of
16 the Master Project Plan.

17 So appreciate your consideration.

18 CHAIRMAN WEISENMILLER: Thank you.

19 Commissioners, any questions or comments?

20 COMMISSIONER DOUGLAS: No. No questions.

21 I'll move Item 5.

22 COMMISSIONER PETERMAN: I'll second.

23 CHAIRMAN WEISENMILLER: All those in favor?

24 (Ayes.) Item 5 passes unanimously. Thank
25 you for your presentation.

1 Item 6. Golden Valley Unified School
2 District. Possible approval of Agreement 001-11-ECF
3 for a loan of \$3 million to the Golden Valley Unified
4 School District. This is ECCA funding. Cheng?

5 MR. MOUA: Yes. Thank you and good
6 afternoon. My name is Cheng Moua and I'm with the
7 Fuels and Transportation Division Special Projects
8 Office. First I want to note a minor typo in that
9 agenda item. This is for agreement 011-11-ECF not ECE
10 as the agenda shows.

11 So this Item is a request for an approval of
12 an ECCA loan with an amount of \$3 million for the
13 Golden Valley Unified School District in Madera,
14 California. The district has requested this loan to
15 fund their solar PV project, which includes installing
16 a total of 1.12 MW of solar PV at their district
17 office and their four schools.

18 The Golden Valley Unified School District is
19 a fairly new school district with most of their
20 facilities being less than 10 years old. The older
21 facilities that they do have, which are roughly 25
22 years old, recently received energy efficiency
23 retrofits to upgrade the lighting and HVAC using funds
24 from the Federal School Modernization Program.

25 The district is looking to take another step

1 forward by installing renewable energy. The 1.12 MW
2 solar PV project is estimated to produce over 1.7
3 million kWh annually. This results in energy cost
4 savings of over \$295,000 for the district per year.
5 The total cost for the project is approximately \$4.6
6 million. With the approval of this loan the district
7 will be financing the remainder of the project through
8 a tax exempt lease purchase agreement. This project
9 will take advantage of California's Solar Initiative
10 Program, which provides performance based incentives
11 for the first 5 years of energy production.

12 The simple payback for this project is 10.2
13 years based on the \$3 million loan amount and the
14 interest rate is 3 percent.

15 Staff has determined that this loan request
16 complies with all the program requirements and I'm
17 here today to seek your approval. Thank you.

18 CHAIRMAN WEISENMILLER: Thank you.
19 Commissioners, any questions or comments?

20 COMMISSIONER DOUGLAS: I was just going to
21 say looks like a very good project. It's nice to see
22 photovoltaic getting out more in the state, especially
23 nice to see a project on schools in Maderas. So I'm a
24 strong supporter of it.

25 COMMISSIONER PETERMAN: I'm also very happy

1 to see this project. It's a good opportunity to have
2 our schools offsetting some of their energy costs as
3 well as greenhouse gas emissions and, particularly,
4 was pleased to hear that this school district also
5 first took advantage of the energy efficiency
6 opportunities that's in line with our loading order
7 for the state - energy efficiency and then renewable
8 generation. Also what I think what's important to
9 note about this project is the fact that it covers
10 district office and four schools. So there's a number
11 of resources in the community. I imagine this is also
12 a project that's taken advantage of opportunities for
13 aggregate buying and these are types of things we want
14 to do. You know, encouraging large scale purchases of
15 renewable energy by school districts, by city
16 governments and working with them to find these
17 opportunities for them.

18 So looking forward to hearing more about
19 this project and thank you for bringing it to the
20 Commission.

21 With that, if there's no other comments, I
22 will motion - move the motion for 6.

23 COMMISSIONER DOUGLAS: Second.

24 CHAIRMAN WEISENMILLER: Okay. All those in
25 favor?

1 (Ayes.) This Item passes unanimously.

2 MR. MOUA: Thank you.

3 CHAIRMAN WEISENMILLER: Thank you.

4 Let's go on to Item 7. Phase 2 Energy
5 Efficiency and Conservation Block Grants, EECBG. And
6 this would potentially be ARRA funding. Haile, you
7 want to explain?

8 MR. BUCANEG: Good afternoon, Commissioners.
9 My name is Haile Bucaneg and I work with the Special
10 Projects Office.

11 The Phase 2 Energy Efficiency and
12 Conversation Block Grant solicitation allows small
13 cities and counties to apply for grants to fund a
14 specific set of energy efficiency projects. All Phase
15 2 Block Grants are expected to be completed by
16 September 13, 2012. Currently there are \$0 available
17 to fund Phase 2 Block Grant Projects; however, as
18 unutilized Block Grant funds become available those
19 funds will be provided to these jurisdictions in the
20 order that their applications were received by the
21 California Energy Commission.

22 Awarding these Phase 2 Block Grants before
23 funds are actually available will ensure that
24 unutilized Block Grant funds can immediately be put to
25 use once they become available. Since funding for

1 these projects is dependent upon fallout from existing
2 projects it is important to note that 1 or more of
3 these Phase 2 Projects may never receive any funding
4 at all.

5 This Item is a request for the approval for
6 the first 6 Phase 2 Block Grant awards to the Cities
7 of Laguna Woods, Marysville, East Palo Alto,
8 Riverbank, Sausalito and Lemoore. As funds become
9 available these funds will be awarded to the Phase 2
10 Block Grants in this order. All 6 grants will be used
11 to fund streetlight retrofits. In total these 6 Phase
12 2 Block Grants will result in an annual energy savings
13 of 1.28 million kWh and a reduction of greenhouse gas
14 emissions by approximately 440 tons.

15 Now I'll briefly go over each grant to
16 provide specifics on the projects and grant amounts.

17 The City of Laguna Woods is requesting a
18 Phase 2 grant of up to \$100,000 to retrofit 228 high
19 pressure sodium streetlights to induction
20 streetlights. This project will continue streetlight
21 retrofits that occurred under the city's Phase 1 Block
22 Grant.

23 The City of Marysville is requesting a Phase
24 2 Grant of up to \$447,790 to retrofit 948 metal halide
25 and high pressure sodium streetlights to LED

1 streetlights. This project will also continue
2 streetlight retrofits that occurred under the city's
3 Phase 1 Grants.

4 The City of East Palo Alto is requesting a
5 Phase 2 Grant of up to \$247,231 to retrofit 477 high
6 pressure sodium, low pressure sodium and metal halide
7 streetlights to LED streetlights.

8 The City of Riverbank is requesting a Phase
9 2 Grant of up to \$539,614 to retrofit 949 high
10 pressure sodium streetlights to LED streetlights.

11 The City of Sausalito is requesting a Phase
12 2 Grant of up to \$126,019 to retrofit 273 high
13 pressure sodium, mercury vapor and metal halide
14 streetlights to LED streetlights.

15 And, finally, the City of Lemoore is
16 requesting a Phase 2 Grant of up to \$635,144 to
17 retrofit 1,234 high pressure streetlights to LED
18 streetlights. This project will continue streetlight
19 retrofits that occurred under the city's Phase 1
20 Grant.

21 These grants have been reviewed by the
22 respective Project Managers and are recommended for
23 approval.

24 CHAIRMAN WEISENMILLER: Thank you. Any
25 questions or comments, Commissioners?

1 COMMISSIONER DOUGLAS: Just a brief comment.
2 This is a – this Phase 2 solicitation is really
3 important. It's a way of making sure we use up Block
4 Grant Funding so if money falls out because other
5 projects come in under budget or can't be completed
6 these jurisdictions have signed up with projects that
7 are ready to go and can be implemented quickly. So I
8 think it's very important as part of our strategy for
9 making sure that the state doesn't lose the benefit of
10 every penny of the Recovery Act money that's come our
11 way and, with that, I will move approval of Item 7A-F.

12 COMMISSIONER PETERMAN: And I'll just add
13 that if these projects — funding does not become
14 available for these projects I think this list
15 highlights the real opportunities we have with the
16 city and the state and I hope that there are those in
17 the private sector that are thinking about
18 opportunities to help these cities whether it's low
19 interest loans or what have you and good to see all
20 the positive work out there and potential.

21 So I'll second that motion.

22 CHAIRMAN WEISENMILLER: All those in favor?

23 (Ayes.) This Item passes unanimously.

24 I'm going to have to take a break for a
25 minute to respond to an emergency drill. It's a test.

1 COMMISSIONER PETERMAN: Let's just say 5
2 minute break then.

3 COMMISSIONER DOUGLAS: Yeah. Five minutes.

4 (Off the record at 1:36 p.m.)

5 (Back on the record at 1:42 p.m.)

6 CHAIRMAN WEISENMILLER: Okay. As indicated
7 we're supposed to be having a drill today which
8 somehow – and it was supposed to have occurred in the
9 morning, which instead started at 1:15 so anyway
10 hopefully – the good news is it's a drill. There's
11 really nothing going on at Diablo Canyon but anyway.

12 COMMISSIONER DOUGLAS: And the other good
13 news is that we do drills.

14 CHAIRMAN WEISENMILLER: And we do drills
15 just in case. So with that let's go on to Items 8 and
16 9. Okay.

17 So 8 and 9. Eight is Redwood Coast Energy
18 Authority. And that's a possible approval of Agreement
19 ARV-11-006 for a grant of \$199,949 to the Redwood
20 Coast Energy Authority and the other one is a grant to
21 the San Joaquin Valley Unified Air Pollution Control
22 District and that's possible approval of Agreement
23 ARV-11-008 for a grant of \$200,000. And these are
24 both ARFVTP funding. Jared?

1 MR. CACHO: Good afternoon. I'm Jared Cacho
2 from the Emerging Fuels and Technologies Office of the
3 Fuels and Transportation Division.

4 I'm presenting for your approval 2 projects
5 for regional plans to support plug-in electric vehicle
6 readiness in California, Agenda Items 8 and 9.

7 I'd like to summarize the similar aspects of
8 each of these grants as they discuss each – and then
9 discuss each one specifically as they both stem from
10 the same solicitation and are very similar in scope.

11 In order to prepare California regions for
12 the rollout of plug-in electric vehicles or PEVs the
13 Energy Commission issued solicitation PON-10-602 for
14 \$2 million in alternative and renewable fuel and
15 vehicle technology program funds.

16 Over the next few years thousands of PEVs
17 will be deployed in the California market. By 2013
18 the number of PEVs in California is expected to double
19 from current levels and by 2020 is expected to reach
20 460,000 based on the goals of the recently adopted
21 Advanced Clean Cars Program from the California Air
22 Resources Board.

23 Each region led by PEV coordinating council
24 comprised of at least 4 public agencies will develop a
25 regional plan for charging infrastructure for

1 residential single and multi-unit dwellings,
2 workplace, fleet, commercial and public sites as well
3 as corridors. The councils will also coordinate with
4 the utilities, automakers and local governments to
5 provide consumer education and outreach and streamline
6 the processes regarding charging infrastructure such
7 as permitting, installation and inspection.

8 Some of these agreements are complimented by
9 the Department of Energy award of \$1 million for 6
10 California regions known as the Clean Cities Community
11 Readiness in Planning for PEVs and Charging
12 Infrastructure awards.

13 We are working closely with the statewide
14 PEV collaborative as they assist with the development
15 of the DOE regional plans.

16 The first project I'd like to present for
17 your approval is ARV-11-006 with the Redwood Coast
18 Energy Authority. The North Coast PEV readiness
19 project will cover Humboldt, Del Norte and Trinity
20 Counties. Partners include the Redwood Coast Energy
21 Authority, the Schatz Energy Research Center, the
22 North Coast Unified AQMD, Humboldt County Association
23 of Governments, PG&E, the cities of Arcata and Eureka,
24 CalTrans District 1 and Humboldt State University.
25 Match share is \$69,225 from partners and this project

1 will serve as a model for more rural areas of
2 California.

3 The second project I'd like to present for
4 your approval is ARV-11-008 with the San Joaquin
5 Unified Air Pollution Control District. The San
6 Joaquin Strategic Development Plan will cover the San
7 Joaquin Valley and includes the San Joaquin Air
8 Pollution Control District, San Joaquin Council of
9 Governments, Fresno Council of Governments, Merced
10 County Association of Governments and Tulare County
11 Association of Governments, the California Center for
12 Sustainable Energy and AeroVironment. In kind match
13 share is \$50,000 from the San Joaquin Valley Unified
14 Air Pollution Control District. There's also a DOE
15 award of \$75,000. This project will aid a region with
16 some of the state's worst air quality.

17 I will now be happy to accept any questions
18 considering these 2 awards. Thank you very much.

19 CHAIRMAN WEISENMILLER: Thank you.
20 Commissioners, any questions or comments?

21 COMMISSIONER PETERMAN: Well, it's great to
22 see both of these projects before us today. As Jared
23 mentioned these 2 are part of a larger \$1.8 million of
24 funding for similar types of plans and happy that the
25 Energy Commission has engaged in this work. I mean

1 this type of work just makes sense. We've spent a lot
2 of time and money thinking about the vehicles and the
3 infrastructure but we've got to make sure that all the
4 other services are in place. I think that this is a
5 role where the Energy Commission can come in and start
6 to coordinate amongst our local agencies, our
7 permitting organizations.

8 I have heard a lot of positive feedback
9 already about the grants we're doing like this. We're
10 also seeing other states and the federal government
11 following in pursuit in offering funding for these
12 types of projects. I would say that it's a model that
13 we need to think about not only for plug-in electric
14 vehicles but also for all alternative fuels and
15 infrastructure. So with that I am happy to support
16 these projects.

17 COMMISSIONER DOUGLAS: I also think it looks
18 like a really great project and it's great to see
19 planning for the electric vehicle infrastructure that
20 we need. If you'd like to make a motion -

21 COMMISSIONER PETERMAN: Yeah. I'd be happy
22 to - should I move them separately? Or together?

23 I'll move Items 8 and 9.

24 COMMISSIONER DOUGLAS: Second.

25 CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.) These items passed unanimously.

2 Thank you.

3 COMMISSIONER PETERMAN: Thank you.

4 CHAIRMAN WEISENMILLER: Item 10. San Diego
5 Gas and Electric Co. Possible approval of Agreement
6 PIR-11-003 for a grant of \$1 million to San Diego Gas
7 and Electric and this is PIER electricity funding.
8 Consuelo?

9 MS. SICHON: Good afternoon, Commissioners.
10 My name is Consuelo Sichon with the Energy Research
11 and Development Division.

12 This grant will provide cost share for
13 projects funding by the U.S. Department of Energy to
14 update San Diego Gas and Electric's Communications
15 system to support smart grid devices. This project is
16 the only ARRA funded investment grant that is
17 demonstrating a wireless system for smart grid
18 communications.

19 This system will interconnect many of
20 SDG&E's smart grid projects including the Borrego
21 Springs microgrid project so that the utility can
22 monitor and control its transmission and distribution
23 of equipment throughout its service area. The single
24 consolidated data communications systems will provide
25 improved performance, efficiency, security and

1 interoperability that is needed to provide reliable
2 and affordable electric service to customers.

3 Staff requests approval of this agreement.
4 I can answer any questions and I believe we have San
5 Diego Gas and Electric representatives available.

6 CHAIRMAN WEISENMILLER: That's right. I was
7 going to ask Tamara to make a comment on the record.

8 MS. RASPBERRY: Thank you, Mr. Chair.
9 Tamara Raspberry from Sempra Energy Utilities and very
10 briefly my very first day at this job was to deliver
11 our application to the grant to the Energy Commission.
12 So I feel in a comfortable circle and want to thank
13 the staff and everyone on their work on this project.

14 I have Corey McClelland on the line. He is
15 the Project Manager for the Smart Grid Communications
16 System and he's available to answer any questions and
17 he wants to make a brief statement.

18 CHAIRMAN WEISENMILLER: Please. Why don't
19 you make the statement now?

20 MS. RASPBERRY: He's on the phone.

21 CHAIRMAN WEISENMILLER: Okay.

22 MR. MCCLELLAND: All right. Thank you. I'm
23 assuming you can hear me?

24 CHAIRMAN WEISENMILLER: Yes.

25 MS. RASPBERRY: Yes.

1 MR. MCCLELLAND: Okay. Thank you very much.
2 Good afternoon, Commissioners. I'm Corey McClelland,
3 the Program Manager for the San Diego Gas and Electric
4 Grid Communications System. I'd like to thank you for
5 giving San Diego Gas and Electric the opportunity to
6 apply for this grant, which will assist SDG&E to
7 develop a system to provide a wireless, digital data
8 communication network for smart grid devices.

9 This data transport network will allow San
10 Diego Gas and Electric to monitor, communicate and
11 control transmission distribution equipment over the
12 SDG&E regional grid.

13 San Diego Gas and Electric in conjunction
14 with the Department of Energy cost share award and
15 with this grant request will help to accelerate the
16 use of smart grid applications and devices.

17 I'd like to thank you very much for the
18 opportunity of you being able to consider our grant
19 request. Thank you.

20 CHAIRMAN WEISENMILLER: Thank you.
21 Commissioners, any questions or comments.

22 COMMISSIONER DOUGLAS: I don't have any real
23 comments. I mean it sounds like a really good
24 project. I'm glad San Diego Gas and Electric applied
25 and came forward with a really solid application that

1 we can move forward with.

2 I'll move approval of Item 10.

3 COMMISSIONER PETERMAN: I'll second.

4 CHAIRMAN WEISENMILLER: All those in favor?

5 (Ayes.) This Item passed unanimously.

6 Thank you.

7 MS. RASPBERRY: Thank you.

8 CHAIRMAN WEISENMILLER: Item 11. San
9 Francisco Mayor's Office of Housing. Possible approval
10 of Amendment 2 to Contract 400-09-019 with the San
11 Francisco Mayor's Office of Housing for the Bay Area
12 Multifamily Fund Program. And this is ARRA funding.
13 Adrian?

14 MR. OWNBY: Good morning, Commissioners. My
15 name is Adrian Ownby. I'm the Commission Contract
16 Manager for this contract. And this Item before you
17 is an amendment to an existing RSEP residential
18 contract with the San Francisco Mayor's Office of
19 Housing or more simply MOH.

20 MOH's Bay Area Multifamily or BAM fund
21 program is a revolving loan fund. The BAM fund
22 provides capital for energy efficiency and water
23 conservation improvements for affordable multifamily
24 housing projects in the Bay Area. The BAM fund
25 program is expected to complete 4 retrofit loans,

1 committing a total of \$200,000 in ARRA funds by April
2 30, 2012.

3 That loan total is highly leveraged,
4 supporting over \$1.9 million in retrofit activity.
5 The loans will retrofit over 500 units of affordable
6 multifamily housing and 6 properties. This amendment
7 will provide for several critical changes to the
8 project's scope of work and budget. It will make
9 changes to the existing scope of work and clean up the
10 current budget by moving funds among tasks. The
11 program is a revolving loan fund program and it will
12 continue beyond April 30.

13 This amendment will provide a scope of work
14 and budget for the administration and loan servicing
15 of the existing revolving loan program. MOH has
16 agreed to a one year extension as the administrator of
17 the loan program.

18 At this time staff would request the
19 Commission's approval of this amendment and welcome
20 any questions you might have. I believe there are
21 representatives of the San Francisco Mayor's Office of
22 Housing on the phone if you have any questions too.

23 CHAIRMAN WEISENMILLER: Thank you.

24 Commissioners, any questions or comments?

25 COMMISSIONER DOUGLAS: I guess I'll just see

1 if anyone from the San Francisco Mayor's Office of
2 Housing would like to make a comment or are they just
3 here in case we have questions?

4 MR. OWNBY: I believe they're just here for
5 any questions you might have.

6 COMMISSIONER DOUGLAS: Okay. Well, I just
7 wanted to recommend this amendment to the approval of
8 the Commissioners. As we move into the real
9 homestretch on the ARRA grants we have seen and
10 probably will continue to see a number of amendments
11 just aligning work with budget and so on so I move
12 Item 11.

13 COMMISSIONER PETERMAN: I'll say it's great
14 to see the multifamily housing focus as someone who
15 lives in a multifamily unit. Always appreciate the
16 additional attention and additional challenges with
17 that space. I'll second the motion.

18 CHAIRMAN WEISENMILLER: All those in favor?

19 (Ayes.) This Item passed unanimously.

20 Thanks.

21 Item 12. University of California Los
22 Angeles. Possible approval of Contract 500-11-013 for
23 \$499,999 with the Regents of the University of
24 California on behalf of the Los Angeles Campus. And
25 this is PIER electricity funding. Mike?

1 MR. GRAVELY: Good afternoon, Commissioners
2 and Chairman. I'm Mike Gravely from the R&D Division.

3 The Commission R&D Division has been doing
4 DR research for over the last 8 years and with the
5 goal to that research has been to make DR easier for
6 consumers and businesses and also to increase the
7 amount of DR available to the state, to the utilities
8 and to the ISO.

9 Over that time we have learned one
10 significant answer and that is automation of DR is a
11 much better way of going forward and provides us more
12 options for DR and provides us more – better
13 responses, more predictable and also it's better for
14 the consumer because they can preselect what they want
15 to do and they don't have to be there when the event
16 occurs and if they change their mind they can stop it.

17 In fact, we've actually been spending the
18 last 2 years working with the National Institute of
19 Standards and Technology to develop a standard
20 protocol for the automation of DR in California and
21 the country.

22 This particular project will be looking at
23 the LA Campus and using the automation of DR and also
24 using wireless communications to be able to determine
25 how much DR is reasonable within a campus environment,

1 primarily focusing on the residential dorms and some
2 of the classroom buildings.

3 This will provide us information that we
4 don't currently have and also this particular project
5 will be directly relatable to the other campuses
6 within the state and the country.

7 And with that I'll be glad to answer any
8 questions or provide additional detail.

9 CHAIRMAN WEISENMILLER: Thanks, Mike.
10 Questions or comments? I was going to say this - I
11 reviewed this in the PIER meeting and I think it's a
12 good project.

13 COMMISSIONER DOUGLAS: I think it's a great
14 project. I think it's really helpful to have
15 partnered with the universities and really demonstrate
16 the potential of demand response in the university
17 context.

18 I'll move Item 12.

19 COMMISSIONER PETERMAN: I'll second.

20 CHAIRMAN WEISENMILLER: Okay. All those in
21 favor?

22 (Ayes.) This Item passes unanimously.
23 Thanks, Mike.

24 So Item 13. Alternative and Renewable Fuel
25 and Vehicle Technology Buy-Down Incentive

1 Reservations. Possible approval of a total of
2 \$8,554,000 in vehicle buy-down incentive reservations
3 and this is again ARFVT funding. Andre?

4 MR. FREEMAN: Good afternoon, Commissioners.
5 My name is Andre Freeman. I'm from the Emerging Fuels
6 and Technologies Office in the Fuels and
7 Transportation Division. Today I will be seeking
8 approval for the first batch of reservations through
9 the natural gas and propane vehicle buy-down program
10 that's funded through the Alternative and Renewable
11 Fuel and Vehicle Technology Program. The total amount
12 for these reservations will be \$8,554,000 out of the
13 total fund of \$13,686,000.

14 The purpose of this program is to promote
15 the purchase of clean, alternative fuel vehicles to
16 replace the aging gasoline and diesel fleet. This
17 program will provide incentive for consumers to adopt
18 new technologies which will provide benefits, both
19 economic and environmental benefits to the State of
20 California.

21 The Natural Gas and Propane Vehicle Buy-Down
22 Program began taking reservations on February 8 of
23 2012, so a month ago. This batch of reservations were
24 those submitted during the first month. This will
25 represent the sales of 357 natural gas vehicles and 50

1 propane school buses as well as 16 other propane
2 vehicles. This also represents over 95 percent of the
3 allocation for natural gas vehicles and 100 percent of
4 the propane bus allocation.

5 I'd like to thank you for your consideration
6 and I'm available for any questions, and I believe we
7 have several stakeholders that would like to comment.

8 CHAIRMAN WEISENMILLER: Great. Thank you.
9 Any – first let's start with, I believe, Chuck White
10 has comments.

11 MR. WHITE: Thank you very much, Chairman
12 Weisenmiller and Commissioners. Chuck White with
13 Waste Management and Member of the California Natural
14 Gas Vehicle Coalition. Tim Carmichael, the President,
15 of the CNGVC couldn't be here today so he asked me to
16 come and just speak briefly in support of this Item.

17 Tim did submit a letter to the Commission
18 yesterday and basically we really support the Energy
19 Commission's ongoing support in-kind for natural gas
20 vehicle transportation. This buy-down incentive
21 program is really critical to helping fleet owners
22 transition more quickly to alternative fuel platforms
23 including natural gas and renewable natural gas.

24 We encourage the Commissioners to approve
25 the staff recommended reservation listed in this Item

1 and we hope the Energy Commission will continue to
2 support natural gas vehicles and fueling
3 infrastructures in this and future AB118 funding
4 cycles. Thank you very much.

5 CHAIRMAN WEISENMILLER: Thank you.
6 Commissioners, any questions or comments?

7 COMMISSIONER PETERMAN: I'll just offer a
8 comment. I reviewed these Items as part of the work
9 for the Transportation Committee. It is good to see
10 the AB118 program continue its focus on a diversified
11 portfolio of lower carbon transportation fuels.

12 Indeed I think these natural gas and propane
13 vehicles will serve a particular segment of the market
14 that may not be able to be captured by other
15 alternative fuels that we also promote at the
16 Commission. I'm also supportive of making
17 opportunities for our fleet owners to invest in
18 alternative fuels and vehicles both because of how
19 much they use those vehicles and, frankly, the public
20 presence of those and this gives an opportunity for
21 the general public to see some of the opportunities
22 available with natural gas vehicles. So thank you for
23 bringing this before the Commission and I will make
24 this motion if there are no other comments.

25 MR. FREEMAN: Commissioners? Sorry, I think

1 we have one more public comment.

2 COMMISSIONER PETERMAN: Oh. I'm so sorry.

3 Please.

4 CHAIRMAN WEISENMILLER: Please.

5 MR. ZIEGLER: Good afternoon, Commissioners.

6 My name is Frank Ziegler. I represent Greenkraft. I
7 too would like to thank you for the opportunity. We
8 are a new truck manufacturer dedicated to natural gas.
9 This is a wonderful opportunity for us to introduce
10 these Class 3, 4, 5, 6 and 7 vehicles into fleets,
11 clean city's municipalities. Again, it is a wonderful
12 opportunity for us to have the buy-down incentive,
13 which makes it a wonderful opportunity for our
14 customers, ultimately, and our dealers to present a
15 product that is reasonably priced by utilizing natural
16 gas. So again I commend you and thank you very much
17 for this opportunity. Thank you.

18 COMMISSIONER PETERMAN: If you don't mind if
19 I ask you a question, sir, since we have you here.
20 What's your assessment of the demand for these
21 vehicles? I mean, are you seeing more demand than
22 what we're currently allocating or are able to
23 allocate?

24 MR. ZIEGLER: Absolutely. Absolutely. The
25 response has been phenomenal. I have over 20 dealer

1 applications pending on this particular initiative.
2 It is overwhelming the response that we're getting in
3 the industry and I think the time is now and I think
4 the application is here. And, again, we very much
5 commend you for looking and your foresight into the
6 industry.

7 COMMISSIONER PETERMAN: And I'm assuming
8 you're California-based?

9 MR. ZIEGLER: I am.

10 COMMISSIONER PETERMAN: That's great.

11 MR. ZIEGLER: Yes.

12 COMMISSIONER PETERMAN: Well, glad to see
13 you in this business and continue to stay involved.

14 MR. ZIEGLER: Thank you very much, and we
15 appreciate the opportunity.

16 CHAIRMAN WEISENMILLER: Thank you.

17 Commissioners, any other questions or comments?

18 Anyone on the phone? Okay.

19 COMMISSIONER PETERMAN: So, with that, I
20 will move Item 13.

21 COMMISSIONER DOUGLAS: Second -

22 COMMISSIONER PETERMAN: And all its sub-
23 items.

24 COMMISSIONER DOUGLAS: Seconded.

25 CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.) Item 13 passes unanimously. Again,
2 thanks.

3 We're up to Item 14. Application for a
4 Compliance Option for the Altherma Air-to-Water Source
5 Heat Pump and the contact is David. Michael, do you
6 want to start with an announcement?

7 MR. LEVY: Sure. It's my understanding,
8 Commissioners, that there was a noticing problem with
9 this Item. While our general Agenda listservs
10 received Notice the Efficiency listserv and also a
11 listserv for the specific Item did not receive timely
12 10 days notice so I would recommend since there are
13 some people here who want to testify that you allow
14 them to do so and then continue the Item to the March
15 28 Business Meeting.

16 CHAIRMAN WEISENMILLER: That's what we're
17 going to do. So staff, do you want to start?

18 MR. WARE: Good morning – afternoon,
19 Commissioners. It's been a long day already. My name
20 is David Ware. I'm staff with the High Performance
21 Buildings and Standard Development Office.

22 The Item today, Item 14, is an opportunity
23 for you to consider approval efficiency ratings for a
24 very unique heat pump system being offered in the
25 marketplace. And it's somewhat representative of

1 programs and the policies that both the legislature
2 and the Commission has promulgated in the last several
3 years. This heat pump provides both space heating,
4 space cooling and water heating. It's unique in that
5 aspect; however, there are very – other manufacturers
6 who have various combinations of designs that also are
7 being placed on the market. Efficiency ratings that
8 the appliance efficiency regulations specify are based
9 on DOE specifications and the Commission is preempted
10 from those minimum equipment efficiencies.

11 The Title 24 Building Efficiency Standards
12 uses equipment efficiencies and references the
13 performance indices for those equipment efficiencies
14 in the performance compliance modeling parameters. In
15 the case of this proposed compliance option, which has
16 been provided to us or requested of the Commission by
17 Daikin Altherma – excuse me. By Daiken AC Americas
18 for the Altherma Air-to-Water Source Heat Pump System.

19 And, as I mentioned, it's unique because it
20 provides 3 functions but this particular system has a
21 Department of Energy waiver from meeting federal test
22 procedures. As a consequence there's no efficiency
23 ratings for which this system can utilize or be
24 utilized within the compliance approaches for the
25 standards. In July of 2010 Daiken provided an

1 application to approve new efficiency ratings for the
2 Altherma Air-to-Water Source Heat Pump System. Staff
3 has been working closely with representatives of
4 Daiken to understand the system dynamics and to
5 understand the – to better understand the performance
6 testing criteria that was allowed by the Department of
7 Energy in the waiver that was issued for the Daiken
8 appliance.

9 In the DOE waiver they referenced use of
10 European testing results. Those testing results and
11 specified in the DOE waiver was full load testing
12 parameters for the COP, the coefficient of
13 performance, and the EER, or the energy efficiency
14 ratio. The Title 24 Building Standards require
15 different indices of equipment performance than that.
16 They require heating seasonal performance factor on
17 the heating side. They require a seasonal energy
18 efficiency ratio on the cooling side and an energy
19 factor on the water heating side. So we have a
20 disconnect.

21 There was a – staff held a public webinar
22 late last year. There has been activity and action to
23 solicit input on the initial draft staff report and
24 the proposed efficiency ratings related to the system.
25 Staff has worked closely with representatives of

1 Daiken to ensure that the proposed efficiency ratings
2 that emanate out of the European test are
3 representative of the – might say somewhat
4 conservatively represent the performance of the system
5 in-field but do not overly penalize the system
6 dynamics that currently aren't recognized within our
7 compliance approaches with the building standards.

8 There has been several concerns raised by
9 different members of the public and manufacturers and
10 initially some of those concerns related around the
11 testing parameters that were used to derive the
12 European testing results. The test parameters out of
13 the European tests are somewhat different than those
14 used by the U.S. conditions, albeit the DOE allowed
15 the use of the European test procedures.

16 In the case of the efficiency ratings that
17 we have proposed in respect to those test conditions
18 Daiken and staff has attempted to use testing results
19 that most closely are comparable to test conditions
20 for which like equipment are used under the U.S. test
21 procedures.

22 There's also been a concern raised that the
23 efficiency ratings being proposed ought to be allowed
24 to be used universally for similar equipment out on
25 the marketplace and, in essence, that argument has

1 some merit. For the most part the compliance options'
2 procedures that are referenced in Section 10-109 of
3 the Building Efficiency Standards are used for new
4 products, designs or procedures that aren't currently
5 recognized and the assumption is that they would be
6 used for permit applications up and down the state of
7 California and would be utilized for open use by other
8 like systems.

9 In this case, however, there is a specific
10 DOE waiver that has been allowed for the Daiken
11 Altherma system and there are specific 9 models that
12 are referenced. Staff feels that while we would much
13 desire to have the allowance for the proposed
14 efficiency ratings for the system to be used for other
15 systems similar to it we feel that it's a little bit
16 premature on two accounts.

17 First account is we have a specific DOE
18 waiver that is targeted directly at the Altherma
19 system and the 9 models that this proposed compliance
20 option represents.

21 Secondly, to universally apply this
22 compliance option across the board we really would
23 need to constrict its use to similar equipment with
24 similar design attributes that are in place in
25 buildings in a similar fashion. And while certainly

1 we can't do that in all respects for many of the
2 building features that we prescribed within the
3 Building Standards we recognize that from an equipment
4 standpoint we'd really like to – well, the fact
5 remains that there's so much variation in equipment
6 and the mixing and matching of equipment in the field
7 that staff feels that it's inappropriate at this time
8 to propose the allowance of efficiency ratings to
9 other like equipment.

10 Staff believes that the – this compliance
11 option and the efficiency ratings that we are
12 proposing are appropriate for the equipment. We feel
13 that they do represent reasonable performance levels
14 that could be expected out in the field and that they
15 are reasonably conservative. Staff did not accept all
16 of the originally proposed efficiency levels. For
17 instance, staff is proposing a single number to
18 represent the efficiency level for heating and the
19 efficiency level for cooling and the efficiency level
20 for water heating as opposed to individual
21 efficiencies for each of the 9 models. So we have
22 corralled the efficiency numbers to represent the
23 class of the Altherma equipment.

24 In addition, we have – and Daiken
25 representatives have agreed that on the cooling side

1 the proposed SEER value efficiency would be set at the
2 federal appliance efficiency minimum level, SEER 13.
3 So, in that context, staff believes that the proposed
4 compliance options and the efficiency levels for which
5 this compliance option essentially entails are
6 appropriate and represent a relatively conservative
7 values but realistic values that would be achieved in
8 the field.

9 We recommend your approval of this. In
10 recommending that approval staff recognizes – I think
11 it’s appropriate that you are aware that there still
12 remains concern in the marketplace that this proposed
13 approval is somewhat premature. Premature in the
14 sense that there’s beginning to be more market driven
15 kinds of innovation in the marketplace. And equipment
16 manufacturers are attempting to meet that demand with
17 new innovations.

18 Approval of this compliance option and these
19 efficiency ratings are for one piece of innovative
20 equipment. There are several other kinds that are
21 being marketed and want to play the game as well. And
22 so there have been raised concerns – it has been
23 raised to us and concerns raised by other
24 manufacturers that this – approval of these efficiency
25 ratings may constrict the ability of other

1 manufacturers to play in the marketplace. And that's
2 not our intent. What we would like to do and note to
3 the Commission is that approval of these efficiency
4 ratings, should you do so, is somewhat subject to
5 staff's and the Commission's future approval of a more
6 robust compliance option that would be – that is
7 currently being worked on by staff that would be used
8 in the compliance software approach to accommodate the
9 system nuances that these individual efficiencies
10 currently can't and don't tap.

11 So should the Commission approve a separate
12 but similar compliance option with the same objective
13 that these efficiency ratings being proposed for the
14 Altherma system would eventually be rolled into that
15 activity as well. In other words the efficiency
16 ratings that are being proposed or the efficiency
17 ratings that emanate from the Daiken Altherma Air-to-
18 Water Source Heat Pump from the European test could be
19 utilized directly into the modeling approach, new
20 compliance option if you will, that staff is under
21 development. The advantage of that is that all
22 systems similar to this could be utilized. And the
23 advantage of that from Daiken's standpoint, I hope
24 they see it this way, is they might actually come out
25 in some situations, in some designs, in some climate

1 zones, better than they do now.

2 But when we do that we – albeit we don't
3 have that before you today but when we do do that I
4 think that we accomplish and really get at the more
5 overarching goals that both the legislature and this
6 Commission is trying to promote going forward.

7 I urge your approval of the action – of the
8 Item before you with the understanding that staff will
9 be coming forward with a similar activity but at that
10 time the allowance would be or the proposal would be
11 to incorporate what you might approve today under this
12 Item into that activity as well.

13 CHAIRMAN WEISENMILLER: Thank you. I
14 believe we have a representative from Daiken in the
15 room.

16 MR. STANGA: Good afternoon, Commissioners.
17 My name is Mark Stanga. I am here for Daiken AC
18 Americas, the applicant, for this compliance option.

19 We – I will say at the outset that Daiken
20 agrees with the staff report that was on the Agenda
21 for today but has been now moved to the next Business
22 Meeting. We support it. We support, additionally
23 within that final evaluation report, the specific
24 recommendation for approval of our compliance option
25 application.

1 So our request is that you – when you do
2 consider this matter that the Commission approve the
3 application for this compliance option. There’s some
4 new information that I’m just learning in the last 15
5 minutes or so about this particular application,
6 including the delay, so I think I will just take a few
7 seconds more and provide additional information in
8 response to some of the things that Mr. Ware has
9 mentioned to support that information.

10 The – it’s important for the Commission to
11 remember that the basis for this application is that
12 the U.S. Department of Energy issued a waiver from
13 testing requirements for this system because there is
14 no other system that is similar to this one being sold
15 in the United States right now. That’s the basis
16 under Federal Energy Efficiency Law for a waiver from
17 testing requirements. And this is really a very
18 unique system with integrated domestic hot water plus
19 heating and cooling functions in one system.

20 This particular waiver request is one which
21 prompted us to come to the Commission staff and
22 discuss with them, about 2 years ago, and Commission
23 staff actually suggested to us that we should consider
24 pursuing the compliance option. So here we are now at
25 this point a couple of years later having started

1 that. We're disappointed that it's going to be a
2 little bit longer before action is taken on this.
3 Unfortunately, I cannot agree for Daiken to the idea
4 that Mr. Ware has just mentioned of agreeing to have
5 this particular compliance option, should the
6 Commission grant it, be conditioned on becoming
7 inactive once this new system is put in place that the
8 staff has said they're going to work on.

9 There are – it may be that the Commission
10 will set up a new system for addressing this type of
11 technology and if that's the case then Daiken has to
12 comply with that then we will. But what I will tell
13 you now is that Daiken strongly encourages the
14 Commission, when you do consider this matter I guess
15 at the next Business Meeting, to approve the
16 recommendation of the staff in this report.

17 I should say I know that this has been a
18 long tedious process for some of the people involved
19 in working on this matter and we want to convey to you
20 our gratitude for all the time and effort your staff
21 has put into this. Hopefully we're close to the end
22 of the process but I'm pleased to answer any questions
23 that you have, realizing that the Commission is not
24 going to make a decision today. We also have a person
25 from Daiken on the telephone who can answer questions

1 if that's necessary as well.

2 CHAIRMAN WEISENMILLER: Well we have at
3 least one more speaker in the room and a couple on the
4 phone. So first question is Commissioners, do you
5 have any questions of this gentleman or I guess it's
6 Lee Smith on the line?

7 MR. SMITH: Yes. Lee Smith on the line.
8 Good afternoon, everybody. And as Mark mentioned I
9 will be happy to answer any questions or give any
10 further detail. For your reference I'm actually the
11 System Vice President for the division that promotes
12 the Altherma product in North America.

13 CHAIRMAN WEISENMILLER: Okay. Thank you. I
14 think at this time we don't have any additional
15 questions. Let's hear from Patrick Splitt from
16 APPTech, Inc.

17 MR. SPLITT: Good afternoon, Commissioners.
18 I have 5 days worth of stuff I have ready to lay out -

19 CHAIRMAN WEISENMILLER: Three minutes.
20 Three minutes.

21 MR. SPLITT: I don't have to do that because
22 the decision has been proposed. So I just have a few
23 things to say.

24 I'm an energy consultant in Santa Cruz,
25 California and it's on the coast where a lot of these

1 systems would be very appropriate. And, as a matter
2 of fact, I'm installing one right now. Not from
3 Daiken but another company because in our area we
4 don't need air conditioning. It's mainly space
5 heating and water heating. And for high efficiency
6 buildings in our area the option previous had been to
7 put in a ground source heat pump but the ground loop
8 has been very expensive. This type of a system offers
9 the same advantages but at a much lower cost. So I
10 think there's an advantage to having these.

11 And I just want to clarify one thing. In my
12 mind I got confused in this whole process is we're
13 talking about 2 things here with this proposal. There
14 was a problem with the systems in that previously we
15 could not model or come up with efficiency for both
16 cooling and heating so therefore it's hard to plug it
17 into the programs and that's why Daiken went to the
18 DOE to get a waiver and they're going to use the
19 European standards. But the other problem is strictly
20 a California problem which is once you have these
21 efficiencies, COP and EER, you can't plug them into
22 the program. Especially for an application like mine
23 where it's called a combined hydronic system. Right
24 now the ACM doesn't allow that as a legal combination.

25 So just getting the efficiencies isn't

1 enough. So what Daiken did is they came up with this,
2 with the help of the staff, some conversions from
3 numbers that DOE required them to take, COP and EER,
4 to numbers that it can massage and plug into the
5 program so you can actually get a result.

6 What I want is that there should be the ACM
7 and the compliance program should be modified so that
8 these COP and EERs can be input directly. So now
9 other companies who now will be testing to a new
10 standard that just became available this year, AHRI
11 Standard 5-5590, which is just now becoming known so
12 there's still some massaging going on there. But it's
13 a U.S. standard which now calculates both energy
14 efficiencies of heating and cooling. You don't have
15 to go to Europe and it's also outputs COP and EER. So
16 all of these would be able to plug into that same
17 program.

18 So eventually once we get the software
19 modified all of this equipment will be able to use
20 those inputs. Daiken is required by the waiver to
21 calculate COP and EERs, they're European not U.S. but
22 at least they're COP and EERs so they'll be able to
23 directly input these numbers. So the new
24 manufacturers won't have to go through all the
25 rigmarole that Daiken did of converting all these

1 numbers over – actually just make believe numbers,
2 just trick numbers, to fool the program. And Daiken
3 won't have to do that anymore for any of their new
4 equipment. I think you've already got applications, I
5 think, for other equipment for a waiver so you won't
6 have to do this again. Once we get this other
7 software modified you just take your COP and EER and
8 plug it in and you're good to go.

9 So I think that's the goal and that part of
10 this has nothing to do with DOE. The DOE waiver had
11 only – had to do with the efficiencies. DOE has
12 nothing to do with how California calculates their
13 energy code. So this is a separate item but they're
14 intertwined so somehow I want to keep this linkage.

15 So that's the main point. There were a lot
16 of other problems that I was having with the process
17 but they're not actually specifically problems with
18 this particular issue but rather, in general, you've
19 probably heard me complain before about the Commission
20 spending too much time making new regulations instead
21 of fixing what they already have.

22 Well, the Section 10-109 that they're using
23 for this application isn't really perfect for this and
24 there's other compliance options that use that section
25 that really just got crammed in there because there

1 really was no other place to put it. There really is
2 a need in the administrative code to take the
3 requirements from the Warren-Alquist Act that we
4 provide compliance options and actually get a few more
5 types – different types of framework for different
6 types of equipment or systems like spray in foam
7 insulation, which somehow got crammed into this thing
8 but really didn't fit. So I think the problem is that
9 you have to modify the administrative code so that
10 it's more clear, you know, how these things work.

11 Also, for this new standard, this actually
12 is already a reference standard from the Energy
13 Commission. It's actually referenced in Title 24,
14 Part 6, Section 112. Previous to this year this
15 standard only tested cooling so it worked for chillers
16 but not for heat pumps because we didn't have a way of
17 calculating the heating energy efficiency. The system
18 was modified last year so now it includes heating.
19 So, theoretically, if someone had been keeping these
20 Section 112 references up to date this new standard
21 would already be in there. But it's not. The
22 standard that's referenced is actually a couple of
23 versions old and there's several other standards in
24 there that are way obsolete. So this is another more
25 overall problem where somebody needs to actually go in

1 there and clean up all your reference standards and
2 bring them up to date. If that was done this would
3 have happened last year and we probably wouldn't be
4 having this discussion now. So that's another item.

5 CHAIRMAN WEISENMILLER: Okay. Let's wrap
6 up. Do you have a sentence in summary?

7 MR. SPLITT: And - well that's it. I have a
8 lot of problems. We've got time to iron some of this
9 stuff out and I really don't want to delay Daiken
10 anymore because they've already been going on this
11 thing for 2 years so I feel their pain. So I don't
12 want to do anything to specifically to hold up their
13 approval.

14 CHAIRMAN WEISENMILLER: Okay. Thank you. I
15 think we have George Nesbitt on the line.

16 MR. NESBITT: Ah, yes. George Nesbitt.
17 Environmental Design Build. I'd like to support
18 approval of this application and hopefully it'll pave
19 the way for others - other manufacturers that have
20 similar issues to get their products recognized and I
21 think we should support any efforts for standard
22 development for these types of systems that don't fit
23 in our test standards currently.

24 I do have one sort of question that occurred
25 to me. The way I understand the equipment works when

1 you're using it for both space heating, cooling and
2 water heating, that it actually does the space heating
3 directly and, you know, does the water heating – sort
4 of, is not directly connected to it – it can do either
5 space heating or water heating and yet when we do a
6 combined hydronic system we're usually heating that
7 water directly and it's usually in a tank. And then
8 we use that water from there for space heating or
9 water heating.

10 And so I'm just wondering if there's a
11 difference between an energy factor of 2.4 in the HSPF
12 of 11 and that when it is used it's combined hydronic
13 and that the HSPF should be used and the water heating
14 should use the energy factor of 2.4. And maybe I can
15 follow up with David later, if needed. I don't know –

16 CHAIRMAN WEISENMILLER: Okay. Well, I was
17 going to ask if either of the gentlemen from Daiken
18 want to respond now to your question.

19 MR. SMITH: I can answer that question, if
20 you would like. Basically for the space heating
21 function the warm water/hot water that is created by
22 the system to serve that space heating need is
23 produced on an as needed basis so you have a
24 continuance closed loop where the water passes through
25 a refrigerant's water heat exchanger and heats the

1 water to the design which is to meet the space heating
2 load. For the domestic hot water function typically
3 you are dealing with much warmer water temperatures,
4 let's say 120-125 degrees Fahrenheit, and the water
5 loop is raised to that condition and passes through an
6 indirect domestic hot water tank to heat the domestic
7 hot water stored in that tank and then the water is
8 drawn from the tank as needed for the domestic use.
9 So that's why there is this difference in the so-
10 called efficiency levels and bearing in mind that HSPF
11 and EF are not directly comparable. But that would
12 explain the nominal differences from, you know, the
13 HSPF values and EF value.

14 MR. NESBITT: The point I'm trying to raise
15 is that you actually are – the way that you would set
16 up this equipment is that you're doing the space
17 heating directly and you're doing the water heating
18 separately. Yet when we do combined hydronic it
19 usually means the same source and we would be using
20 that same water. Whereas the way that you would set
21 this up as a combined hydronic system is that it's
22 doing the space heating directly and the water heating
23 separately. So rather than using the energy factor of
24 2.4 for a combined hydronic system it seems that we
25 should just be using the space heating HSPF and the

1 water heating energy factor separately. That's just -

2 MR. SMITH: Yeah. I would imagine that
3 would be the majority of how everybody would utilize
4 it. I mean the common source, so to speak, is the S
5 or c-pump condensing unit.

6 MR. NESBITT: Right. Yeah.

7 MR. SMITH: But you're right. I mean,
8 essentially from a space heating perspective the
9 system would operate in a space heating mode and then
10 as there was a need for domestic hot water it would
11 switch or operate in domestic hot water mode
12 additionally.

13 MR. NESBITT: And I have one more -

14 COMMISSIONER PETERMAN: Mr. Nesbitt, I'm
15 going to ask you specifically - if specifically if
16 these are going to be engineering questions if you
17 continue this conversation offline.

18 MR. NESBITT: Yeah. That's fine. I do have
19 one -

20 COMMISSIONER PETERMAN: Please, go ahead.

21 MR. NESBITT: I do have one unrelated
22 question. Did you do Item 3 already? I got on the
23 webinar a little too late.

24 CHAIRMAN WEISENMILLER: Yes, we did.

25 COMMISSIONER PETERMAN: Was that the -

1 MR. NESBITT: I would like to make public
2 comment.

3 CHAIRMAN WEISENMILLER: Okay. So when we
4 get to the public comment you can make a comment at
5 that time.

6 COMMISSIONER PETERMAN: Yep. So we'll take
7 public comment in a second. So I guess as a public
8 member, Mr. Nesbitt, I feel required to ask you does
9 your cat have any comments?

10 MR. NESBITT: My cat?

11 COMMISSIONER PETERMAN: Yeah.

12 MR. NESBITT: No.

13 [LAUGHTER]

14 COMMISSIONER PETERMAN: Okay. Just
15 checking. All right. We'll hear you at the public
16 comment period.

17 MR. NESBITT: Okay.

18 CHAIRMAN WEISENMILLER: Thanks. Anything
19 else on this Item, Commissioner?

20 COMMISSIONER DOUGLAS: Any other public
21 comment on this Item?

22 CHAIRMAN WEISENMILLER: Well, if there's any
23 public comment but assuming not.

24 COMMISSIONER DOUGLAS: If there's no other
25 public comment on this Item I just had a few comments.

1 First of all, I really appreciate – first of
2 all, let’s start – I just came out of 2 days of Title
3 24 hearings where we talked in very exhaustive detail
4 about the 45 Day language that the Energy Commission
5 has put forward in our effort to improve the energy
6 efficiency of buildings overall, both residential and
7 nonres. The proposed standards that we have put out
8 for comment would make about a 30 percent improvement
9 in building energy efficiency over the 2008 standards
10 which is the largest incremental improvement that’s
11 been made by our standards.

12 And, in addition, we’re looking at obviously
13 more measures that we are considering that are options
14 in this or that are REACH standards in this case, that
15 probably in the future could become mandatory in a
16 future code cycle. In this context it’s become
17 increasingly important to look not only at the
18 building and building envelop but also at other ways
19 of reducing energy use in buildings and using
20 compliance options such as the one proposed today is
21 going to be critical to the state. To continue our
22 trajectory of improving energy efficiency and to meet
23 future zero net energy goals as soon as we can. And I
24 guess there’s a 2020 target or thought on that, and
25 that will just depend on what we find is cost-

1 effective going through our process cycle by cycle as
2 we do.

3 Technologies and technological innovation
4 like the product that Daiken has been working for or
5 the type of product, 9 products, that Daiken has been
6 working for 2 years to get it recognized in our
7 market, is the source of innovations that will help us
8 meet the goals and meet the goals in a cost-effective
9 way. And it's pretty exciting to see this type of
10 technology offer this kind of potential.

11 So I wanted to start with the big picture
12 and also recognize the fact that it took 2 years was
13 not because we were sitting around it was because
14 staff had to deal with new technology and staff had to
15 do a lot of work to try to understand how to measure
16 and how to correctly implement these numbers in our
17 software. And I think that I will almost take it on
18 faith that there probably are more elegant ways to do
19 it but I don't think that in this case we want to wait
20 for the most elegant way. I think that we need to
21 move forward. We need to hope that this measure will
22 open the door for manufacturers with similar products
23 and open the door and begin opening the door more
24 broadly for this type of technology because it offers
25 so much potential.

1 So those are some high-level thoughts. But
2 I'm pretty pleased with the efficiency potential that
3 this brings and in our discussions with the building
4 industry on the need for cost-effective compliance
5 options that give them serious savings. I hope that
6 this will be one of them and I hope that this will not
7 be the only one that, we will be able to move forward
8 as David has said with something a little more
9 comprehensive in the near future.

10 So I know that we're holding this.
11 Obviously Noticing is very important and we need to
12 make sure that the appropriate lists are always
13 Noticed of Business Meetings so I won't make a motion
14 today but those are my comments for now.

15 CHAIRMAN WEISENMILLER: I wanted to thank
16 everyone for their effort on this and that we got this
17 far. So I'm just going to ask staff to look into the
18 Noticing issue to make sure we don't have it happen
19 again. But with that I think we'll go on to Item 15.

20 Public Interest Energy Research, PIER,
21 Annual Report. Laurie? This is going to be a
22 presentation.

23 MS. TEN HOPE: Good afternoon, Chair and
24 Commissioners. If you could give me a second to load
25 this up.

1 A little technical difficulty here but give
2 me a sec. It's not going now. Okay. Now it is. All
3 righty.

4 I'm pleased to give an overview today of the
5 PIER 20 – let me start over. 2011 Program Overview for
6 the PIER Annual Report.

7 My summary today covers an update of the
8 program, research highlights, the ratepayer benefits
9 and next steps.

10 The Energy Commission's 2011 Annual Report
11 to the legislature is prepared under Public Resources
12 Code 25620.8. The report describes PIER electric
13 funding and accomplishments in 2011 including
14 activities and research projects funded in calendar
15 year 2011.

16 During 2011 calendar year a little over \$47
17 million in electricity funds were encumbered into
18 contracts, that's shown on the slide here. The
19 encumbered funds is the blue sliver, the tags are in
20 the wrong area, and the match funds are in the red
21 area. Because of ARRA our match funds were really
22 significant at the \$532 million level.

23 Funding for research projects aligns with
24 the state's loading order, which you're all familiar
25 with, which identifies an order of priority optimizing

1 energy efficiency and demand response, meeting new
2 generation needs first with renewable resources and
3 distributed generation then with clean fossil fuel
4 generation and improving the bulk transmission and
5 distribution infrastructure.

6 A few program updates for 2011. In this
7 year the research program made multiple improvements
8 to increase funding to California-based business
9 entities and ratepayer-based locations, meaning IOU
10 service territories, lower contractor overhead costs,
11 maximized leverage funding and enhance the reporting
12 of ratepayer benefits. The Energy Commission also
13 conducted a review of intellectual property rights.

14 PIER has greatly expanded public outreach,
15 holding more than 18 symposiums, webinars, and
16 workshops. These events enhanced opportunities for
17 stakeholders to both shape research initiatives and to
18 hear research project results. These improvements
19 were the result of active – I jumped ahead here.
20 These improvements were the result of active and
21 effective participation by many stakeholders,
22 including utilities, the ISO, the Air Board, the CPUC,
23 environmental organizations and many more. I want to
24 thank them for their valuable contributions which I
25 think are reflected in the current program.

1 In the first quarter of 2011, over 5,500
2 Californians were working in jobs related to active
3 Energy Commission funded research and the schematic on
4 the left shows the counties where project work was
5 conducted in 2011.

6 The next few slides highlight a few of the
7 research highlights and ratepayer benefits. It's just
8 a sampling of the projects highlighted in the report
9 which were initiated or had significant milestones in
10 2011.

11 Technical advancements in energy efficient
12 lighting, consumer electronics and HVAC are being
13 adopted in the state's Building and Compliance
14 Efficiency Standards and amount to significant savings
15 for ratepayers. For example, 6 efficiency measures
16 shown in this chart are estimated to save upwards of
17 \$1 billion a year once the measures are installed and
18 used. To add to these savings three plug load
19 projects were initiated in 2011 to lower energy
20 consumption when devices are not in use. This is the
21 fastest growing load in residential and commercial
22 buildings and, in some cases, uses close to the load
23 of a residential refrigerator.

24 On the right hand side is a picture of a
25 data center efficiency project. This project was

1 conducted to reduce air conditioning energy use in
2 cost with the Franchise Tax Board. It demonstrated
3 the use of wireless sensors and a web-based software
4 to control computer room cooling units. This project
5 lowered energy use by 21 percent and resulted in a
6 project payback of about 3 years. Successful
7 demonstration of this technology led to the Franchise
8 Tax Board using this technology in other data centers.
9 This is basically a sophisticated control strategy to
10 pick up areas in the data center where too much
11 cooling was going on and they could significantly
12 reduce their cooling costs.

13 Oh, that was good. I have a cold so I'm a
14 little dry here.

15 Advancements in renewable energy
16 technologies include the development and installation
17 of low cost, ground based and rooftop solar PV
18 technologies and tracking systems. For example, on
19 the left hand side the Fremont based company GreenVolt
20 concentrated PV system demonstrated a low cost,
21 complete packaged renewable energy solution. To date
22 the technology has been deployed at several sites with
23 capacity ranging from 200 kW to 1 MW. It's also -
24 one of the nice advantages of the system is that it
25 has a low environmental footprint. They can adjust

1 the size of the stands and don't need to grade the
2 facilities and significantly reduce the environmental
3 impact at the site. This project – in 2011 this
4 project attracted private investment of \$20 million,
5 allowing business expansion in California.

6 On the right hand side is a demonstration of
7 community scale renewable energy pilot projects that
8 are enabling communities to develop and exploit local
9 renewable resources in combination with efficiency,
10 demand response and storage. The pilots are
11 demonstrated across the state from San Diego to
12 Humboldt County. In this example Santa Rita Jail
13 added wind turbines and battery storage to their
14 microgrid project and demonstrated safe integration of
15 their self generated resources with the utility power
16 grid. They're really working at the site to be self-
17 contained and to be able to safely island from the
18 utility grid and then safely reconnect back to the
19 grid and this project is a very exciting project
20 that's going to basically dedicate the conclusion of
21 their smart grid in a couple of weeks.

22 To prevent electricity outages and enable
23 reliable integration of renewable energy generation,
24 PIER funded development of a synchrophasor technology
25 that monitors the transmission grid operations so that

1 grid operators can take corrective actions before
2 blackouts or grid failure occurs.

3 In 2011, a comprehensive assessment of the
4 benefits of 15 years of synchrophasor research
5 determined that use of this technology by the CAISO is
6 estimated to save Californians \$210 million in
7 reliability costs and \$90 million in economic benefits
8 annually. This project really had the active
9 engagement of the utilities and the ISO and they've
10 been very appreciative of the results and the role
11 that this plays in their operating room.

12 For more seamless integration of renewable
13 energy into the grid, PIER is also investing in energy
14 storage, intelligent software and emerging distributed
15 resources. For example, a PIER-funded market study of
16 storage was released in 2011 and provided insight into
17 the value of replacing some natural gas for insularly
18 services with either energy storage or automated
19 demand response.

20 Researchers are also conducting field
21 testing on how to reduce water and energy needed for
22 air-cooled condensers used in power plants. This
23 research has the promise to reduce power water
24 consumption by 95 percent while increasing performance

1 efficiencies, making dry-cooling a much more
2 affordable alternative to traditional wet-cooling. In
3 addition, tools to reduce environmental impact of
4 renewable energy and aid in facility siting are being
5 developed. For example, preliminary output from 2
6 environmental modeling tools were used in 2011 for
7 desert tortoise impact mitigation and California
8 renewable energy planning efforts in the desert.

9 The final project benefit. PIER is
10 addressing barriers to large scale deployment of plug-
11 in electric vehicles or PEVs. As more consumers
12 purchase PEVs, additional electricity generation will
13 be needed to meet the recharging demands. In 2011,
14 PIER funded research determined that the air pollution
15 and greenhouse gas benefits of PEVs will significantly
16 offset the emissions from the added electricity
17 generation needed for vehicle charging.

18 Also in 2011, PIER conducted the first study
19 to evaluate the technical and economic feasibility of
20 reusing the lithium-ion batteries in stationary energy
21 storage devices. This project found that reusing the
22 batteries for electricity storage could reduce battery
23 lease payments to PEV consumers by up to 32 percent.

24 So what are the next steps? In 2012 the

1 Energy Commission will continue public outreach and
2 process improvements. We're committed to achieving
3 the benefits of a coordinated statewide research
4 program that avoids overlap and duplication, minimizes
5 program costs and shares research results to maximize
6 openness, transparency and accountability.

7 In 2012, the R&D program will encumber the
8 remaining fiscal year 201- /2012 funds to address
9 critical energy state policy goals and objectives as
10 established by the Governor and the Legislature and
11 guided by our stakeholders. Listed on the screen are
12 the topics areas - we are continuing in the
13 demonstration of energy efficiency to inform the
14 standards. We have a solicitation plan for
15 demonstrating net zero buildings and energy smart
16 communities. We will be initiating several contracts
17 in the industrial and agricultural process areas,
18 continuing in the advancement of demand response and
19 energy storage. We have a solicitation planned for
20 renewable technology at the community scale and,
21 finally, supporting environmental and transportation
22 energy research directly tied to energy generation,
23 transmission and use.

24 Finally, in 2012 we look forward to working
25 with the CPUC on the CPUC initiated EPIC program for

1 renewables and public interest applied research.

2 In conclusion, I just want to thank Misa
3 Milliron the Project Manager for a stellar job putting
4 this project together. I would like to thank the
5 Project Managers for putting together their technical
6 briefs for the report and finally the researchers who
7 are bringing us these clean energy innovations.

8 I am here to answer any questions and seek
9 your approval.

10 CHAIRMAN WEISENMILLER: Thanks, Laurie.
11 This is – I'd like to again thank you and your staff
12 for pulling this together. I think, again, it's been
13 a lot of work this year in terms of presenting a good
14 explanation for the legislature and the public on what
15 PIER does, and I think that this is a good step in
16 that direction so certainly a lot of hard work on your
17 part and your staff's part but, again, I think this is
18 a pretty good job of trying to lay out the specifics
19 and certainly I think the more that we can get the
20 message out with this, with the report and now with
21 the presentation, I think we can continue to move
22 forward on that conversation.

23 MS. TEN HOPE: We look forward to that.

24 COMMISSIONER PETERMAN: I'll also just agree
25 with the Chairman. I think this is a very succinct

1 presentation of a tremendous amount of work. I have
2 been impressed – there are a lot of examples that are
3 not in here about PIER research that has then turned
4 into projects that are then funded by the private
5 sector because we had provided the initial public
6 funding and these were just some of the examples.
7 Again, great work to you and your staff and I
8 appreciated having this comprehensive presentation
9 today.

10 MS. TEN HOPE: Thank you.

11 COMMISSIONER DOUGLAS: I agree. It's great
12 to see so many good examples and I know you had a lot
13 more to choose from of really good projects.

14 MS. TEN HOPE: These are only the 2011
15 initiatives so it would have been a much longer
16 presentation. So thank you very much.

17 CHAIRMAN WEISENMILLER: Yeah. Thank you,
18 again. Let's go on to Item 16. Appliance Efficiency
19 Regulations –

20 COMMISSIONER DOUGLAS: I'm sorry.

21 CHAIRMAN WEISENMILLER: Okay.

22 COMMISSIONER DOUGLAS: I didn't mean to
23 interrupt. I think that we should approve –

24 CHAIRMAN WEISENMILLER: Exactly. We should
25 approve so I need a motion for that.

1 COMMISSIONER DOUGLAS: Move approval of the
2 report, Item 15.

3 COMMISSIONER PETERMAN: I'll second.

4 CHAIRMAN WEISENMILLER: All those in favor?

5 (Ayes.) This has been approved unanimously.
6 Again, congratulations.

7 So now on to Item 16, Appliance Efficiency
8 Regulations Order Instituting Rulemaking. Possible
9 approval of an OIR to begin a multiple phase
10 proceeding to amend the Energy Commission's Appliance
11 Efficiency Regulations in Title 20. Mike?

12 MR. LEAON: Okay. Sorry about that.

13 COMMISSIONER PETERMAN: Hey Mike? Excuse
14 me.

15 MR. LEAON: Yes?

16 COMMISSIONER PETERMAN: I know you handed
17 out copies of this Item. We seem to be missing one
18 version up here. Can we get one more?

19 MR. LEAON: Of the - ?

20 COMMISSIONER PETERMAN: Of the backup for
21 Item 16. Can we get one more of those? Thanks.

22 MR. LEAON: Yes.

23 COMMISSIONER PETERMAN: The PowerPoint.

24 MR. LEAON: All right. Well certainly last
25 but not least. Good afternoon, Commissioners. If

1 you're ready for me to begin? Okay.

2 COMMISSIONER PETERMAN: Good afternoon.

3 MR. LEAON: All right. For the record my
4 name is Mike Leao. I'm the Manager of the Appliances
5 and Process Energy Office. It is my pleasure today to
6 present Agenda Item 16. Joining me will be Dennis
7 Beck, Senior Staff Counsel for the Program.

8 Today we're seeking approval of a new order
9 instituting a rulemaking for appliance efficiency
10 regulations. We're not seeking to adopt any standards
11 today. Rather we're beginning a public process that
12 will include both a pre-rulemaking and a rulemaking
13 phase to develop new appliance efficiency standards.
14 Through this process staff will be working closely
15 with stakeholders analyzing data, reviewing proposals
16 and discussing key issues related to proposed
17 standards.

18 In my presentation this afternoon, I will be
19 providing you some background regarding the energy
20 savings that have been achieved through the Appliance
21 Efficiency Program to date. I'll also summarize the
22 results of the Commission's 2007 Order Instituting
23 Rulemaking, or OIR, and I will also discuss the
24 necessity for developing a new OIR for appliance
25 efficiency standards. Finally, I'll also summarize

1 the content of and timing for the proposed OIR that is
2 up for your consideration today.

3 To begin if we can – yes. To begin I'd like
4 to note that some of the CEC's most significant
5 accomplishments are in the area of appliance
6 efficiency standards. Based on standards adopted from
7 the 1970s - 1990s Californians have realized a
8 cumulative savings of \$36 billion by reducing
9 electricity use by 20,000 GWhs per year. Potential
10 electricity savings from existing, new and proposed
11 standards is over 50,000 GWhs. This is equivalent to
12 a savings of \$7 billion annually and would represent
13 enough electricity savings to avoid needing 12
14 additional 500 MW natural gas fired power plants.

15 In regard to the proposed new OIR the 12,400
16 GWhs in electricity savings equals more than half of
17 the savings achieved by existing standards and will
18 further build upon the additional 19,100 GWhs in
19 electricity savings that will be achieved under the
20 recent 2007 OIR.

21 Concerning water savings between the water
22 efficiency requirements of the Laird Bill, AB715 which
23 was adopted in 2007, and the proposed standards under
24 this OIR up to 70 billion gallons of water could be
25 conserved. The embedded electricity savings by

1 avoiding having to move or treat 70 billion gallons of
2 water is potentially over 640 GWhs per year.

3 Regarding the 2007 OIR the Commission
4 completed the work it set out to accomplish under this
5 OIR. Specifically the Commission adopted standards
6 for general service lighting, televisions and battery
7 charger systems. At full compliance these standards
8 will realize significant energy savings. For general
9 service lighting this is 11,000 GWhs per year. For
10 televisions 6,000 GWhs per year and for battery
11 charger systems 2,100 GWhs per year. The total
12 savings under the '07 OIR is 19,100 GWhs annually.
13 This is enough electricity to power over 3 million
14 homes.

15 So, in summary, with the recent adoption of
16 the battery charger system standards the Commission
17 has completed work under the 2007 OIR and is now
18 appropriate for the Commission to consider adoption of
19 a new OIR for appliance efficiency standards.

20 Regarding the necessity for this new OIR,
21 state law and public policy are key drivers for
22 adoption of the new OIR. Both long policy established
23 ambitious energy efficiency requirements and goals.
24 Specifically, the Warren-Alquist Act mandates that the
25 CEC adopt energy efficiency standards to reduce energy

1 consumption on a statewide basis. AB1109 sets
2 reduction targets of 50 percent for indoor residential
3 lighting and 25 percent for both indoor commercial and
4 outdoor lighting. These targets are to be met by 2018
5 and are relative to a 2007 baseline for lighting
6 energy use.

7 Further, Governor Brown's energy plan calls
8 for the CEC to adopt stronger appliance standards for
9 lighting, consumer electronics and other products.
10 The CEC's 2011 Integrated Energy Policy Report also
11 directs the Commission staff to continue to adopt
12 standards for appliances that represent the most
13 significant energy savings potential.

14 In addition, the joint long-term efficiency
15 strategic plan sets a goal of continually
16 strengthening and expanding building and compliance
17 codes and standards. In addition the strategic plan
18 also includes goals related to zero net energy.
19 Specifically, all new residential construction in
20 California will be zero net energy by 2020 and all new
21 commercial construction will be zero net energy by
22 2030.

23 In alignment with the statutory policy
24 drivers behind this OIR the proposal includes topics
25 that will address 3 key energy efficiency issues:

1 1. The growing energy intensity of plug
2 loads in residential and nonresidential buildings.

3 2. Meeting the AB1109 lighting reduction
4 targets, which will also address building lighting
5 intensity.

6 3. Reducing the energy intensity of water
7 use and meeting future demand for water through
8 efficiency measures.

9 We'll talk about how these issues and how
10 the OIR addresses them in the next few slides
11 including this pie chart on this slide. Specifically,
12 in regards to electricity consumptions in residential
13 buildings, as shown in this pie chart, the residential
14 appliance saturation survey found that 31 percent of
15 residential building and electricity use is from plug
16 loads. In addition, lighting represents an additional
17 22 percent of residential power use. Combined plug
18 loads and lighting account for 53 percent of
19 residential electricity use.

20 These two pieces of the pie must be
21 addressed if California is to achieve ZNE goals and
22 reduce alliance on fossil fuels.

23 In regard to nonresidential buildings the
24 California Commercial End-use Survey performed in 2006
25 shows that plug loads and lighting make up 42 percent

1 of nonresidential electricity consumption. Again
2 illustrating the point that if California is to
3 realize its zero net energy goals energy efficiency in
4 these areas must be improved.

5 As these last two pie charts illustrate
6 appliance efficiency measures, especially when taken
7 into consideration that the energy intensity of plug
8 loads in buildings is significantly increasing, remain
9 a key strategy for meeting not only ZNE goals, or zero
10 net energy goals, but also in reducing the state's
11 dependence on fossil fuel use, maintain system
12 reliability and for avoiding the need for new power
13 plants.

14 This next slide shows the projected increase
15 absent new standards for U.S. plug load between 2010
16 and 2035. The Energy Information Administration
17 forecasts that commercial plug loads could increase by
18 76 percent and residential plug loads by 43 percent
19 over this time period. To address the growing
20 intensity of plug loads the proposed OIR includes
21 several relevant topics. The commercial plug load
22 line includes proposed topics such as electronic
23 displays, computers and imaging equipment. The
24 residential plug load line also includes proposed
25 topics for displays and computers as well as video

1 game consoles and set top boxes. In addition, low
2 power mode and power factor topics which will be
3 included under Phase 3 in this OIR to potentially
4 cover both – most products in both the residential and
5 commercial categories.

6 In regard to lighting efficiency, this slide
7 graphically shows the AB1109 Huffman reduction
8 requirements for California and proposed Title 20
9 lighting topics that will address each of the 3 target
10 areas. Lighting topics in the OIR include LED lamps,
11 multifaceted reflector lamps, outdoor lighting,
12 lighting accessories and linear fluorescent fixtures.

13 To meet the targets set forth under AB1109
14 it will be important for the Commission to address all
15 the lighting topics in this OIR.

16 In regard to water, the major uses of water
17 in California are in the agricultural, environmental
18 and urban use sectors. Ag/environmental use are the
19 largest sectors but urban uses are also a significant
20 piece of the pie.

21 In regard to water-related energy use in
22 California, which includes the conveyance, storage,
23 treatment, distribution, wastewater collection
24 treatment and discharge sectors of water use cycled.
25 The embedded energy use of water was about 20 percent

1 of electricity used in the state in 2010 or 58,000
2 GWhs. In addition, water use and treatment accounted
3 for 33 percent of natural gas use and non-power plant
4 applications and this demand is growing.

5 The water related energy use is termed water
6 embedded energy since each time water is moved or
7 treated using energy that energy is considered to be
8 embedded in that water or part of the value of that
9 water. This OIR will address the need to increase
10 water use efficiency in the state to help offset
11 growing demand in the urban sector. Specifically, the
12 proposed OIR includes topics for toilets, urinals,
13 lavatory faucets, water meters, irrigation controls
14 and commercial dishwashers.

15 Turning on to the OIR itself, to begin
16 development of a new OIR to comply with the
17 Commission's statutory mandate to reduce the wasteful
18 and inefficient use of energy staff conducted a
19 scoping workshop on August 31, 2011 to seek
20 stakeholder comments on potential topics and proposals
21 for future appliance efficiency standards and to
22 discuss the timing and scope of a new OIR.

23 Staff has reviewed the comments and
24 proposals submitted under the docket for the scoping
25 workshop and has developed the proposed OIR that is up

1 for your consideration of approval today.

2 Staff is proposing to divide this OIR into 3
3 phases, each of which will include tracks for consumer
4 electronics, lighting and water and other topics.
5 Staff anticipates that it will take 12-18 months,
6 depending on the topics, to complete each of the
7 phases of the OIR.

8 To begin work under this OIR staff will
9 release an RFI, or request for information, for Phase
10 1. Staff will also include this step in each
11 subsequent phase of the OIR. In the RFI staff is
12 asking for data to inform each phase of the proceeding
13 and may release a revised schedule based on the
14 information received.

15 The intention behind releasing an RFI is to
16 ensure that we're engaging with all stakeholders,
17 capturing and considering all submitted comments,
18 asking the right questions and gathering all relevant
19 data to inform the development of proposed standards.
20 Staff will also prepare and release a response to
21 comment document during the pre-rulemaking process to
22 improve the transparency of the process and to make
23 clear our response to stakeholder comments, where
24 changes were made or not made and why.

25 Furthermore, based on information received

1 under the RFI staff may conduct additional workshops
2 as necessary to solicit additional public comments
3 regarding cost effectiveness, technical feasibility
4 and the efficiency level proposed standards received
5 from stakeholders.

6 After the completion of the RFI process,
7 staff will then prepare a staff report proposing
8 efficiency standards for those appliances where it
9 should have sufficient and adequate data to support
10 cost effectiveness and feasibility findings in support
11 of a proposed CEC standard.

12 Staff has included a flow chart as an
13 attachment to this Item illustrating the regulatory
14 development process that is proposed to be used under
15 this OIR.

16 Finally, the number and scope of phases in
17 the proceeding may be modified as needed. Staff
18 anticipate that most of the work of this OIR will be
19 completed by 2015.

20 Turn now to look at some of the savings
21 potentials in Phase 1 under the OIR. Regarding the
22 electricity savings under Phase 1 the first phase
23 includes proposals that represent a potential
24 electricity savings of up to 8,000 GWhs which at full
25 compliance will save Californians millions of dollars

1 through reduced electricity use. The tracks in Phase
2 1 include a consumer electronics track, a lighting
3 track and a water and other track.

4 The electronics track will include
5 electronic displays, video game consoles, computers
6 and set top boxes.

7 Under the lighting track, this track will
8 include dimming ballasts, multifaceted reflector lamps
9 and LED lamps.

10 Under the water and other track, Phase 1
11 will include commercial clothes dryers, toilets and
12 urinals, faucets, water meters and updated pool and
13 spa pump standards.

14 In regards to potential water savings under
15 Phase 1 all of the water products in the OIR in
16 conjunction with the savings from AB715 requirements
17 have the potential to save up to 70 billion gallons of
18 water. The appliances included in Phase 1 of the OIR
19 have the potential to save the bulk of this savings,
20 about 49 billion gallons of water.

21 Most of these savings, over 25 billion
22 gallons, is attributable to the standards for toilets
23 established under AB715. Specifically, the bill
24 requires that all the toilets installed in California
25 buildings beginning January 1, 2014 be high

1 efficiency. Adopting these Title 24 efficiency
2 standards in Title 20, however, will ensure that all
3 toilets sold or offered for sale in California comply
4 with the AB715 requirement and thereby help ensure
5 that only compliant products are installed in
6 California buildings.

7 Finally, in regard to natural gas savings
8 the topics of lavatory faucets and commercial clothes
9 dryers can save up to 60 million therms per year in
10 natural gas. In addition, the faucets topic will help
11 reduce the energy intensity related to urban water
12 use.

13 In conclusion, based on the Commission's
14 statutory mandate under the Warren-Alquist Act the
15 policy goals set forth in both the Integrated Energy
16 Policy Report and the Energy Efficiency Strategic
17 Plan, particularly the zero net energy building goals,
18 and the potential electricity, water and natural gas
19 savings that can be achieved under this OIR, staff
20 recommends that the Commission adopt this new
21 Appliance Efficiency Regulations OIR establishing the
22 timing and scope for future appliance efficiency
23 standards development.

24 That concludes my presentation. I'd be
25 happy to answer any questions.

1 CHAIRMAN WEISENMILLER: Okay. Let's take
2 public comment and then we'll take questions. The
3 first gentleman is John Constantino.

4 MR. CONSTANTINO: Good afternoon,
5 Commissioners. Thank you for the time. First of all
6 I want to say that we understand that this is the
7 beginning of a long process and we're willing to be a
8 participant and a partner for the whole thing.

9 TechNet represents California's leading
10 industry technologies: information hardware, internet
11 and apps economy. And we're here today behalf of the
12 Information Technology Industry Council and
13 TechAmerica as well, both of which represent many of
14 the nation's leading technology companies and whom we
15 partner with closely.

16 We share the Governor's commitment to
17 growing a clean energy economy and we very much share
18 his interest in strengthening energy efficiency
19 programs. We've been a major supporter of
20 California's leadership on smart grid and home area
21 networking technologies and believe that we can
22 improve home businesses through reduced electricity
23 and save money.

24 The tech industry is united in a belief that
25 California can break new ground on energy efficiency

1 by leveraging its leadership in technology. The
2 application of information technology to efficiencies
3 across the economy can save you an enormous amount of
4 electricity, 10 kWhs on average for every kW invested
5 in running an IT system according to ACEEE.

6 The technology sector is characterized by
7 rapid innovation and delivers huge efficiencies. On
8 average the tech sector is seeing a fourfold reduction
9 in energy intensity per watt every 1 ½ years. Since
10 1960 our sector has achieved a more than 2.8 million
11 percent improvement in computing power per watt. To
12 put that into familiar terms that would be the
13 equivalent of a modern car getting 400,000 MPG.

14 We anticipate even greater gains going
15 forward in managing energy investments in smart
16 buildings, smart transportation and smart
17 manufacturing.

18 With respect to set top boxes we know that
19 the cable industry and its cable energy initiative
20 announced in November will establish a new cable labs,
21 energy lab, to focus on improving the energy
22 efficiency of its devices and have committed that by
23 the end of 2013 that 90 percent of all new set top
24 boxes purchases or deployed in California will comply
25 with ENERGY STAR 3.0. With respect to displays,

1 computers and servers we look forward to working with
2 the Commission and other key stakeholders in
3 developing a mutually satisfactory approach and we
4 have already offered to host a workshop later this
5 spring to advance that discussion.

6 In regards to the rest of our potentially
7 impacted products as the Commission looks at how to
8 improve performance it is critical that you not
9 undertake technology specific mandates that impede
10 innovation or unnecessarily increase costs. In our
11 view any approach adopted by the Commission must
12 respect the following principles: permit and
13 facilitate innovation, minimum performance standards
14 should be specific and focused on creating incentives
15 to improve efficiency of all models with each product
16 category and not unduly restrict the market or
17 advanced emerging capabilities demanded by customers.
18 It should be based on sound data collection and
19 analysis, it should leverage international standards
20 and methodologies that already work such as ENERGY
21 STAR, assess like products with similar capacities in
22 a categorization method harmonized with international
23 specifications, i.e. not treat products with different
24 functionalities as if they were similar, ensure
25 stakeholder participation, adopt minimally restrictive

1 conformity assessment requirements and avoid mandating
2 specific technologies or adopting requirements that
3 can only be achieved with use of a specific
4 technology.

5 And, finally, be based on a holistic
6 approach such as with energy data centers whereas low
7 capability, low power servers may actually require
8 more energy than a holistic view. And we believe that
9 if we work together it is possible to develop an
10 approach that protects innovation while enabling
11 significant efficiency gains. We are proud of the
12 work on energy efficiency and would be delighted to
13 welcome you to Silicon Valley to show you what we do.
14 Further, we stand ready to work with the Commission to
15 develop the aforementioned workshop, a workshop
16 devoted to sharing information and developing the data
17 from which action can be appropriately moved forward.

18 Thank you. I'd be happy to answer any
19 questions.

20 CHAIRMAN WEISENMILLER: Thank you.

21 COMMISSIONER DOUGLAS: I just appreciate
22 your comments and your willingness to work with us. I
23 understand that – you know, I have been part of a
24 number of meetings that TechNet has helped facilitate
25 and I see a number of familiar faces in the audience.

1 So your comments are very well taken and appreciate
2 you being here.

3 MR. CONSTANTINO: Thank you.

4 CHAIRMAN WEISENMILLER: Thanks. Amy
5 Blumberg?

6 MS. BLUMBERG: Good afternoon. Amy Blumberg
7 with Rose & Kindel here on behalf of TechAmerica. We
8 agree with all the points just made by Mr. Constantino
9 and want to reiterate our interest in working with the
10 Energy Commission in this deliberative process as it
11 moves forward.

12 We also believe that it's a – a critical
13 element of these regulations must be their ability to
14 allow for continued robust innovation in the tech
15 sector. Innovation that will continue to lead us to
16 newer and more cost effective energy savings
17 strategies.

18 CHAIRMAN WEISENMILLER: Thank you. Nate
19 DeWart of Energy Solutions on the phone.

20 MR. DEWART: Yeah. No comments at this
21 time.

22 CHAIRMAN WEISENMILLER: Thank you. Pierre,
23 NRDC on the phone.

24 MR. LE FORGE: No comments at this time,
25 either. Thank you.

1 CHAIRMAN WEISENMILLER: Okay. So anyone
2 else on the line with comments? No? Okay.

3 MR. BECK: Chair? Chair Weisenmiller?

4 CHAIRMAN WEISENMILLER: Yes?

5 MR. BECK: Dennis Beck from the Legal
6 Office. I just need to make one small correction to
7 the wording of the OIR under the delegation of
8 authority section.

9 CHAIRMAN WEISENMILLER: Sure.

10 MR. BECK: As the Commission knows we no
11 longer have standing policy committees and Section
12 25211 of the Public Resources Code does not allow
13 delegation of authority to less than 2 Commissioners.

14 So staff is proposing that the section or
15 the paragraph under "to delegation of authority" be
16 stricken – the current language and be replaced with
17 the following:

18 "at this time the Commission will not
19 appoint a Committee to preside over this
20 rulemaking proceeding (pursuant to Public
21 Resources Code Section 25211), however the
22 Commission reserves the right to appoint
23 such a Committee at a later date.

24 Commission staff shall be responsible for
25 taking all appropriate actions necessary to

1 comply with all applicable legal
2 requirements of the Public Resources Code,
3 Administrative Procedure Act (APA), the
4 California Environmental Equality Act
5 (CEQUA), etc. Staff will also ensure the
6 timely submittal of all necessary rulemaking
7 documents to the Office of Administrative
8 Law (OAL)."

9 CHAIRMAN WEISENMILLER: Thank you.

10 COMMISSIONER DOUGLAS: I have a number of
11 comments.

12 I want to thank you, Mike, for this thorough
13 presentation and I know that a large number of people
14 have been working on this at great length in order to
15 review the initial information submitted and results
16 of the first workshop that we held on – leading up to
17 this event and to come up with what is, frankly, a
18 pretty ambitious set of potential standards. It's
19 also a very diverse set of potential standards.

20 So, for example, I'm very pleased to see
21 that this proposal, this scoping order, has a very
22 strong emphasis on water with the potential for – I'm
23 almost afraid to say 70 billion because part of me is
24 sure I've got the decimal point wrong but 70 billion
25 potential gallons of water saved. Is that right? Or

1 million?

2 MR. LEAON: Billion.

3 COMMISSIONER DOUGLAS: Million. Thank you.
4 Because I saw billion written here and I just couldn't
5 believe it.

6 MR. LEAON: Well, don't. Billion is the
7 right number.

8 COMMISSIONER DOUGLAS: Is it really?

9 MR. LEAON: Yes.

10 COMMISSIONER DOUGLAS: All right. Well,
11 there you go. I see a number that large and I almost
12 don't believe it.

13 Now it's going to be a lot of work to get
14 those savings and they're not all going to come at
15 once. And as people see this is divided up into tiers
16 and it needs to be because in some cases I think we
17 have really good data and we're pretty close with the
18 information we have and we have a pretty clear idea of
19 what we should do. In other cases there's a lot more
20 work that needs to be done and so this is the scoping
21 order that going to play out over a period of years
22 not a year, not months and we've got a lot to do.

23 But I'm really pleased to see the emphasis
24 on water savings. You know, we're under - I'm really
25 pleased to see the advance towards implementing AB715,

1 which is the Bill that Secretary Laird authored when
2 he was in the Assembly. And that Bill suggests that
3 we consider high efficient toilets and urinals in the
4 buildings standards. This proposal, by making it part
5 of Title 20, actually has a great impact because it
6 effects not only new buildings but also retrofits.

7 I've had a number of meetings particularly
8 with the tech industry with manufacturers of
9 computers, servers, game consoles, certainly the cable
10 industry, the satellite industry. I really appreciate
11 their willingness to work with us. Their willingness
12 to come forward with information and engage early in
13 the process and, obviously, each one of these
14 industries as we work with them is going to be very
15 different. The cable industry, as was mentioned, has
16 come together with a pretty aggressive initiative for
17 efficiency in set top boxes. I think we need to take
18 a close look at that and really work with them on the
19 proposal because it's, at least in my view, really
20 good and we definitely want to see a lot more of that.

21 In any case, I'm really happy that we've
22 come to this point. I'm really happy that we're going
23 to be moving forward, you know, quite expeditiously
24 with some of these rulemakings and, of course, on a
25 slower basis but gathering information and building a

1 record and so on with some of the Tier 2 and Tier 3
2 proposals.

3 We've got a lot of work ahead of us and I'm
4 looking forward to it, and I think staff probably is
5 too even though we're pretty fresh off of working on
6 battery chargers which consumed a lot of resources and
7 time.

8 MR. LEAON: Absolutely. We're ready to
9 proceed under the new OIR. Absolutely.

10 COMMISSIONER DOUGLAS: All right. Well,
11 thank you. I'll see if there are any other comments.

12 All right. With that then, I'm very pleased
13 to move approval of Item 16.

14 MR. BECK: And we would -

15 COMMISSIONER DOUGLAS: Oh. I'm sorry. Item
16 16 -

17 MR. BECK: And Commissioner Douglas -

18 COMMISSIONER DOUGLAS: As amended with the -

19 MR. BECK: We would just for the record note
20 to approve the OIR as verbally amended.

21 COMMISSIONER DOUGLAS: Yes. Approve the OIR
22 as verbally amended. Do note that there is not
23 currently a Committee being establish but, of course,
24 we may in the future establish one.

25 COMMISSIONER PETERMAN: Second.

1 CHAIRMAN WEISENMILLER: All those in favor?

2 (Ayes.) This motion is passed.

3 Item 17. The minutes. February 8, 2012.

4 COMMISSIONER PETERMAN: I'll move the
5 minutes.

6 COMMISSIONER DOUGLAS: Second.

7 CHAIRMAN WEISENMILLER: All those in favor?

8 (Ayes.)

9 February 13, 2012.

10 COMMISSIONER PETERMAN: I'll move the
11 minutes.

12 COMMISSIONER DOUGLAS: Second.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 (Ayes.)

15 Minutes approved.

16 Item 18. Lead Commissioner or Presiding
17 Member Reports.

18 COMMISSIONER PETERMAN: I may as well go
19 first. I know a lot has happened but so much of my
20 brain is overloaded so maybe someone else has an
21 update.

22 COMMISSIONER DOUGLAS: I always feel like I
23 should have an update when we come to the Lead
24 Commissioner Reports. I'm fresh back from a week,
25 about a week, in Death Valley camping and it was

1 really nice and it was nice to go to the dessert for
2 fun once as opposed to going there for work, although
3 I love to go there for work as well.

4 So I'm looking at my calendar. I already
5 reported that we had 2 days of Title 24 hearings,
6 yesterday and the day before yesterday, and so I think
7 I'll stop at that. Thank you.

8 MS. JENNINGS: Commissioner, you also have
9 the Lessons Learned.

10 COMMISSIONER DOUGLAS: Thank you, Jennifer.
11 The day before I – we shipped our kids off into a
12 parent's night out session at local school in Davis
13 and packed our bags all night we had a really great
14 workshop under the Lessons Learned OII that's been
15 open for about a year now. And the workshop involved
16 the counties in the dessert that we're working with on
17 the Dessert Renewable Conservation Plan, it involved
18 federal partners and state partners at different
19 agencies and, of course, Energy Commission staff and
20 it was a really interesting and great experience I
21 think for all of us because it's not actually common
22 that we have a space in which we all sit down together
23 and talk about the permitting process, talk about the
24 obstacles and challenges that we sometimes encounter
25 and how we approach them and, in this case, we not

1 only talked about the more, I won't say abstract, but
2 the more in the weeds details of how you handle
3 different parts of the CEQUA or NEPA process but also
4 some specific examples of multi-agency reviews.

5 And that's where it really got fun because,
6 of course, the Energy Commission and the local
7 governments and federal governments under NEPA all
8 have processes that are similar but they're not
9 identical and in some areas there are important
10 differences. So making a multi-agency review work
11 where the PUC takes a NEPA document done by BLM and
12 CEQUA-tises it to use a word that we were throwing
13 around a bit or the Energy Commission or local
14 government endeavors to do a joint document with BLM
15 and to mesh aspects of CEQUA and NEPA. These are
16 things that are hard and in some ways they are harder
17 than they should be but we have the statutes that we
18 have and we need to implement them. But at the same
19 time we need to find ways of working together and
20 making the process smoother for everybody. So thanks
21 for reminding me of that. That was a really
22 interesting workshop, at least for me, and I heard
23 from other participants as well that they appreciated
24 being there.

25 COMMISSIONER PETERMAN: Well, inspired by

1 your update I have an update now. One of the key
2 activities at the Energy Commission and in particular
3 the Renewable staff is involved in is the development
4 of regulations related to the RPS and so I was happy
5 to say that we put out draft regulations, held a
6 workshop on the 1st and are now getting lots of
7 comments back from stakeholders.

8 A key to making the 33 percent RPS work is
9 having good coordination and engagement with our
10 difficult utilities, both investor owned and publicly
11 owned. In order to facilitate that myself and at
12 times other members of our executive management team
13 have spent entire days with the utilities in their
14 service territory getting briefed on the range of
15 activities and plans they have going forward and how
16 they're planning to meet a number of the state's goals
17 for renewables and climate change.

18 Most recently, at least in the last 2 weeks,
19 I went down to LA and it was with LAWP, joined by our
20 executive director, and had a great tour of their
21 facilities as well as an overview of their programs.
22 Then I was with Pacific Gas and Electric last week
23 and, again, had a wonderful, comprehensive set of
24 briefings so thank you to all for taking their time at
25 those facilities. This is an ongoing conversation and

1 we look forward to better coordination and continued
2 coordination.

3 We're also having discussions as well now
4 around the 2012 IEPR. Excited to say that we're
5 starting to get some Notices out for some upcoming
6 workshops. Indeed there's some important topics that
7 will be covered in the 2012 IEPR. It is an in-between
8 year and so we're keeping the scope more narrow and
9 thinking about what to go into the next big biannual
10 report in 2013 but just some important areas to
11 highlight.

12 We'll be looking particularly at
13 infrastructure for electricity in this IEPR, thinking
14 about some of the challenges and opportunities. We'll
15 also be focusing on what recommendations and
16 strategies are needed to develop renewables and reach
17 some of our 2020 goals, addressing some of the
18 challenges from everything from integration to
19 research to assessing the benefits. I ask all of you
20 interested in this topic to sign on to our IEPR
21 listserv, participate in the workshops, call in. We
22 want to make sure that this is usable and valuable to
23 the public as well as our industry legislative
24 partners.

25 Also in terms of public outreach it's been

1 an exciting couple of months as well on AB118. We've
2 been working with the Advisory Group and the public to
3 finalize a 2012-2013 Investments Plan for that
4 program. There's a draft plan that's out. We'll be
5 finalizing one in May. There will be another public
6 meeting before then but, again, many forums to get
7 engaged. I always appreciate the comments that I hear
8 from the stakeholders and public and so that's my
9 update.

10 COMMISSIONER DOUGLAS: Great.

11 CHAIRMAN WEISENMILLER: Chief Counsel's
12 Report?

13 MR. LEVY: Good afternoon, Commissioners. I
14 have no report today.

15 COMMISSIONER DOUGLAS: Executive Director's
16 Report?

17 MR. OGLESBY: I just want to add that this
18 morning we had our budget subcommittee meeting in the
19 Assembly which was also a combined meeting and
20 informational hearing on two topics. Our progress on
21 the ARRA projects, the SEP projects under ARRA. We
22 were joined at the hearing by State Auditor Elaine
23 Howle who noted the progress we've been making. We
24 have work that remains to be done but it was nice to
25 have the progress made so far recognized.

1 The other informational item at the hearing
2 was a review of our AB118 program. The actions on our
3 budget went very well.

4 COMMISSIONER DOUGLAS: That's great. Thank
5 you for that. Public Adviser?

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

8 COMMISSIONER DOUGLAS: All right. We'll
9 pause for a minute.

10 COMMISSIONER PETERMAN: I'll also add that I
11 think the Energy Commission is still hiring which is
12 exciting. I walk through the halls and see a lot of
13 new faces. There's still time out there though if
14 you're looking for a job opportunity so get to our
15 website as soon as possible.

16 MR. ZELLER: Think about it, you dumb broad.

17 COMMISSIONER DOUGLAS: Let's see if we have
18 any Public Comment.

19 MS. JENNINGS: Can I just make a comment?
20 Mr. Zeller, this is Jennifer Jennings and if you – you
21 need to watch your language. You have an opportunity
22 here to speak to 3 Commissioners.

23 MR. ZELLER: Yes, ma'am. I realize and the
24 biggest factor here in listening to you for the last –
25 what do you want to say, 2 ½ hours all you want to do

1 is change everything in our life, per say. Cut down
2 on water. Well, why don't you close down the golf
3 courses? There's more water used there. There's over
4 400 acre feet that's used in the one where I live.
5 That's 400 acre feet of water and you're talking about
6 millions and billions of just gallons.

7 And then we sit down and we say it's so
8 wonderful to have a washing machine that won't even do
9 a wash for you because it only uses 8 ½ gallons of
10 water to do your wash and your rinse because it's all
11 electronic. You can't even set the size of the load
12 you want. You can't even set the size of the – even
13 if you wanted a 12 or a 14 or a 10 minute load. You
14 can't even set it for that because of the state of
15 California and everything that I'm listening to there
16 also again. All this stuff coming over. All these
17 new machines. It does a hot and a cold and everything
18 else that is going on that came from Europe.

19 Just like our SmartMeter came from Europe
20 but yet nobody, nobody seems to know anything until
21 you buy a new piece of equipment. If I would have
22 known that they changed it I would have had my old one
23 repaired if it had cost me \$1,000 to get it fixed as
24 compared to what you people say that this is what the
25 State of California has to sell.

1 To me it doesn't make sense. Like you're
2 talking about oh it's wonderful to have the new
3 latrines or toilets or whatever you want to call them
4 and you use only 1 ½ gallon of water and then you sit
5 down and you have to flush it 4 times. Now you want
6 to change the dishwasher. I mean the dishwasher and
7 then they're talking about, "Well, the biggest reason
8 why we wanted to cut down on the water we use for gosh
9 sakes in the washing machine is because we're cutting
10 down on natural gas." And we've got more natural gas
11 than any country in the world.

12 And I'm just sitting here, saying to myself,
13 listening to everything here, let's cut down on this,
14 let's cut down on electricity, let's cut down on this.
15 If you've got the money let the person spend their
16 money. If it gets to the point where we have no
17 water, okay, then. Fine. Catalina doesn't have water
18 but they all have Hyperion Plants. We have our water
19 plants here and after the – in other words, Hyperion
20 Plants, after everything's all done the water is put
21 back in the river and let it run down again. But all
22 I seem to hear is let's save mega, mega, megawatts of
23 power. You know, I bet you nobody there in that
24 office of who I'm talking to if I'm talking to anybody
25 has a light bill of \$16 a month.

1 COMMISSIONER PETERMAN: We're listening by
2 the way.

3 MR. ZELLER: In other words, I mean if you
4 think about it, if you have the money let the person
5 buy what they want to buy. Why cut it down? That's
6 what I can't understand. I mean we don't have a right
7 to do anything. Buy the volt. That only cost you
8 \$46,000. Then you've got to plug it in and use
9 electricity at night and everybody says well you don't
10 have to worry about it at night because nobody's using
11 the electricity but then think about what your bill
12 goes up to.

13 And then they're sitting there, everybody is
14 asking well let's change the height, like what you
15 already brought up. I mean all these cities are
16 asking or saying let's take out the high pressure
17 sodium and let's put in the LEDs and I'm sitting here
18 saying, "Good lord. Everybody wants money from the
19 state." And the state doesn't have any money.
20 Because like right now, I retired from Pacific
21 Telephone, and at one time Ma Bell, which was AT&T,
22 actually had over 700,000 employees. Right now the
23 state of California has more employees than AT&T has
24 now because everything is contract held. And then
25 you're sitting there telling me that, "Hey. I can't

1 have a washing machine that does the wash because it
2 locks up the thing." You have to use a high
3 efficiency soap that doesn't even bubble up and, you
4 know, after awhile you get a little bit ticked off of
5 what the state is doing. Is there a comment?

6 COMMISSIONER PETERMAN: Sir, thank you for
7 your comments. We all hear you. This is Commissioner
8 Peterman. I guess I'll just say in response that I
9 think there are public costs as well as public
10 benefits to our private investment decisions so the
11 choices that we individually make affect others and I
12 think this is the role of the state to make sure that
13 we're getting as many public benefits as we can in
14 reducing the public cost. But appreciate your
15 comments and you following our proceedings. So thank
16 you very much.

17 MR. ZELLER: Well the biggest factor here,
18 hon, is it's not helping the average person. You
19 might think it is.

20 COMMISSIONER PETERMAN: Well, duly noted.

21 MR. ZELLER: Well, no. I can't - I really -
22 because -

23 COMMISSIONER PETERMAN: Sir -

24 MR. ZELLER: Karen Douglas - she made the
25 statement of, "Ohhh. Because the San Diego Gas and

1 Electric - " or water company down there in San Diego.
2 Well they're going to save over 900,000 gallons of
3 water. And this was years ago she said it. And it
4 seems like the - we the people in the state of
5 California and that's why so many people are leaving
6 the state of California because, in other words,
7 they're telling us how to live, what to do and how to
8 do it. And Jerry Brown is coming up and asking us to
9 raise our state tax, to raise our sales tax and then
10 it seems that every city I've ever heard of here is
11 asking for money for new streetlights.

12 COMMISSIONER PETERMAN: Well, sir. I will
13 tell you that actually part of that, that is money
14 that's coming from the federal government so it's not
15 coming out of your California money. And I'm going to
16 ask you to wrap up your comments, if you don't mind.

17 MR. ZELLER: Well, ma'am. In other words -
18 I mean the three people could talk about what they
19 wanted to talk about on that new machine with the hot
20 and the cold and all the rest of the stuff that went
21 along with it. I mean, they could speak for half an
22 hour.

23 COMMISSIONER PETERMAN: No, I think everyone
24 was kept to about 3-5 minutes. I will say though that
25 many of our - when we look at our measures we look at

1 things that are cost effective and so I think the cost
2 to the private citizen, the cost to the public is
3 considered and I think we've gotten feedback that the
4 programs do help the average consumer but also we
5 appreciate you might have a different circumstance and
6 that is important to hear. But if you'd just like to
7 wrap up your comments, that would be terrific.

8 MR. ZELLER: Well, the only thing - I mean
9 this is something else again too. Cutting down on the
10 wattage of a light bulb so you have to have 2 of them
11 working instead of 1. And I understand the situation
12 that you're in, it's your job. It's things that
13 you're supposed to look into. It's things that I did
14 when I worked for the phone company. But we could
15 save so much money on everything if we didn't have
16 over 300,000 people working for the state of
17 California.

18 COMMISSIONER PETERMAN: Sir. I'll also
19 direct you to -

20 MR. ZELLER: Well, we've got 1,000 people
21 working for the PUC.

22 COMMISSIONER PETERMAN: Well, we've got a
23 lot of people in the state. Sir, I'll also direct you
24 to our website because I find that is a really useful
25 resource in terms of talking about the background

1 material, the rational for things -

2 MR. ZELLER: But I don't have a computer.

3 COMMISSIONER PETERMAN: Fair enough.

4 MR. ZELLER: I wouldn't have a computer.

5 COMMISSIONER PETERMAN: Public library.

6 Always a great resource as well.

7 MR. ZELLER: Ma'am, wonderful. Do you

8 drive?

9 COMMISSIONER PETERMAN: Pardon?

10 MR. ZELLER: Do you drive?

11 COMMISSIONER PETERMAN: I try not to. I try

12 to keep my carbon emissions down.

13 MR. ZELLER: Well, I tell you what, dear.

14 I'm in a wheelchair and I don't think I'm going to go

15 to the library. But I'm to the point that I'm getting

16 so fed up with the state telling me what to do.

17 Edison can spend \$750 million to put a SmartMeter in

18 and the contract help that did it and yet they still

19 want to raise the rates and then you tell me why.

20 Because the PUC says, "Well Edison has the right to

21 raise the rates." The same thing like you're telling

22 me here. Or you have a right to cut down on the water

23 usage. Has anybody ever said anything, "Okay. Fine.

24 We're going to cut down usage on a golf course?"

25 COMMISSIONER PETERMAN: I think all the

1 points you've raised, sir, the different agencies do
2 look into and that's why I'm referring you to some of
3 our materials because you can hear about the years of
4 research that go into these issues.

5 And I think, importantly, the Energy
6 Commission and the Public Utilities Commission have a
7 forum for public participation and I encourage you to
8 avail yourself of it to the extent that you can or
9 connect with groups who also have a similar opinion
10 who can represent on your behalf. But I think we have
11 heard you and we appreciate your comments.

12 We are going to wrap up now.

13 MR. ZELLER: All right. I just want to say
14 one thing, dear. Nine out of 10 people do not have
15 the time to actually make a phone call to you or sit
16 and listen to you for 2 ½ hours because they're a
17 working group. I'm retired, and I have and I'm going
18 to continue calling. I mean until you change your
19 numbers and I'll find out what they are again.

20 But it's actually just to a point - I cannot
21 understand the state of California telling everybody
22 what you can do and what you can't do. You can't run
23 a 2 cycle motor.

24 Were you born and raised in the state of
25 California, ma'am?

1 COMMISSIONER PETERMAN: I don't think that's
2 any of your business, sir.

3 MR. ZELLER: No. I was just asking because
4 I was and I'll tell you what, down in Covina, West
5 Covina, Glendora, Azusa. They used to have smudge
6 pots and you talk about smog. I mean nobody even knew
7 what it was for God sakes. You had overcast from the
8 doggone things.

9 COMMISSIONER PETERMAN: Well, sir, I'll
10 leave you with this. Although you might not be 100
11 percent convinced by this. We are in this job really
12 to do right by the public and we take public input -

13 MR. ZELLER: Well -

14 COMMISSIONER PETERMAN: Sir, let me finish.
15 This is Commissioner Peterman speaking to you.

16 We take public input very seriously. We
17 have a Public Adviser who works with us. A number of
18 the agencies that you mentioned have divisions
19 specifically focused on protecting ratepayers. I
20 believe, sir, there are a lot of groups that might
21 represent your interest. We appreciate the people who
22 are working and can participate in our forums. That's
23 why we have elected officials. That's why we have
24 representatives and we are doing our best by the
25 state. So please continue to follow us and you might

1 disagree but, sir, I have given you more time,
2 frankly, than required because I did want to hear your
3 comments but we are going to close the lines now.
4 Thank you.

5 MR. ZELLER: Yeah, but the biggest thing
6 here that I want to –

7 CHAIRMAN WEISENMILLER: Okay. Any other
8 comment?

9 COMMISSIONER DOUGLAS: Chair Weisenmiller,
10 just to make sure that I don't leave any misimpression
11 because my name came up. This is Commissioner
12 Douglas. I don't – I have never worked for any San
13 Diego organization. San Diego County Water Authority
14 or SDG&E or any other – because my name came up in the
15 context of San Diego. I'm not sure where that came
16 from.

17 MS. JENNINGS: This is Jennifer Jennings. I
18 think he was referring to a speech that he read that
19 you gave to a San Diego entity – and I don't recall
20 what the name of it was.

21 COMMISSIONER DOUGLAS: I see. Oh, good. I
22 have given speeches in San Diego. That clarifies it.
23 Okay. Thank you.

24 MS. JENNINGS: During the speech it was
25 really – you said something about washing machines so.

1 COMMISSIONER PETERMAN: I will ask the
2 Public Adviser if the gentlemen reaches out to you
3 again with specific questions, and I appreciate that
4 he doesn't have access to a computer and stuff like
5 that, if there's particular documents we can send him
6 via mail I think that would be good at his request.
7 Thank you.

8 MS. JENNINGS: Thank you.

9 CHAIRMAN WEISENMILLER: So this meeting is
10 adjourned.

11 (Whereupon, at 3:49 p.m., the business
12 meeting was adjourned.)

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