

Commissioners Present (*Via Phone)

Robert B. Weisenmiller, Chair
Karen Douglas
Andrew McAllister

Staff Present:

Rob Oglesby, Executive Director
Michael Levy, Chief Counsel
Pippin Brehler, Senior Staff Counsel
Jeffrey Ogata, Assistant Chief Counsel
and Technical Staff, Biology and Air Quality
Allan Ward, Assistant Chief Counsel
Blake Roberts, Assistant Public Adviser
Harriet Kallemeyn, Secretariat

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Suzanne Korosec	4
Jim Holland	5
David Ware	6
Joseph Douglas	7
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Robin Mayer	9
Tobias Muench	11
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Aida Escala	14
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Joseph Wang	21
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Amir Ehyai	23
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Phil Cazal	26

Also Present (* Via WebEx)

Interested Parties

Valerie Winn, PG&E
Jamie Asbury, Imperial Irrigation District
C. Anthony Braun, representing Imperial
Irrigation District
Manual Alvarez, Southern California Edison
Mike Hodgson, Owner, CHEERS
Jay Lenzmeier, Executive Director, CHEERS
Michael Bachand, President, CalcERTS
*John Flores
*George Nesbitt, Environment Design
Charlie Bachand, Director of Quality of Assurance
and Solar Programs, CalcERTS
Jeff Harris, on behalf of Ivanpah Solar Electrical
Generating System
John Carrier, CH2M Hill
Steve Hill, Sierra Research
Doug Davis, on behalf of Ivanpah Solar Electrical
Generating System
Marc Sydnor
Dr. Tim Brown, U.C. Irvine
Charles Botsford, Project Manager and
Business Development, Aerovironment, Inc.
*Lyn Harris-Hicks, League of Women Voters
Rick Moore, Total Compliance Management
Doug Button, President, Blue Line Transfer, Inc.
Ian Hoover, Manager, Paso Robles Waste & Recycle
Dale Gomer, Paso Robles Waste & Recycle
Matt Sullivan, Newcomb Anderson McCormick

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1 P R O C E E D I N G S

2 FEBRUARY 13, 2013

10:07 a.m.

3 CHAIRMAN WEISENMILLER: Let's start the
4 Business Meeting with the Pledge of Allegiance.

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

7 CHAIRMAN WEISENMILLER: Good morning. Let's
8 start with a couple things. First, in terms of today's
9 agenda, Items 2, 10, 13 and 19 are being held today.

10 Also in terms of today, I think everyone knows,
11 but we now have -- the Governor this week appointed two
12 new Commissioners to the Energy Commission, so we're
13 going to have a full hand.

14 Both will be sworn in, David earlier, and
15 certainly Andrea Janea more like a month or so out as she
16 deals with her transition back from D.C., but it's really
17 great news, really two very strong, very welcome
18 Commissioners coming.

19 And as we go forward, that means that certainly
20 Item 2 on the assignments, we'll get more action in some
21 of the future meetings.

22 Also, I would like to point out today that
23 there is a very impressive display of Electric Vehicles
24 outside, and I certainly want to thank the staff for
25 helping organize this, particularly Jim Bartridge, Leslie

1 Baroody, and I'm sure others whose names I'm not aware
2 of. But anyway, it's a good opportunity.

3 A lot of us have the vision of electrifying our
4 transportation system and it really deals with our twin
5 problems of national security; obviously, thinking about
6 the energy situation in general, our reliance on oil has
7 got to be one of our biggest concerns, so electrifying
8 the transportation system would certainly help in that
9 area and, at the same time, looking at air pollution and
10 greenhouse gas issues in California that, again, that's a
11 key part of the solution.

12 I think everyone here is aware of the
13 Governor's ZEV Executive Order and also the Action Plan,
14 so it's a key part of that, but it's good to go from the
15 vision, the sort of papers on it, to actually the
16 vehicles and they tie nicely to some of the charging
17 stations we're going to consider today.

18 So, anyway, with those two general
19 announcements, let's go to the consent calendar. I
20 believe Commissioner Douglas has something first.

21 COMMISSIONER DOUGLAS: Thank you, Chairman
22 Weisenmiller. I do have something on the Consent
23 Calendar -- or, before we take the Consent Calendar,
24 there are three contracts on the Agenda today where the
25 Regents of the University of California is an interested

1 party, those are Items 1(e), CIEE, Item 11, U.C. Irvine,
2 and Item 18, CALSTART, where there will be a
3 demonstration project at U.C. Irvine. I'd like to
4 disclose for the record that I'm an Adjunct Professor at
5 the University of California, that's at King Hall, U.C.
6 Davis School of Law, where I'm currently teaching a
7 Renewable Energy Law Seminar. King Hall is a different
8 department than the department that's interested in these
9 contracts, and therefore our Chief Counsel advises that
10 there's no conflict of interest.

11 For the record, I'll also disclose that I am
12 teaching the seminar with Chief Counsel Michael Levy, so
13 this disclosure relates to him, as well.

14 CHAIRMAN WEISENMILLER: Okay. Do I have a
15 motion on the Consent Calendar?

16 COMMISSIONER MCALLISTER: I'll move Item 2, is
17 it?

18 CHAIRMAN WEISENMILLER: Item 1.

19 COMMISSIONER MCALLISTER: Move Item 1.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in favor?

22 (Ayes.) Item 1, Consent Calendar, passes.

23 As I said, Item 2 we're skipping. Let's go on
24 to Item 3. Hidden Hills Solar Electric Generating
25 Systems. Possible appointment of an associate member for

1 the Committee. So at this stage, we have hearings
2 scheduled and the good news is that we also now will have
3 a second member, and it's going to be one of our newest
4 Commissioners, David Hochschild. Any -- who wants to
5 move that nomination?

6 COMMISSIONER DOUGLAS: With great enthusiasm
7 and obviously subject to him being sworn in and starting
8 work timely for the hearings, which is the case, he'll be
9 starting work actually a day before the pre-hearing
10 conference, and so he has indicated that he'll be at the
11 pre-hearing conference and at the evidentiary hearings,
12 so, again with enthusiasm, I would move that appointment.

13 COMMISSIONER MCALLISTER: I will second, also
14 with some enthusiasm because I was gearing up to be the
15 second member of that committee, which actually I was
16 looking forward to in its own way. But there's so much
17 to do at the Commission and, with only three
18 Commissioners, it's just -- you're double-booked on
19 important things pretty much all the time and so I will,
20 instead of being out to those hearings, be going to the
21 Resource Adequacy Event meeting over at the Public
22 Utilities Commission, which relates very directly to some
23 of the things we're going to do in the IEPR and other
24 areas, so I'm happy to be able to do that. So I'll
25 second Item 3.

1 CHAIRMAN WEISENMILLER: All those in favor?

2 (Ayes.) Item 3 passes unanimously and
3 enthusiastically.

4 So let's go on to Item 4. 2012 Integrated
5 Energy Policy Report Update. Suzanne.

6 MS. KOROSK: Good morning. Today I am asking
7 for your approval of the 2012 Integrated Energy Policy
8 Report Update.

9 The 2012 IEPR Update covers five activities
10 that were initiated during the 2011 IEPR that were either
11 continued or completed during 2012. These include the
12 CEC's 10-year Electricity and Natural Gas Demand Forecast
13 that was adopted in June of 2012; two reports on the
14 Natural Gas Market Outlook and Trends, which were
15 finalized in 2012; an updated Assessment of CHP
16 Potential, Combined Heat and Power Potential for those of
17 you not familiar with our acronyms; and a staff White
18 Paper on CHP Barriers, an ongoing assessment of
19 electricity infrastructure needs in Southern California
20 to meet future electricity demand and provide reliable
21 service; and a Renewable Action Plan which builds on
22 analysis in the 2011 IEPR of the major challenges to
23 renewable development in California, and which provides a
24 set of recommendations and actions to help California
25 achieve its 33 percent Renewable Portfolio Standard and

1 support potentially higher targets in the future.

2 I'll quickly go over the 2012 IEPR Update
3 process and then summarize the main points of each
4 chapter, and then finally talk a little bit about
5 revisions to the report that were made in response to
6 public comments that are in the version that we're asking
7 you to approve today.

8 The 2012 IEPR Update process began with the
9 release of the Scoping Order in February 2012 by Lead
10 Commissioner Peterman, followed by public workshops on
11 various topics that were held from early February to late
12 June. Throughout the process, we had a lot of
13 stakeholder involvement in the IEPR workshops and we got
14 hundreds of pages of written comments that were really
15 helpful in developing the Draft Report.

16 In October 2012, we put out the first draft of
17 the IEPR and then held a public workshop on November 7th,
18 and after revising the Report based on that workshop and
19 on written comments, on January 30th we released the
20 Proposed Final Report for consideration for adoption at
21 today's meeting.

22 Stakeholders were given one final opportunity
23 to provide written comments by February 6th and will also
24 provide time for oral comments today after my
25 presentation.

1 The main points of the Report for the Demand
2 Forecasts: we're projecting continued growth in demand
3 for both electricity and natural gas in all three
4 scenarios that were used in the forecast. Something that
5 remains a big issue is the impact of uncommitted
6 efficiency savings on the forecast, and that's savings
7 that are reasonably expected to occur from programs or
8 policies that haven't been implemented or funded yet, and
9 the risk of over or under procuring electricity resources
10 based on estimates of those savings.

11 We provided preliminary estimates of expected
12 savings to the PUC in July of 2012 for them to use in
13 their Long Term Procurement Process, and in the 2013 IEPR
14 we plan to provide an updated assessment based on the
15 results of the PUC's Updated Efficiency Goals Study.

16 Climate change also continues to be a big
17 concern and the IEPR Update recommends that the CEC
18 expand our analysis of the potential effects of climate
19 change on consumption and peak demand.

20 Our forecast also needs improvement in the way
21 it reflects uncertainties about how California's policies
22 for Zero emission Vehicles, Combined Heat and Power, and
23 Distributed Generation will affect future consumption and
24 demand.

25 And finally, the IEPR recommends that we look

1 at disaggregating the forecast to support planning at the
2 distribution level and identification of renewable
3 development zones for Distributed Generation starting by
4 providing forecast results by climate zone, in addition
5 to our usual Planning Area Forecasts.

6 For natural gas, in 2012 we published final
7 versions of two staff reports on the Natural Gas Market
8 Outlook and Trends that were prepared for the 2011 IEPR.
9 The top four issues identified in those reports as likely
10 to affect natural gas demand, supply, and prices were the
11 potential effects on future supplies and prices from
12 environmental concerns about hydraulic fracturing or
13 "fracking"; more demand from increased use of natural gas
14 plants to help integrate intermittent renewable resources
15 and from growing demand for natural gas as a
16 transportation fuel; third, our issues with pipeline
17 safety and reliability and how events like the San Bruno
18 explosion, or the development of additional pipeline
19 capacity nationwide could affect natural gas prices; and
20 finally, we need better coordination between the natural
21 gas and electricity industry, especially to coordinate
22 electricity dispatch decisions with scheduling of natural
23 gas pipeline deliveries to support renewable integration.

24 The IEPR recommends on that topic that the CEC
25 and PUC continue to monitor and participate in FERC

1 proceedings that are related to natural gas
2 infrastructure development that could affect California,
3 and in proceedings related to harmonization of electric
4 and natural gas markets.

5 For Combined Heat and Power, the IEPR
6 summarizes the results of an assessment of technical
7 market potential for new CHP and a variety of challenges
8 to CHP development that were identified in the IEPR
9 workshop on CHP issues.

10 The IEPR recommends that we have future updates
11 of technical assessments of CHP potential, that we make
12 improvements in interconnection processes for facilities
13 that expand their generation capabilities, that we
14 continue to evaluate the process of programs to encourage
15 new CHP, and that we report on the progress of those
16 programs to the Governor and the Legislature.

17 In Chapter 4, the 2012 IEPR talks about the
18 status of an assessment of electricity infrastructure
19 needs in Southern California, which began the 2011 IEPR
20 proceeding; there are many issues that are affecting
21 infrastructure in the southern part of the state,
22 including State Water Board's policy to reduce once-
23 through cooling in power plants, the scarcity of emission
24 reduction credits for replacement generation,
25 uncertainties about the effect of energy efficiency and

1 demand response on electricity demand, the need for
2 flexible generation resources to support renewable
3 integration, the many agencies with responsibility for
4 some piece of electricity infrastructure planning or
5 development, the continuing outage at the San Onofre
6 Nuclear Plant, concerns about climate change, and
7 increased demand from potential electrification in the
8 L.A. Basin of combustion sources.

9 There are several ongoing studies that will
10 affect our estimates of infrastructure needs, but
11 unfortunately many of those studies don't reflect the
12 implications of the outage at SONGS, so recommendations
13 in the Draft IEPR on this topic include that the current
14 studies should be updated to reflect the impacts of the
15 SONGS outage; the CEC should review the CAISO's Nuclear
16 Facility Reliability Study at a workshop during the 2013
17 IEPR, along with any credible nuclear replacement
18 studies, and those studies need to be used as input for
19 policy decisions on the amount of reserves that would be
20 needed to address nuclear outages. CAISO should provide
21 refreshed assessments of the Once-Through Cooling
22 Compliance Schedules and the CEC needs to provide
23 technical support for that effort. And finally, the PUC
24 should consider opening a new proceeding, or use the
25 existing Resource Adequacy Rulemaking to look at allowing

1 utilities to participate in a forward procurement
2 mechanism. This would allow them to provide the flexible
3 capacity California needs to support renewable
4 integration and ensure reliability.

5 Last, we have what was really the primary focus
6 of the 2012 IEPR Update, which is the Renewable Action
7 Plan. We prepared this plan based on direction in
8 Governor Brown's *Clean Energy Jobs Plan*, which directed
9 the CEC to prepare a plan to speed up permitting of high
10 priority renewable projects, with the goal of supporting
11 investments in renewable energy to create new jobs in
12 businesses, to increase California's energy independence,
13 and to protect public health and the environment.

14 The 2011 IEPR proceeding laid the foundation
15 for this plan by identifying major challenges to
16 renewable development and recommending five high level
17 strategies to address those challenges. The Renewable
18 Action Plan builds on the 2011 IEPR with 32 specific
19 recommendations for implementing these strategies.

20 In response to stakeholder requests to
21 prioritize the recommendations, we've identified these 10
22 recommendations as the highest priority, either because
23 they create a foundation for other efforts, or because
24 they take advantage of current opportunities that might
25 otherwise be lost: first, we need to identify the

1 preferred areas in the state for renewable development,
2 such as already disturbed lands or areas close to
3 existing transmission or distribution infrastructure with
4 initial focus on zones in the Central Valley; next, we
5 should modify renewable electricity procurement practices
6 to get a high value portfolio that includes projects that
7 provides benefits like integration services, reduced risk
8 of forest fires that can affect transmission lines,
9 increased investments in disadvantaged communities, and
10 in-state job creation.

11 California also needs to reevaluate its
12 residential electricity rate structure to make sure that
13 costs are more fairly spread across all ratepayers, and
14 we also need consistent use of the CEC's environmental
15 analysis of in- and out-of-state renewable resources in
16 transmission planning to improve the efficiency and
17 effectiveness of that process.

18 With the goal of 12,000 MW of DG, we need to
19 develop a more transparent and integrated distribution
20 planning process to help with strategic deployment of DG
21 and reduce interconnection costs. We also need a way for
22 Demand Response, Energy Storage, DG, and natural gas
23 plants to compete on a level playing field to provide the
24 flexible generating capacity that we need to integrate
25 renewable resources such as a forward procurement

1 mechanism, as I mentioned earlier. And we'll need clear
2 tariffs and rules for integration services that will
3 allow those technologies to provide these services.

4 To make sure we have a well-trained workforce,
5 to support renewables, we need to make sure workforce
6 training efforts reflect the evolving needs of the
7 industry.

8 R&D also continues to be a high priority and,
9 in particular, we should continue promoting R&D for
10 technologies and strategies that will help with renewable
11 integration. And finally, California needs to support
12 long-term extension of Federal Tax Credits to attract
13 investments in renewables and provide revenue certainty
14 to the renewable market.

15 We received 18 sets of comments on the Draft
16 IEPR and made a number of changes in response. In terms
17 of added material, we added the prioritized list of
18 Renewable Action Plan Recommendations to the Executive
19 Summary; in the Natural Gas chapter, we made some
20 technical corrections; in the CHP chapter, we added
21 information about CHP programs in publicly-owned utility
22 territories; in the Infrastructure Assessment chapter, we
23 updated the descriptions of various activities to reflect
24 changes that have occurred since publication of the Draft
25 Report; and we also revised language relating to the

1 CAISO's assessment of nuclear reliability to indicate
2 that the study should be an input into, rather than the
3 basis of, policy decisions related to nuclear outages.

4 In the Renewable Action Plan chapter, we added
5 a new recommendation for the CEC to hold an annual
6 workshop to highlight progress that's been made on the
7 Renewable Action Plan recommendations, and the Renewable
8 Action Plan chapter also contains many other revisions
9 made in response to stakeholder comments, but there's
10 really too many to go into in detail at this meeting, so
11 I'll just note that they were clearly marked on the
12 version of the report that was posted on our website, so
13 parties can see what changes were made in response to
14 their comments.

15 As I said earlier, we asked parties to submit
16 any final comments by February 6th. We did receive three
17 sets of final comments and the response to those comments
18 were proposing some minor changes to the report, which
19 were sent out yesterday to the IEPR Listserv and were
20 posted on our website. There are also hard copies
21 available on the table in the foyer.

22 First, in Chapter 4 on the Electricity
23 Infrastructure Assessment, we revised the description of
24 the CAISO's Nuclear Study to reflect that it is a
25 reliability study, not a study of replacement, and

1 included language on what additional assessments would be
2 needed to really understand the need for replacement
3 power if the nuclear facilities don't continue producing
4 power until their licenses expire.

5 Second, in Chapter 5 on the Renewable Action
6 Plan, we revised a paragraph that talked about challenges
7 in the Imperial Valley related to renewable
8 interconnection. And finally, also in Chapter 5, we
9 added a sentence regarding the introduction of some new
10 distribution equipment that could support DG deployment
11 by improving management of voltage fluctuations and other
12 DG integration concerns.

13 So that's a very quick overview of the report
14 and before we open it up for questions, I would like to
15 acknowledge my team with your indulgence, Chair
16 Weisenmiller. Lynette Green, our Project Manager, who is
17 fabulous at juggling a hundred things at a time and
18 keeping us on track and on time; Stephanie Bailey, who
19 coordinated all the writing that went into the IEPR;
20 Heather Raitt who was the Project Manager for the
21 Renewable Action Plan portion of the report, who did a
22 stellar job bringing together a diverse set of
23 stakeholders to come up with a coherent set of actions
24 and recommendations; Donna Parrow and Michele Lorton who
25 provided administrative support; and of course the dozens

1 of CEC staff, technical staff, who provided the analyses
2 and the real meat of the report.

3 So at this point, I'd be happy to take any
4 questions from the dais.

5 CHAIRMAN WEISENMILLER: Sure. Let me first
6 start by -- I wanted to start also in acknowledging your
7 efforts and your team's efforts, that is, having been
8 through two IEPRs, I know how hard it is, but certainly
9 am always amazed at how effortlessly you manage to stay
10 on top of pulling this beast along and providing a very
11 very solid product at the end. You certainly do a very
12 good job of reaching out to the public and incorporating
13 their comments. But, again, it's a very hard job and
14 it's remarkable how smoothly you and your team pull it
15 all off.

16 MS. KOROSSEC: Thank you.

17 CHAIRMAN WEISENMILLER: And so with that I
18 would also -- I've been asked by Commissioner Peterman to
19 read a few comments, so I would like to -- first, I
20 wanted to read the acknowledgement of Commissioner
21 Peterman and then I'll wrap up -- originally, I was going
22 to do the acknowledgements after Carla, but it seemed
23 better just to follow-up on her remarks.

24 So Commissioner Peterman can't be here today;
25 as many of you know, she has a different set of

1 responsibilities, but certainly she asked me to thank
2 myself and the other Commissioners for the opportunity to
3 provide comments in support of the adoption of the 2012
4 Integrated Energy Policy Report. And it was her esteemed
5 honor to be Lead Commissioner for the 2012 IEPR during
6 her tenure as a CEC Commissioner and to work with me, the
7 staff, and the stakeholders on this document.

8 "The 2012 IEPR Update provides valuable insight
9 into California's future electricity and natural gas
10 demand, market potential for Combined Heat and Power
11 facilities, electricity infrastructure needs in Southern
12 California.

13 As we look to increase the flexibility of
14 preferred resources, Chapter 5 of the IEPR Update lays
15 out a Renewable Action Plan which identifies actions to
16 help California achieve its renewable goals and position
17 it for potentially higher targets in the future.

18 Development of these recommendations would not
19 have been possible without the participation of the
20 speakers and attendees in the 11 IEPR workshops, input
21 from sister agencies for the outreach, expertise and
22 efforts of the CEC staff.

23 Thank all of you for your engagement in this
24 report, and a special thanks to Suzanne and the IEPR Team
25 for their tireless efforts and professionalism. The real

1 work is just beginning as we collectively work to
2 implement the IEPR recommendations if adopted by this
3 Commission.

4 Once again, I congratulate and support the
5 adoption of the 2012 IEPR Update."

6 So, again, those are Carla's comments.
7 Certainly appreciate her remembering this and, again,
8 sorry she can't be here today since obviously this
9 represents a lot of hard work on her part.

10 And, again, I would like to thank the
11 stakeholders. I think for context, we've spent the last
12 two years very focused on renewable energy at the
13 Governor's direction, and certainly the result of that,
14 the Renewable Action Plan, is a very strong document
15 which hopefully can guide this agency and the other
16 agencies going forward. Again, Commissioner Peterman
17 worked tirelessly to get a consensus among the other
18 agencies on our recommendations and to get buy-in on
19 those. So we've had a very solid approach on renewables;
20 I think at this point the good news is the other part of
21 the loading order will get more of a focus this year on
22 energy efficiency and Demand Response. We will have some
23 sort of a workshop on renewables, but again the notion is
24 to really pivot the focus of this IEPR from a very
25 focused, you know, DG renewable push to much more energy

1 efficiency and Demand Response this year, among other
2 topics.

3 And certainly with that in mind, you know, it's
4 interesting that what I characterize as the Big Hoover
5 Commission, this Schwartz, Grueneich Study basically
6 strongly recommended the other agencies rely upon the RAP
7 to sort of come up with a plan. Having said that, we're
8 pivoting, I would acknowledge that a lot of these issues,
9 particularly in renewable integration, we have a pretty
10 good understanding of at least the challenges for
11 utility-scale, and much less of an understanding for DG,
12 and certainly having said that I always remind people the
13 Transmission Distribution Systems are both, in fact,
14 interconnected, so the issues can go back and forth on
15 that. But again, it's a very good effort, we've sort of,
16 I think, met the challenge that the Governor gave us on
17 this area, and there are certainly a lot of issues that
18 we will continue to explore in the next couple of IEPRs,
19 but it's certainly time to move on. And I'd like to
20 thank people, again, particularly the participants, you
21 know, in that they certainly sharpened the language and
22 the thinking. So, again, thanks to you and your team
23 again.

24 COMMISSIONER DOUGLAS: I'd also like to comment
25 that I've also been through an IEPR cycle or two and I

1 know the work that goes into the IEPR and the workshops
2 and the communications with the stakeholders, and so on,
3 and a lot of work went into this. And as the Chair just
4 said, it's really two years of work that went into this
5 because, of course, we worked very hard on renewables in
6 the last IEPR, and this really helped boil down that work
7 into action steps and a plan that we have a significant
8 amount of buy-in on, and we can use to help guide our
9 implementation and measure our progress on getting to our
10 renewable energy goals. So I'm really pleased to see it.
11 Thank you, thanks to the team, thanks to the
12 stakeholders.

13 I'm also pleased to see the IEPR at this point,
14 having done that good work, shift to the Efficiency and
15 Demand Response topic. Of course, we have not been
16 sitting still on Efficiency and Demand Response in the
17 interim; Suzanne's team has been focused on renewable
18 energy, but within our building, of course -- and
19 Commissioner McAllister can talk more about this -- but
20 we have been hard at work on bread and butter energy
21 efficiency and Demand Response and other issues. And so
22 I think it's very timely to start getting into that in
23 the IEPR and I'll look forward to seeing that. Those are
24 my comments.

25 CHAIRMAN WEISENMILLER: Okay. And actually,

1 let me -- before Commissioner McAllister, let me have
2 four comments, so let's get those in, then Commissioner
3 McAllister, and then I have one other thing, too.

4 Okay, Valerie Winn. While she's coming, I
5 would note I think Valerie was at more or less every one
6 of these 11 workshops.

7 MS. WINN: I think I was at least at 10. So
8 good morning. I'm Valerie Winn with Pacific Gas &
9 Electric Company. And I, too, wanted to thank the CEC
10 staff for all of their work on this IEPR.

11 It's been quite a collaborative process and
12 through those workshops we all exchanged a lot of
13 information. And it was a really good effort and I
14 think, you know, that stakeholder process has led to
15 what's really a very balanced IEPR.

16 As we've noted in our comments, PG&E is a very
17 avid proponent of, you know, clean energy and helping
18 California get to its clean energy future. So we're very
19 pleased to see some updates to the IEPR, to the initial
20 IEPR language, that perhaps balance things a bit more
21 and, in particular, on the 2030 analysis which the
22 Commission will be pursuing in the 2013 IEPR, that that
23 will look not only at perhaps higher levels of
24 renewables, but also consider the broader spectrum of
25 energy issues and how we might get to our clean energy

1 future at a cost that's reasonable to customers and will
2 look at a variety of resources that are needed to get
3 there.

4 We're also very happy to see the updates to the
5 Nuclear Assessment Study and the characterizations of the
6 ISO's Grid Assessment Study, so we thank you for those
7 updates. And we look forward to continuing to work with
8 the Commission in 2013. So I did want to note, again,
9 thank you and we support adoption of this IEPR.

10 CHAIRMAN WEISENMILLER: Thank you. Again,
11 thanks for your participation. Jamie Asbury. And Tony,
12 hi.

13 MS. ASBURY: Good morning, Commissioners, Jamie
14 Asbury of the Imperial Irrigation District. With your
15 permission --

16 CHAIRMAN WEISENMILLER: Sure.

17 MS. ASBURY: -- Mr. Braun and I will sort of
18 take turns.

19 MR. BRAUN: Chairman, Commissioners, thank you.
20 Tony Braun on behalf of the Imperial Irrigation District.
21 First of all, I also want to thank staff. IID had some
22 initial communication on Friday and on some language
23 that's in the IEPR and also through a fairly substantial
24 letter on Monday, so we greatly appreciate the
25 willingness to work with us on this issue at such a late

1 time. The development of renewables and facilitating
2 interconnection has been all hands on deck, and Jamie is
3 the Interconnection Transmission Officer at IID, so we
4 thought it might be worth a couple of minutes to go over
5 some of the things that are fairly late-breaking with
6 respect to what's going on in the Valley.

7 IID's letter raised two primary concerns, 1)
8 try to give a more complete picture with respect to some
9 of the challenges that may be facing the generation in
10 Imperial Valley; and also to give a more accurate
11 assessment of the reference to the Arizona-Southern
12 California outage of September 8, 2011.

13 I think today we're really focused on the
14 latter issue and I'll go into that in a moment, but I
15 want to cede most of the time to Jamie to give the
16 Commission a brief update on some of the things that have
17 been going on in the Imperial Valley.

18 MS. ASBURY: As you know, IID sits adjacent to
19 -- we share facilities under the operational control of
20 the ISO, and IID staff has devoted a significant amount
21 of resource to not only our own customers, but also those
22 that have challenges in interconnecting in the Imperial
23 Valley Area proper.

24 We've come up with what we've perceived to be
25 some creative solutions in an effort to get those

1 resources interconnected, and we think we've developed a
2 really collaborative working relationship with them. And
3 we're very pleased that we were able to provide
4 assistance; at the end of the day, we want all of those
5 resources to develop.

6 We've also taken some pretty significant steps
7 on our own system to help our own generators achieve
8 success in the ISO market. We've adopted a transmission
9 service rate, and the only rate our consultant warned us
10 was the first of its kind, and it's a usage-based rate,
11 rather than a capacity-based rate. We're very pleased
12 that that's there. We're hopeful that will engender
13 additional development.

14 We also have done a lot of things in terms of
15 revising our tariff. We want to believe that we're
16 customer friendly and customer focused, and we want to do
17 what we can. We believe the interconnection process is
18 one by which we help generators achieve success, not keep
19 them from being interconnected. And so the District is
20 very flexible in that regard.

21 IID is funding its portion of the upgrades that
22 are required to Path 42. That's typically outside the
23 model that the District has in the past used, it's
24 generally been developer funded, but our ratepayers felt
25 it was important, our Board felt it was important, and so

1 that project is now moving forward.

2 We appreciate that fact that other agencies in
3 California worked collaboratively with us to adjust the
4 Maximum Import Capability Reforms; the methodology has
5 been adjusted to make it a little more palatable for
6 exports from the IID system.

7 And IID is pleased to announce that it is
8 participating in the ISO's competitive solicitation
9 process for the policy driven upgrade in Imperial Valley,
10 and we are very apologetic, as Mr. Braun stated, for our
11 late comments, but all hands have been devoted to making
12 sure that was a timely and comprehensive response on the
13 District's behalf.

14 IID remains willing to be flexible and helpful
15 to its generative -- we really want to see them achieve
16 success. We're willing to make whatever policy shifts
17 that are necessary to help that, but it's difficult in
18 the procurement process to know where we need to be
19 flexible, or where we need to be more customer friendly
20 because we have no visibility or insight into the
21 procurement process in California. So we just wanted to
22 get those few comments out there and let you know what we
23 are doing, and the District remains willing to be part of
24 the solution. And we appreciate your time.

25 CHAIRMAN WEISENMILLER: Great, thank you. Tony.

1 MR. BRAUN: So thank you for the changes that
2 have been posted. And I guess we're here to ask for a
3 little more.

4 Obviously, IID is highly sensitive, as should
5 everybody in California be, to the issue that occurred
6 with respect to the Regional Grid disturbance on
7 September 8th. And being fairly close to the weeds, we
8 think it's pretty difficult to really capture accurately
9 and fairly everything that contributed to the outage on
10 September 8th, particularly in such a short phrase, and
11 also given the myriad of players that were involved, the
12 fact that there were actions and inactions that occurred
13 outside this country, in neighboring states, and on the
14 ISO system, as well as IID's.

15 And so I guess we're renewing our request to
16 the Commission to just simply excise the last few words
17 of that paragraph that reference the interconnection
18 issues because, after all, that's what this section is
19 about, and reference the will (ph) and cost and
20 transmission cost allocation upgrades and some of the
21 other factors, and just not reference the outage at all?

22 However, we actually have come prepared,
23 despite our misgivings about trying to capture the outage
24 in a single sentence, with a sentence that is a little
25 more complete and references some of the specific

1 findings in the FERC report, if that's the desire of the
2 Commission. So I guess 1A, we'd really like to excise
3 the reference to the outage because of its complexity,
4 but, too, we've also got some additional language if the
5 Commission would like to consider it.

6 CHAIRMAN WEISENMILLER: Well, let's talk
7 generally. I mean, first of all, you know, last year one
8 of the things which, when we did our transmittal letter,
9 myself, Florio, and Peevey to the ISO, we basically
10 called out trying to work out something with IID, and as
11 I understand it, they did. Then we went through what was
12 actually a pretty frustrating year, you know, of trying
13 to deal with the interconnection issues. And my
14 impression is those challenges are behind us, but I would
15 say I was hearing at least once a week from Picker
16 comments about where things were with IID, and they
17 weren't dwelling most of the time, but as I say, I think
18 we've worked through those. And I think with the new
19 Board, we're hoping to make more progress; as I
20 understand it, all the projects that were at risk, those
21 have been dealt with. We still have the fundamental
22 issue of the rate challenge that you point to, and the
23 reliability issues. And, you know, I think I was trying
24 to come up with a sentence that just referred to the
25 outage. I mean, frankly, having talked to the Chair of

1 FERC, having talked to the FERC staff that are doing the
2 investigation in this area, I expect significant action
3 will be taken instead of normally going slower and, you
4 know, there will be blame all around, although certainly
5 they at least do a fair share of mumbling about IID, as
6 they look at solutions, so to foreshadow, I think, what
7 FERC would do. But, again, I was just trying to say one
8 of the huge impacts that we have to think about in this
9 state is how not to have that happen again.

10 You know, as we look at the summer of 2013 and
11 '14 without SONGS, if we can't even keep reliability, you
12 know, in a situation where there are no issues, really; I
13 mean, my God, we can't have that happen. So this was
14 trying to make sure that -- and, again, we can certainly
15 -- I think there's a lot of blame to go around and so not
16 singling out, although again I think certainly you're
17 going to be swept into the FERC actions eventually.

18 MR. BRAUN: So actually, that relates to one of
19 the issues. As Jamie had indicated, there's a lot of
20 generation that wants to connect within the Imperial
21 Valley, but not to IID. And that's really been a big
22 focus over the last several months, is how this is going
23 to be wrestled with. One of the things -- one component
24 of the solution going forward that is on the front burner
25 right now is this facility that Jamie referenced that is

1 a policy-driven upgrade that IID actually will be
2 submitting, and then if IID is successful, they will
3 actually transferring control of that facility over to
4 the ISO so that the solar resources that are directly
5 interconnected to it will be directly interconnected to
6 the ISO.

7 But to your point on this, one of IID's
8 concerns going forward is that there is a lot of reliance
9 on intervention and operational procedures rather than
10 physical upgrades to the system, and that greatly
11 concerns us. And so that's one of the things we'll be
12 looking at, is making sure that as we add more
13 generation, we make sure we upgrade the Grid rather than,
14 you know, rely on operating procedures, RAZ schemes and
15 things like that.

16 CHAIRMAN WEISENMILLER: Well, that's going to
17 be very important. I mean, again, certainly the reality
18 is, again, if you start with the FERC Chair down,
19 everyone is going to say we just have too many Balancing
20 Authorities in the West. And that's part of one of the
21 fundamental problems we had and, of course, the Balancing
22 Authorities' visibility was limited. And certainly, as
23 we look at renewable integration and other things, we
24 need better visibility. Obviously, yesterday's
25 announcement between the ISO and PacifiCorp, which deals

1 not with Balancing Authorities, but the energy and
2 balance market, was a huge step forward on renewable
3 integration issues in the West. And certainly, when you
4 look at the complexity, again, when I talked at Sunrise
5 at basically the opening, I talked about how our
6 grandparents had invested in the bridges back during the
7 Depression, to link the Bay Area to Marin and other
8 areas, and that was an investment to link basically
9 Imperial to San Diego that we made. And the question is
10 how to make sure that, with the physical investment, we
11 now come up with the institutional arrangement to get the
12 benefits certainly Imperial needs in terms of jobs and
13 economic developments, and the power that San Diego
14 needs. So part of what we're nudging you on is, again,
15 to think about creative ways to deal with the
16 institutional issues.

17 MR. BRAUN: So that's -- and I think that this
18 partial PTO solicitation is one of those steps in that
19 direction, to come up with a structure that it can work
20 for IID and yet gives the developers and the ISO what
21 they need as far as their arrangement.

22 CHAIRMAN WEISENMILLER: Right. No, I think,
23 certainly as you said, the policy driven line which came
24 out of the last letter we sent, is huge and I think the
25 PTO would be a step. And certainly what we're trying to

1 do with that sentence is to encourage that movement, but
2 reflect that the outage, you know, was very serious. But
3 again, we tried to tone it down to leaving it to FERC to
4 decide how to allocate blame.

5 MR. BRAUN: Well, you may like our alternative
6 language, then, because it actually, I think, goes down
7 that direction a little farther and lays out some of the
8 factors that need to be considered as the Grid is
9 operated in that area. It was just such a complex issue
10 and that's why obviously our druthers were to just
11 reference the interconnection issues rather than the
12 outage.

13 CHAIRMAN WEISENMILLER: Why don't you share the
14 language and we'll take up additional speakers. But,
15 again, we certainly want to thank Jamie Asbury for being
16 here.

17 MR. BRAUN: Do you want me to read it? I
18 actually brought copies. Do you want me to bring it up
19 to --

20 CHAIRMAN WEISENMILLER: Sure, yeah. Give us
21 one and then particularly Suzanne and the Court Reporter.

22 MR. LEVY: Chair Weisenmiller, if it's not too
23 long, it should probably be read out loud for the public
24 if you're going to consider it.

25 CHAIRMAN WEISENMILLER: Yeah. Well, again, I

1 think what I'd like to do is have the other speakers, you
2 know, that will give us a minute to look at stuff, and
3 then when we come to conclusion on stuff, but certainly
4 we'll read it. Actually, why don't we do this, Tony, why
5 don't you read it for the public?

6 MR. BRAUN: So as the last sentence, we would
7 start as the language is currently and then just expound
8 upon it a bit. So I'll read it in full:

9 "The Federal Energy Regulatory Commission
10 (FERC) report on the Arizona-Southern California outages
11 on September 8, 2011, identified significant...", and then
12 this is where we would add, "...issues from multiple
13 transmission operators across the region, including IID,
14 associated with contingency planning, situational
15 awareness, and reliance on protection schemes that point
16 to the potential need for system upgrades, particularly
17 in light of potential generation additions in the
18 Imperial Valley."

19 CHAIRMAN WEISENMILLER: Okay. So thanks, Tony.
20 We'll consider that while we hear the other comments.

21 MR. LEVY: Please specify for the record what
22 page that's on.

23 MR. BRAUN: And that would be an addition to
24 the proposed changes that were posted by the Commission
25 and the paragraph spans pages 63 and 64 of the IEPR

1 Update.

2 MR. LEVY: Thank you.

3 CHAIRMAN WEISENMILLER: Okay, thanks. Okay,
4 Manual Alvarez.

5 MR. ALVAREZ: Good morning. Manual Alvarez,
6 Southern California Edison. I'll be quick. We're here
7 to support the IEPR. We ask for your positive vote. It
8 was a pleasure working with Commissioner Peterman and the
9 staff, as usual. They definitely listened to our
10 concerns and our issues, and brought them forward in a
11 manner which resolved all our issues.

12 I just wanted to point out one item. I think
13 this report and the report that's coming is definitely
14 going to put the Commission -- or the 2013 IEPR is
15 definitely going to put the Commission in a challenging
16 area trying to balance its look into the future, while
17 still trying to meet our energy needs of the day. So
18 it's definitely going to be some issues before you in the
19 next coming year. So with that, I ask for your support
20 and endorsement of the report. Thank you.

21 CHAIRMAN WEISENMILLER: Thank you. I believe
22 George Nesbitt is on the line.

23 MR. NESBITT: -- couple years, although I was
24 involved in, I think, one workshop on the 2011 IEPR, I've
25 been involved in the 2013 Code Update and HERS issues.

1 You did kind of answer my question, it sounds like this
2 year you're going to go back and look at building
3 efficiency, efficiency, and more, which is good, the
4 comment I wanted to make to sort of lay the groundwork is
5 there is in that section, there's obviously a lot of talk
6 about our net zero, or zero net energy goals for 2020 and
7 2013, yet no mention of the HERS Rating System and HERS
8 Raters, which are so heavily relied upon for many
9 programs, including NSHP. And those of you who know me,
10 I speak often for the HERS Rater and the HERS Rater
11 industry, it's near and dear to me, having certified the
12 first new net zero energy home according to our 2020
13 goal, and working on 80 multi-family affordable units
14 currently. So I just want to sort of, I guess, plant the
15 seed and hopefully I will be less distracted and can
16 participate a little bit more in this. Thanks.

17 CHAIRMAN WEISENMILLER: Thank you for your
18 comments.

19 COMMISSIONER MCALLISTER: Great. I'll just
20 point out, Mr. Nesbitt, there are multiple forums this
21 year for addressing various aspects of HERS, the OII that
22 we have coming up is one of those forums which is
23 independent from the IEPR. But also, if you looked up --
24 it sounds like you did look at the 2013 IEPR Scoping
25 Order, Zero Net Energy is one of the core -- it's one of

1 the topics we're going to be treating and there will be a
2 workshop on that issue, and I think the practicalities of
3 getting to Zero Net Energy is certainly an important
4 theme that we're going to address in that workshop and in
5 the IEPR, itself. So I think there should be some
6 opportunities specific to your interests there.

7 I wanted to just thank Commissioner Peterman in
8 absentia for her leadership on the IEPR, you know, was
9 really impressed with the process, watching Suzanne and
10 her team go through the process, and with the Chair as
11 Commissioner Peterman's second. I learned a lot from
12 that and I'm really looking forward to being the lead on
13 the 2013 IEPR, working with the team, and really focusing
14 on a few of the issues. I think a few of the issues that
15 we've been talking about trans -- pivoting, but also
16 there's quite a bit of continuity here because, you know,
17 from my perspective, and maybe this is just sort of the
18 older one gets, the shorter a five-year period seems, but
19 we do -- we're seeing significant progress in the
20 renewables area just over the last few years, we've seen
21 -- we're in a very different place now than we were just
22 a few years ago with respect to scale, price,
23 marketplace, professionalism, sort of the things in the
24 renewables area, while there are lots of issues to work
25 out, of course, they're much more ready for primetime and

1 the marketplace is a real large scale marketplace; and
2 you couldn't really say that a decade ago. And so that's
3 fabulous progress and that's what's bringing up a lot of
4 these integration issues.

5 So I think all the good work that's been done
6 on renewables over the last couple years provides a great
7 foundation in terms of sort of keeping some of those
8 themes going, and one of those themes is integration.
9 And technology has also developed on the small scale,
10 both in generation and in energy efficiency and Demand
11 Response. There are lots of technologies out there, and
12 coordinating them, making sure that the right
13 stakeholders are in the room as we move towards a
14 distributed -- an energy future that relies more on
15 distributed resources, whether they're generation or some
16 kind of demand-based, or customer-based and demand side
17 kinds of approaches, really do require that conversation,
18 I think, to happen urgently now. And that's why Demand
19 Response is one of the issues we're going to be talking
20 about substantively in the 2013 IEPR.

21 So I think the point really is that there's
22 quite a bit of continuity because we have this urgency to
23 integrate up and down the chain, from the customer on up
24 to the ISO, and so figuring out how that's going to
25 happen.

1 And to sort of echo the Chair's point, that
2 visibility up and down the system is really important,
3 and it's complex, and we need to have that conversation
4 and help facilitate it, I think. And that's one of the
5 things I want to do in the 2013 IEPR.

6 So this IEPR, just I'll say on the issues that
7 are in my policy areas specifically, I really think the
8 quality was there; I was able to provide comments along
9 the way and feel those have been addressed, and am very
10 supportive of the IEPR, of adopting the 2012 IEPR Update.
11 So with that, do you want -- do you have another point
12 you want to make?

13 CHAIRMAN WEISENMILLER: Yeah. Tony, I think
14 this language works as an insert back in the IEPR, so
15 we'll include this correction. I'm not quite sure I
16 would have phrased everything exactly that way, but it's
17 certainly close enough in terms of the characterization,
18 although, as I say, stay tuned for FERC's action, I guess
19 which is true for a lot of players. But, again, anything
20 we can do to encourage you further to look at
21 institutional arrangements, PTO, Energy and Balance
22 market, to try to make sure that we're prepared for what
23 can be a pretty stressful couple of summers.

24 Now, the other thing I get to talk about today
25 is that this year, in order to meet the growing use of

1 electronic tablets and other mobile media devices, and to
2 save paper, the Energy Commission is offering the 2012
3 IEPR Update in the e-pub format. E-pub is a free open e-
4 book standard which is usable on most tablet devices and
5 smartphones. E-pub allows you to optimize a report to
6 your particular devices such as an iPad. And, indeed,
7 here it is on an iPad. Whoops. The good news is it's
8 still there, the iPad is still working, I didn't spill
9 the water. But anyway, as you can see, it's here and you
10 don't have to buy an iPad in order to read the IEPR, but
11 it's certainly better than carrying around a lot of
12 paper.

13 The Commission will continue to post the IEPR
14 online as a PDF, also. So anyway, again, kudos to Adam's
15 shop for, again, moving us more into the E-pub world. So
16 with that, do I have a motion?

17 COMMISSIONER MCALLISTER: So that's wonderful,
18 I guess I'm wondering what I'm going to give to our out
19 of state and foreign visitors now if it's not a hard copy
20 of the IEPR, but since we don't have anything else we can
21 offer them as a gift of good will --

22 CHAIRMAN WEISENMILLER: Well, there's always
23 old IEPRs.

24 COMMISSIONER MCALLISTER: So I'll offer the
25 motion to adopt the 2012 IEPR Update, it is Item 4, so

1 I'm going to move to adopt Item 4 with the Amendment from
2 IID included.

3 COMMISSIONER DOUGLAS: Second.

4 CHAIRMAN WEISENMILLER: Okay. All those in
5 favor?

6 (Ayes.) This IEPR has been adopted unanimously
7 and, again, kudos to staff and certainly to Commissioner
8 Peterman.

9 MS. KOROSEC: Thank you, Commissioners.

10 CHAIRMAN WEISENMILLER: Let's go on to Item 5.
11 Consol Home Energy Efficiency Rating Services, Inc.
12 (CHEERS). Possible approval of CHEERS as a Home Energy
13 HERS provider. And Jim Holland.

14 MR. HOLLAND: Good morning, Chairman and
15 Commissioners. I'm Jim Holland from the Building
16 Standards Implementation Office. And with me is Pippin
17 Brehler, Senior Staff Counsel with the Chief Counsel's
18 Office.

19 MR. BREHLER: Good morning, Commissioners.

20 MR. HOLLAND: Staff is requesting Commission
21 approval of Consol Home Energy Efficiency Rating
22 Services, henceforth referred to as CHEERS, as a HERS
23 Provider to oversee HERS Raters conducting field
24 verification and diagnostic testing on residential newly
25 constructed buildings.

1 The primary functions of a HERS Provider
2 include the training of HERS Raters, ensuring that
3 quality ratings are being performed by HERS Raters, and
4 registration and maintenance of compliance documents for
5 jobs performed by HERS Raters. A HERS Provider does not
6 directly employ HERS Raters, but rather plans an
7 oversight role over HERS Raters who perform their rating
8 tasks either as individuals or as part of a HERS Rating
9 company. HERS Raters determine what they will charge for
10 their services and what jobs they will take.

11 Staff has reviewed the CHEERS HERS Provider
12 Application, which includes but is not limited to the
13 CHEERS Quality Assurance Program, the Complaint Response
14 System, and the CHEERS Registry and Database, and have
15 found the application to be complete as required by
16 Section 1674 of the HERS Regulations.

17 Staff tested the CHEERS Registry and Database
18 for correct functionality and has determined that both
19 operate as required by the Building Energy Efficiency
20 Standards and the HERS Regulations.

21 CHEERS has applied for certification for field
22 verification and diagnostic testing on Residential Newly
23 Constructed Buildings, therefore their training program
24 will only include training for Rater certification and
25 field verification and diagnostic testing on Residential

1 Newly Constructed Buildings.

2 Based on this information, staff recommends
3 that you approve CHEERS as a HERS Provider for HERS
4 Raters conducting field verification and diagnostic
5 testing on Residential Newly Constructed Buildings.

6 And finally, I'd like to point out that Mr.
7 Michael Hodgson, President of CHEERS, is in the audience
8 today and may wish to speak on this topic.

9 CHAIRMAN WEISENMILLER: Great. So let's have
10 public comment.

11 COMMISSIONER MCALLISTER: So if Mr. Hodgson
12 wants to say some words, that would be very welcome.

13 MR. HODGSON: Good morning, Chair Weisenmiller,
14 Commissioners, staff, and interested parties. I'm Mike
15 Hodgson, owner of CHEERS, and Jay Lenzmeier, who is the
16 Executive Director of CHEERS is right behind me and would
17 like to say a few words also.

18 The road to recertification of CHEERS has been
19 a long process. We've had numerous dialogues and
20 conversations with staff, Commissioners, and even the
21 Executive Director. CEC and staff, as well as Management
22 have been very supportive and very frank in the process.
23 I would like to personally thank Pedro Gomez for his open
24 and frequent communications, and Jim Holland for
25 directing the technical efforts for review, critique, and

1 approval of the new CHEERS software and our processes.

2 CHEERS looks forward to becoming a full service
3 HERS provider for the California market. Today is the
4 first step in the approval of the New Construction
5 Registry. By approving CHEERS, there will be once again
6 the competent competition in the Registry marketplace.
7 This is good for the Rating industry as it allows choice,
8 and it keeps competitors sharper and more customer
9 focused.

10 Speaking for CHEERS, we look forward to
11 supporting the HERS industry. Our background is deep in
12 building science and the building industry. Our goal is
13 to improve the quality of construction and energy
14 efficiency in buildings in the California market. We
15 plan on actively participating in the industry with the
16 regulators to clarify regulations, to improve
17 enforcement, and to simplify the implementation of the
18 Building Standards.

19 I'd like to introduce Jay Lenzmeier, the
20 Executive Director of CHEERS, who has a few words. And
21 we'd be happy to answer any questions.

22 CHAIRMAN WEISENMILLER: Please come forward.

23 MR. LENZMEIER: Good morning, Commissioners and
24 CEC staff and other interested parties, as well. My name
25 is Jason Lenzmeier and I'm the Executive Director of

1 CHEERS.

2 First of all, I'd like to thank you for adding
3 our approval as a HERS Provider to your business meeting
4 today, it's been a long and arduous process and I, like
5 many others, am glad to be sitting here today in front of
6 you.

7 I also would like to thank, as Mike did, Pedro
8 Gomez and his staff for their extreme hard work and
9 expert guidance through this process of building the
10 Providership. They have proven to me that they're not
11 only professionals in their field, but are also very
12 excellent at interpersonal skills; time and time again,
13 we went to them for guidance and they responded extremely
14 well.

15 CHEERS has also built a professional staff
16 including Operations Managers, Customer Service Managers,
17 Quality Assurance Managers, IT professionals, that have
18 many years of experience in the construction and energy
19 and efficiency industry. Our staff, together with the
20 CEC staff, have developed a HERS Providership that we
21 believe will serve the goals of the CEC HERS program very
22 well, and we look forward to working with the CEC
23 Commissioners, CEC staff, to do what we can do to help
24 advance the CEC HERS program. Thank you very much.

25 CHAIRMAN WEISENMILLER: Thank you. Michael

1 Bachard (*sic*) from CalCERTS.

2 MR. BACHAND: Mike Bachand, President of
3 CalCERTS. Chairman Weisenmiller, Commissioner Douglas,
4 and Commissioner McAllister, good morning. It's my bad
5 luck, I've got a cold, I brought my water, it's got
6 nothing to do with the rebuttal speech from last night;
7 it's a national event to take a drink of water at a
8 podium, so I'm trying not to. I'll keep my comments
9 short.

10 CalCERTS is committed to the integrity and
11 success of the HERS industry. The HERS industry was
12 designed by the CEC with multiple Providers in mind, and
13 CalCERTS supports the entry of new Providers into a
14 competitive marketplace; after all, that's how we got
15 here in the first place, we were the first second
16 Provider.

17 The proposed certification of CHEERS as a
18 Provider for 2008 Residential New Construction appears to
19 be a partial certification. CalCERTS requests the
20 Commission provide guidance as to whether CHEERS and
21 other providers will be required to meet the full mandate
22 of the HERS program in order to provide a consistent and
23 complete training and certification program, as detailed
24 in both the Regulations and in authorizing statutes, or
25 whether partial certifications are now permissible and a

1 rulemaking will follow.

2 As is evident in the recommendation before the
3 Commission, CHEERS has selected which provisions of
4 Section 1672 and 1673 it wants to comply with, and for
5 which provisions it will seek certification. Despite
6 language in the Regulations that require applicants to
7 meet all of the requirements set forth in 1672 and 3.

8 If CHEERS has made assurances to the Executive
9 Director or is in the process of developing a complete
10 HERS training and certification program, we request that
11 the order reflect that timeline. Further, we would like
12 clarification regarding what is meant by governmental
13 programs as used on page 9 under limitations on CONSOL,
14 Inc. with regards to its conflict of interest -- I refer
15 to page 9 of Executive Director's recommendation
16 statement; the term seems unclear to us.

17 It is important that candidates who propose to
18 become Providers be adequately financed, staffed, and
19 fully knowledgeable in the role of Providers in the
20 California HERS Program. CalCERTS certainly understands
21 and appreciates the significant private investment of
22 capital and human resources that are required in order to
23 be certified as a Provider. Thank you for your
24 attention.

25 CHAIRMAN WEISENMILLER: Thank you. Let's cover

1 two speakers on the phone, and then I'll ask staff to
2 respond. Okay, John Flores.

3 MR. FLORES: Yes, I'm here.

4 CHAIRMAN WEISENMILLER: Please speak. You have
5 three minutes.

6 MR. FLORES: Okay, I just wanted to speak up
7 and say that we are totally in support of a new Provider
8 in the industry. I feel it's time that somebody else
9 comes in and to be able to help with this state, it's a
10 tough job for CalCERTS to be able to take over at all a
11 few years ago, and now with CHEERS coming in, I think it
12 will be great to have a new Provider. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you. George
14 Nesbitt.

15 MR. NESBITT: Yes, thank you. Two and a half
16 years ago, the old CHEERS and the Energy Commission
17 almost decertified CHEERS, which would have been a
18 disaster. I threw myself under the bus and luckily the
19 Commissioners were wise enough to slow down *before*
20 running us over. But ultimately you decided to close the
21 Registry, which at least allowed us to finish our current
22 work, rebate programs, and also provided us smoother
23 transition to having to get recertified. I ended up
24 spending another five days and close to \$2,000 getting
25 recertified with CalCERTS and none of the stimulus money,

1 I think, went to any of us CHEERS Raters to maintain our
2 profession, yet money did go to certify new Raters for
3 jobs that didn't exist.

4 So unfortunately in the absence of CHEERS,
5 CBPCA has continued its public disinformation about that
6 HERS 2 is dead, despite the fact that they are a HERS
7 Provider and covering the fact that they failed to be
8 able to get approved as a Provider for rating and new
9 construction.

10 So when I first heard that Consol was going to
11 take over CHEERS, I have to admit, I was not totally
12 thrilled, but Consol is getting out of the rating
13 business and the Title 24 business, and I see that in
14 your Order you have actually a good explicit conflict of
15 interest; I've actually raised the issue with Mike
16 Hodgson about Consol's ties with the CBIA, and I have
17 some concerns over that but, despite that, I
18 wholeheartedly support the new CHEERS approval and I urge
19 the Commission and Consol to get approved for alterations
20 and change outs, and then the rating system and building
21 performance contractor as soon as possible, and I think
22 ultimately that will be of benefit to all of us, and I
23 look forward to hopefully the expansion of work for us.
24 So thank you.

25 CHAIRMAN WEISENMILLER: Okay. Thank you.

1 Okay, staff, would you like to respond to the comments?

2 MR. HOLLAND: Yes, sir. This is Jim Holland.

3 I would like to respond to the statement regarding
4 certification categories. First of all, we've added
5 potential HERS Provider Certification categories to the
6 agenda for the OII on March 6th where we will be having a
7 workshop because we have considered this issue in the
8 past.

9 Additionally, Mr. Dennis Beck, our previous
10 HERS legal counsel, did a review of the HERS Regulations
11 and found no basis to either promote or reject partial
12 certification in one category or another that is
13 alterations, or newly constructed buildings. So if we do
14 implement such a distinction, it will be following the
15 OII in an Order Instituting Rulemaking for Regulatory
16 Revision for the HERS Regs. So that would be my response
17 to the so-called partial certification.

18 MR. BREHLER: Good morning, Commissioners.
19 This is Pippin Brehler, Senior Staff Counsel with the
20 Energy Commission. Mr. Holland's comments, that the
21 Regulations that they're drafted now don't have a strict
22 requirement that Providers be certified for all aspects
23 to the program, the language of the Regulations doesn't
24 set that up as a bar, but as Mr. Holland mentioned, we'll
25 be looking at that in the OII.

1 Going to the comments about the Governmental
2 Home Energy Efficiency Program, that Consol, Inc.
3 administers on behalf of various municipalities, most
4 notably the City of Fresno, it's those programs that
5 these requirements on page 9 are meant to guard against.
6 And related to Mr. Nesbitt's comments, the conditions and
7 restraints that we're imposing on and that Consol and
8 Consol CHEERS have agreed to, are meant to protect the
9 integrity of the program, guard against those conflicts
10 of interest, and try to insulate Consol and its
11 relationships with CVPCA and builders from channeling
12 work to itself as a CHEERS provider. They are two
13 separate entities and, as such, those corporate forms
14 must be respected.

15 COMMISSIONER MCALLISTER: So I want to thank
16 you guys for all the hard work and also CHEERS and Consol
17 for really working all these issues out. I think there's
18 been a lot of back and forth on this and really a lot of
19 creative thinking on potential for conflict and solving
20 the problems, analyzing those problems, figuring out
21 which ones were potentially real, and dealing with them.
22 And I think that's reflected in the structure that is
23 before you now.

24 I want to sort of echo Mike Bachand's comments
25 about originally, the HERS Program was contemplated to

1 have multiple multiple providers, and it's good to be
2 back in a world where we're moving towards that. And
3 competition can be a good thing in this realm, and also I
4 think there's potentially a lot of work out there to be
5 done, hopefully the housing industry is bouncing back,
6 and we can have enough work to go around.

7 So I'm happy with this outcome. There's still
8 a lot of work left to sort of move forward and solidify
9 the marketplace, but I'm happy with this outcome and
10 really happy to support this CHEERS sort of being started
11 again. So thank you.

12 COMMISSIONER DOUGLAS: I'll just briefly add
13 that I agree with you. I've had the pleasure of being
14 pretty deeply involved through a lot of this history and
15 I think that this outcome is probably the best we could
16 have gotten. And it's great to see that we have another
17 Provider coming into this marketplace, it's great to see
18 that, and hopefully it strengthens the HERS Program.

19 COMMISSIONER MCALLISTER: I'll also just add
20 that there are some substantive issues in the OII and I
21 think, you know, we're certainly not resting here. The
22 OII, we've grown it to deal with some issues that we know
23 we have to deal with, but also it can contain additional
24 issues potentially that come up and that we believe that
25 also need to be discussed.

1 And I'd encourage all of the HERS -- definitely
2 the Providers and sort of the HERS ecosystem and
3 stakeholders to participate in that OII because we want
4 to have -- eventually we want to have recommendations or
5 thoughts about substantiated ideas and lots of input
6 about potential change to the Regs so that we can decide
7 whether or not we're going to open a formal rulemaking to
8 change the Regs for HERS.

9 And so I think that OII is the next step in
10 that process and I think we're developing a good basis
11 for asking the right questions and designing that forum
12 such that we can ensure that HERS -- that we continue to
13 design the -- to create the regulatory environment such
14 that this market can continue to thrive and responsibly
15 grow.

16 CHAIRMAN WEISENMILLER: Is there a motion?

17 COMMISSIONER MCALLISTER: I will make a motion
18 on Item 5.

19 COMMISSIONER DOUGLAS: Second.

20 CHAIRMAN WEISENMILLER: All those in favor?

21 (Ayes.) Item 5 is adopted unanimously. Let's
22 go to Item 6. Final Evaluation Report: Compliance
23 Option for an Alternative to Temperature Measurement
24 Access Holes. Dave Ware.

25 MR. WARE: Good morning, Commissioners. My

1 name is David Ware. I am staff with the High Performance
2 Buildings and Standards Development Office.

3 The item that is before you right now is a
4 compliance option to allow an alternative to drilling
5 Temperature Measurement Access Holes in HVAC air-
6 conditioning equipment.

7 The Building Standards require that ducted
8 split system air-conditioners and ducted split system
9 heat pumps installed in new buildings and for building
10 change outs to existing buildings have the correct
11 refrigerant charge in order to operate at peak
12 efficiency. And that verification is the responsibility
13 of the third-party HERS Rater.

14 Temperature Measurement Access Holes are one of
15 the prescribed methods that are explicitly required in
16 compliance documents that support the Standards, hole
17 size, and the specific location are delineated in
18 compliance information.

19 The requirement for refrigerant verification
20 actually has been in the Standards for some time, and it
21 goes back to the 2005 adoption cycle. However, it's
22 taken us this long to figure out that manufacturers don't
23 always design equipment explicitly as we had thought, and
24 installers don't exactly install equipment exactly as we
25 had thought. And as a consequence, our rules state that

1 the HERS verification has to be completed prior to
2 granting of the Building Permit, or Certificate of
3 Occupancy. Who would have thought that equipment
4 actually would be different than what we've prescribed?

5 So what we are asking for your approval of
6 today is an alternative to the prescribed verification
7 procedures for Temperature Measurement Access Holes.
8 We're asking your approval of this under the Compliance
9 Options Procedure that is an allowed process within the
10 Building Standards, Section 10-109. It is a process by
11 which new designs, products, calculation, and procedures
12 can be approved by the Commission, it's a process by
13 which the Commission and staff can react to changing
14 market conditions, and that's really what we've found are
15 happening.

16 Staff held a public webinar last year in
17 November to discuss with stakeholders the value of an
18 alternative; it was unanimously supported by HERS Raters
19 and by installers of equipment. We have received
20 numerous supporting letters and telephone conversations
21 to me that support this activity.

22 So today what we are asking for is your
23 approval of this Compliance Option Alternative to
24 Temperature Measurement Access Holes. It does not
25 preclude refrigerant charge verification, all it does is

1 prescribe the documentation procedures that the HERS
2 Rater would -- that are necessary by the HERS Rater to
3 ensure that there are conditions, designs, or conditions
4 at the building site that prohibit Temperature
5 Measurement Access Holes, and that another allowed
6 refrigerant charge verification procedure is going to be
7 used.

8 So with that summary, I ask for your approval
9 of the Compliance Option, which is delineated in the
10 Final Evaluation Report for this item.

11 COMMISSIONER MCALLISTER: Thanks for that
12 explanation. I guess I wanted to just get a little more
13 description of what that alternative looks like and kind
14 of what it means for the Provider that's doing that test,
15 you know, what additional equipment, sort of time, that
16 kind of thing would be required for them to actually do
17 the alternative.

18 MR. WARE: The alternative basically says when
19 there is no -- there's a table that's listed in the Final
20 Evaluation Report, which I might add is an exact relative
21 duplicate of the same alternative procedure that was
22 approved with your adoption of the 2013 Standards, so
23 this alternative has been approved for 2013, it was
24 recognized and discussed in the 2013 process, and we're
25 just trying to bring that forward for the 2008 Standards,

1 as well. But that alternative basically specifies that
2 when Access Holes cannot be drilled, that is, there's a
3 wall next to the unit, or something like that, the HERS
4 Rater must take pictures of that situation, much
5 described on the Electronic Registry information, which
6 is tied to the compliance documents, that that procedure
7 cannot be used, that the installer did not actually drill
8 holes for the Rater to be utilized, and that another
9 procedure is going to be used. Typically, it's a flue
10 hood or something like that over a register where they
11 will measure the airflow temperatures at that point,
12 which is another allowed procedure under the Standards.

13 COMMISSIONER MCALLISTER: Okay, so it just
14 means basically they get the air flow on either end and
15 the Delta T and check refrigerant charge that way,
16 essentially --

17 MR. WARE: Correct, they're still measuring
18 temperatures which are indices of correct refrigerant
19 charge and operation of the system.

20 COMMISSIONER MCALLISTER: Right, so --

21 MR. WARE: And also, the alternative, what it
22 does for us because it electronically is uploaded into
23 our Registry information, it allows us to mine that
24 information over time and really maybe get a handle on
25 how much is this alternative being used, are we

1 experiencing equipment that is novel or different than
2 what we have seen in the past.

3 COMMISSIONER MCALLISTER: Okay, great. But
4 it's possible that HERS Providers, the folks testing
5 these units would need to purchase the equipment to do
6 these alternatives on their own?

7 MR. WARE: Yes, that's correct, but it's my
8 understanding that many of the HERS Raters, if not all,
9 typically have this anyway --

10 COMMISSIONER MCALLISTER: Have this equipment,
11 okay. Okay, great. So basically what we're doing here
12 is getting ahead of the 2013 Standards in the meantime,
13 before they take effect in January 2014. Is that
14 correct?

15 MR. WARE: Correct.

16 COMMISSIONER MCALLISTER: Okay, great. Well,
17 thanks for the clarification.

18 So I would move this item.

19 CHAIRMAN WEISENMILLER: We have one public
20 comment, I believe Mr. Charles Bachard (*sic*) from
21 CalcERTS -- Bachand.

22 MR. BACHAND: Hello, Commissioners and CEC.
23 It's probably my fault for writing an "N" that looks like
24 an "R", but it is Charlie Bachand. I'm the Director of
25 Quality of Assurance and Solar Programs at CalcERTS. And

1 I have some prepared words here.

2 The Temperature Measurement Access Hole, or I
3 call it TMAH Compliance Option, addresses a significant
4 issue for Raters that are verifying refrigerant charge
5 for Title 24 compliance. TMAHs are required by Code, but
6 are in some cases literally impossible to install as Code
7 requires, as David discussed.

8 This compliance option solves this issue, which
9 has been outstanding for more than two years. As we have
10 mentioned in our comments from the March OII workshop, we
11 believe it is necessary to develop a process for
12 providers and staff to develop solutions to problems like
13 this in a more expedient manner in the future.

14 Meanwhile, we're proud to have been involved in
15 discussing the problem and contributing to the solution
16 and we would also like to thank staff and the Commission
17 for their development of this solution. Thank you.

18 CHAIRMAN WEISENMILLER: Thank you.

19 COMMISSIONER MCALLISTER: I will move Item 6.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in favor on
22 item 6?

23 (Ayes.) Item 6 is approved unanimously. Let's
24 go on to Item 7 and 8. Both involve Ivanpah Solar
25 Electric Generating System, Joseph Douglas. I believe we

1 will consider these in turn, but then vote on both at
2 once. Staff.

3 MR. DOUGLAS: Good morning, Commissioners. My
4 name is Joseph Douglas and I am a Compliance Project
5 Manager for the Ivanpah Solar Electrical Generating
6 System Project. With me this morning is Jeffrey Ogata,
7 Assistant Chief Counsel and Technical Staff from Biology
8 and Air Quality. Also present are representatives from
9 Solar Partners, LLC, the owners of Ivanpah Solar.

10 Ivanpah Solar Electrical Generating System
11 (ISEGS) is a 398 MW project that was certified by the
12 Energy Commission on September 22, 2010. The facility is
13 currently under construction and is 75 percent complete.
14 The facility is located in the Mojave Desert near the
15 Nevada border in San Bernardino County.

16 Solar Partners has submitted two Petitions to
17 Amend the Project with the Commission, one is concerning
18 Biology and the other is Air Quality. I will present
19 both Petitions starting with Biology.

20 On November 26, 2012, Solar Partners filed a
21 Petition with the California Energy Commission to modify
22 the wording of Bio-20 to allow them to mitigate the
23 impacts of their project by using the California
24 Department of Fish and Wildlife's Advanced Mitigation
25 Program.

1 Bio-20 requires the project to mitigate within
2 the same watershed as the impacted wash. Modified Bio-20
3 replaces that language within the California Desert
4 Renewable Energy Conservation Plan.

5 In addition, Solar Partners requested to add
6 language to allow them to satisfy this mitigation
7 obligation identified in the Decision by participating in
8 an Advanced Mitigation Program such as that established
9 by California Department of Fish and Wildlife pursuant to
10 Fish and Wildlife Code Sections 2069 and 2099.

11 Biology staff reviewed the Petition and
12 proposes to modify Bio-20. They determined that the use
13 of the parcels from California Department of Fish and
14 Wildlife's Advanced Mitigation Land Acquisition Grants
15 Program, to mitigate the Ivanpah Project, would provide
16 more than 500 acres of desert wash habitat that has been
17 determined to be jurisdictional waters of the State
18 pursuant to California Department of Fish and Wildlife
19 Code Section 1600. This is nearly three times the
20 acreage of State jurisdictional waters needed to mitigate
21 the Ivanpah Project, and the habitat values of the
22 properties within that Advanced Mitigation Program
23 selected for the Ivanpah would fully mitigate the project
24 and be consistent with those required by the Final
25 Decision.

1 A Notice of Receipt was mailed to the Ivanpah
2 Post-Certification List, docketed and posted to the
3 Energy Commission website on December 21, 2012. Staff
4 analysis of the Petition was docketed and posted to the
5 Web on December 21, 2012 and mailed to the Ivanpah Post-
6 Certification Mailing List on January 7, 2013.

7 A Notice Extending the Public Comment Period
8 from January 22, 2013 to February 8, 2013 was docketed
9 and posted to the Web and mailed to the Post-
10 Certification Mail List on January 9, 2013. No comments
11 were submitted on the Bio-20 Amendment Petition.

12 Now on to the Air Quality Petition. On March
13 8, 2012, Solar Partners filed a Petition with the
14 California Energy Commission requesting to modify several
15 air quality conditions of certification. These
16 modifications are necessary to allow equipment changes to
17 make the project operations more effective and efficient.
18 These changes include: provide additional operating
19 flexibility for the auxiliary boilers by increasing the
20 maximum allowable daily operation, and this is without
21 increasing allowable annual operation; increase the
22 nominal size of each of the three auxiliary boilers and
23 move each auxiliary boiler approximately 30-feet from the
24 location shown in the Application for Certification
25 drawings; add three natural gas-fired nighttime

1 preservation boilers; reduce the size of three power
2 block emergency generators from 2,500 KW to 1,500 KW
3 each; add a 250 KW diesel powered emergency generator
4 engine and a 100 horsepower diesel fire pump engine in
5 the common area; and supplement the auxiliary dry cooling
6 system with a wet surface air cooler system for
7 additional cooling during the hot weather.

8 Air Quality staff evaluated the expected air
9 quality impacts from the modified project and found that
10 the proposed changes to the Amendment would affect air
11 pollution emissions from various sources at the three
12 Ivanpah Power Units. Based upon final design
13 refinements, a small increase in the size and daily
14 operating hours of the auxiliary boilers is required for
15 efficient facility operation. This would result in a
16 small increase in hourly emissions due to additional fuel
17 use.

18 The Mojave Desert Air Quality Management
19 District released their final determination of
20 compliance, Revision E, on November 1, 2012, to
21 incorporate the proposed changes in the project. They
22 concluded that the proposed emission levels would meet
23 the District's best available control technology
24 requirements.

25 Additionally, staff concluded that with the

1 reduction in the solar field footprint and power block
2 equipment design of Unit 3 associated with biological
3 minimization measures, that the facility-wide annual
4 emissions would still be within the limits imposed by the
5 Final Decision.

6 Water Quality staff also reviewed the proposed
7 modifications and determined that the water-related water
8 usage would increase by 18 acre feet per year from 77 to
9 95. This additional use is still within the 100 acre
10 feet limit imposed in the Final Decision.

11 The Notice of Receipt was mailed to the Ivanpah
12 Post-Certification Mailing List, docketed and posted to
13 the Energy Commission website on April 9, 2012. Staff's
14 analysis of the Petition was docketed and posted to the
15 Web on January 21, 2012 and mailed to the Ivanpah Post-
16 Certification Mailing List on January 7, 2012.

17 A Notice Extending the Public Comment Period
18 from January 22, 2013 to February 8, 2013 was docketed,
19 posted to the Web, and mailed to the Post-Certification
20 Mailing List on January 9, 2013. No comments were
21 submitted on the AQ Amendment Petition.

22 Energy Commission staff reviewed the two
23 Petitions and find that they comply with requirements of
24 Title 20, Section 1769(A) of the California Code of
25 Regulations, and recommends approval of the project

1 modifications and associated revisions to the Biological
2 Resources and Air Quality Conditions of Certification
3 based upon staff's findings and subject to the revised
4 Conditions of Certification.

5 COMMISSIONER DOUGLAS: Mr. Harris.

6 MR. HARRIS: Good morning, thank you. Jeff
7 Harris here on behalf of the Applicant, and to my right
8 is John Carrier with CH2M Hill. Also in the audience
9 today are Steve Hill from Sierra Research, who can answer
10 any questions about air quality issues, and on behalf of
11 the Applicant, Doug Davis, who is a Senior Compliance
12 Manager and literally the boots on the ground for the
13 project, and Marc Sydnor, who is the Director of
14 Environmental Affairs.

15 Joe Douglas has done a very good job, as
16 always, of laying out the entire issues before you and I
17 think I'm going just going to at this point make
18 ourselves available for questions and thank the staff for
19 the very hard work on both of these amendments. And
20 we're making good progress towards this project coming on
21 line, and this is going to facilitate that. So, thank
22 you.

23 CHAIRMAN WEISENMILLER: Thank you. I guess the
24 one question is, when do you expect it to get to
25 commercial operation at this date?

1 MR. HARRIS: I'm going to ask Doug who, like I
2 said, is the boots on the ground, to tell you what's
3 going on out there.

4 MR. DAVIS: Currently, we're targeting sometime
5 around July for Unit 1 coming on line, September for Unit
6 2, and then actually Unit 3, from all lessons learned
7 from the three different phases, is actually ahead of
8 schedule, so about November for Unit 3.

9 CHAIRMAN WEISENMILLER: One of the interesting
10 things last year when we hit our summer peak in Southern
11 California, dealing with the San Onofre issues that we
12 also had a peak in solar generation that afternoon, so
13 hopefully we won't get another peak this year in solar
14 generation. So, thank you.

15 COMMISSIONER DOUGLAS: I'll just briefly say
16 I've reviewed these amendments closely. I'm pleased to
17 see both of them, and I'm particularly pleased to see the
18 Ivanpah Project take advantage of the Advanced Mitigation
19 Program. I think it's a real win/win all around. So if
20 there are no other questions or comments, do you want me
21 to take these one at a time?

22 CHAIRMAN WEISENMILLER: Why don't we move both?

23 COMMISSIONER DOUGLAS: Okay. I'll move
24 approval of Items 7 and 8.

25 COMMISSIONER MCALLISTER: I'll second.

1 CHAIRMAN WEISENMILLER: All those in favor?

2 (Ayes.) Items 7 and 8 have been approved

3 unanimously. Thank you.

4 Let's go on to Item 9. Biennial Amendments to
5 Conflict of Interest Regulations. Robin Mayer.

6 MS. MAYER: Good morning, Chair and
7 Commissioners. As you said, I'm Robin Mayer, newly
8 titled Attorney, rather than Staff Counsel, with the
9 Chief Counsel's Office.

10 This item is to consider adoption of amendments
11 to the Energy Commission's Conflict of Interest
12 Regulation concerning Employee Classifications.

13 The Fair Political Practices Commission
14 requires State agencies to amend their Conflict of
15 Interest Code as changed circumstances require.
16 Additionally, the FPPC requires a biennial report stating
17 what if any amendments are needed.

18 The next report is due March 1, 2013. Along
19 with the report, we will simultaneously submit the
20 adopted amendments for the FPPC's review.

21 Energy Commission Classifications are located
22 in Title 20, Section 2402. The Classifications express
23 which positions are required to report financial
24 interests on the Annual Form 700, as well as what types
25 of interests are to be reported.

1 The Proposed Amendments include an update to
2 the Commission's organization, addition of new and newly
3 designated positions, deletion of positions no longer in
4 use, updates to designated interests for certain employee
5 classifications according to their Duty Statements,
6 clarifying edits to Disclosure Category 6, which concerns
7 utility equipment interests, and non-substantive changes
8 and corrections.

9 We received one comment from a non-employee
10 regarding a portion of the Regulation about Consultants.
11 The commenter disagreed that Consultants should be
12 allowed to report more narrowly according to their
13 duties. This part of the Regulation was drafted by the
14 FPPC in 2010, and today's amendments do not affect that
15 section.

16 I recommend the Commission adopt the amendments
17 as proposed, and I'm happy to answer any questions.

18 CHAIRMAN WEISENMILLER: Thank you. Any
19 questions or comments?

20 COMMISSIONER DOUGLAS: No, no questions. I
21 think the legal team has done good work on this, but if
22 there are no comments or questions, I move approval.

23 COMMISSIONER MCALLISTER: I'll second.

24 CHAIRMAN WEISENMILLER: Okay, all those in
25 favor?

1 (Ayes.) Item 9 passes unanimously. Thank you.
2 Let's go on to Item 11. U.C. Irvine. Possible approval
3 of Amendment 1 to Contract 600-10-002 to add \$765,000 and
4 extend the term by 12 months. This is ARFVTP funding.
5 Tobias.

6 MR. MUENCH: Good morning, Commissioners; good
7 morning, Chairman.

8 This item is to request approval for an
9 amendment to the existing STREET contract by \$765,000 and
10 a one-year time extension to add two new major tasks and
11 components to the agreement; first, a high resolution
12 capability and, second, a web-based user interface for
13 Energy Commission staff to use from their desks.

14 STREET, the Spatially and Temporally Resolved
15 Energy and Environment Tool, is a highly complex
16 mathematical model that uses cutting edge spatial mapping
17 to model alternative fuels infrastructure development and
18 the associated multimedia environmental impacts.

19 The existing 2011 contract that is in progress
20 expands the STREET model to cover all of California and
21 all alternative fuels. It's about to become the most
22 important planning and modeling tool that we have at our
23 hands at the ARFVTP, the Alternative and Renewable Fuel
24 and Vehicle Technology Program.

25 About the benefits, STREET has already proven

1 its worth in recent ARFVTP solicitation development for
2 electric charging and hydrogen; the model allows for
3 planning California's alternative fueling charging
4 infrastructure placement and networks; its standardized
5 methodology can generate reproducible scenarios; and it
6 is a fuel-independent tool that can help the Energy
7 Commission staff in designing ARFVTP solicitations and
8 providing input to Investment Plans and other key
9 projects.

10 The high resolution street corner capability
11 allows for more precise than the current STREET, and
12 abundant siting options for alternative fueling and
13 charging station network building efforts. The web-based
14 user interface will enable Energy Commission staff to run
15 scenarios and use the full potential of this high
16 resolution capability. The Amendment ensures that U.C.
17 Irvine provides sufficient training and technical support
18 to Energy Commission staff to allow for an effective
19 implementation of the user interface.

20 The project is expected to be completed and
21 fully operational by January 31, 2015. The work is
22 carried out at U.C. Irvine campus in Irvine, for the most
23 part. Members of the STREET team will travel to
24 Sacramento to implement the user interface at the
25 Commission and present the results of the high resolution

1 capability.

2 And once again, we are requesting approval for
3 the amendment to this contract by \$765,000 and a one-year
4 time extension. We have Dr. Tim Brown here from U.C.
5 Irvine, who would like to say a few words if that's okay.

6 CHAIRMAN WEISENMILLER: Please. Come to the
7 podium.

8 DR. BROWN: Thank you. I'm pleased to be here
9 and I thank the Commission for considering this amendment
10 to our existing contract. We've been very pleased with
11 our work with the Commission thus far on this contract,
12 both the work itself, the research, as well as the
13 relationships and look forward to continuing that. I
14 think the web-based version will allow the Commission to
15 get much more use out of the tool by using it themselves,
16 and the high resolution spatial component will better
17 assist in the infrastructure planning and making sure the
18 infrastructure is placed and utilized as best as
19 possible. So, thank you.

20 CHAIRMAN WEISENMILLER: Great, thank you.
21 Commissioners, any questions or comments?

22 COMMISSIONER MCALLISTER: Just a quick comment.
23 I think clearly, well, I would point out that, as I
24 understand it, this contract was this year by year kind
25 of allocation was the plan all along, so it's been funded

1 in steps and that's been the plan, so this isn't sort of
2 a new approach, this is part of the approach that this
3 contract has contemplated all along.

4 And then I would just highlight that this
5 geospatial -- the new analysis capability in being able
6 to do things at a more granular fashion is really
7 important for planning work, and I really support that
8 because I think it's really critical and, you know, I
9 talked earlier in a previous item about distributed
10 resources, well the same kind of insight and granularity
11 is needed on the transportation front. Certainly lots of
12 agencies down there in the regions doing a lot of heavy
13 lifting on their transportation infrastructure, and this
14 is the kind of information that they'll be able to use,
15 so I really want to manifest my support for this and have
16 confidence that it will be a good resource for other
17 agencies and entities on the ground doing the planning
18 work. So, thanks.

19 And so I will move Item 11.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: Okay, all those in
22 favor?

23 (Ayes.) Item 11 passes unanimously. Let's go
24 on to Item 12. Eslinger Biodiesel, Inc. Possible
25 approval of Agreement ARV-12-026 for \$6 million. Akasha

1 Kaur Khalsa. Please.

2 MS. KAUR KHALSA: Good morning, Commissioners
3 and guests. My name is Akasha Kaur Khalsa. I'm from the
4 Emerging Fuels and Technologies Office.

5 Staff requests approval of a grant to help
6 build a 5 million gallons/year biodiesel production
7 facility. Eslinger Biodiesel has applied for ARV-12-026
8 for \$6 million titled Biodiesel Production Commercial
9 Facility.

10 The commercial biodiesel refinery is expected
11 to be fully constructed and operational within 12 months
12 of funding. The entire 5 million gallons/year is ASTM
13 compliant. The B100 production output will be presold
14 through the Kinder Morgan distribution network of
15 pipelines in California. Local consumer companies are
16 interested in meeting biofuel mandates and obligated to
17 purchase carbon credit offsets. Glycerol byproducts will
18 be sold also.

19 The production technologies produce no
20 hazardous waste stream and use no water in the process.
21 Recyclable waste vegetable oil and animal fats will be
22 used as feedstock in the process the first year and they
23 will be able to use other things as feedstock in
24 addition.

25 The project will be located in Fresno on

1 heavily industrial zoned property where the fuel can be
2 piped to a major fuel blending tank farm. Currently,
3 there are no improvements on the property and the
4 proposed development will be to build a process building
5 to hold the refinery, a detached office, a commercial
6 truck scale, two station truck load out, 3.5 million
7 gallon tank storage, 13 large tanks, truck parking,
8 employee parking, access roads and security fencing with
9 automated gates.

10 The full plan includes three phases. This
11 first phase will cost \$32 million, of which we ask \$6
12 million of AB 118 funding.

13 CHAIRMAN WEISENMILLER: Thank you.
14 Commissioners, any questions or comments? Or motions?

15 COMMISSIONER MCALLISTER: Yeah, I just wanted
16 to highlight, so this is a totally different scale for
17 these sorts of projects and I think it's great because
18 the technology here is not incredibly high, but it is
19 really important to get the volume that we need for this
20 marketplace, and so I think this is a big step in that
21 direction. And that's a lot of feedstock that needs to
22 be collected, and so I would just point that out, that
23 the business plan for this really -- it will be
24 interesting to see how it evolves and what the feedstock
25 supply chain looks like over time. I think this is a

1 great infrastructure to build that business case.

2 And with that, I will move to -- anybody else?

3 I move to approve Item 12.

4 COMMISSIONER DOUGLAS: I'll second that.

5 CHAIRMAN WEISENMILLER: Great. A motion and
6 second, so let's vote.

7 (Ayes.) This motion is approved unanimously.

8 Let's go on to Item 14. Alternative and Renewable Fuel
9 Electric Vehicle Supply Equipment. Aida Escala, please.

10 MS. ESCALA: Good morning. I'm Aida Escala
11 from the Alternative Fuels and Technologies Office. On
12 line, we also have Mr. Charles Botsford, the Project
13 Manager and Business Development head of Aerovironment,
14 who will be available to answer questions.

15 I'm presenting for possible approval three
16 grants to Aerovironment, Inc. totaling \$2,150,000 for the
17 purchase and installation of electric vehicle supply
18 equipment. These grants were awarded under Program
19 Opportunity Notice 11-602, Alternative Fuels
20 Infrastructure.

21 The first grant, ARV-12-016, for \$75,000 will
22 be used to supply and install level 2 EVSE-RS+ electric
23 vehicle charging stations at two YMCA locations in San
24 Diego, California. These charging stations will be used
25 by customers of Car2Go, an electric vehicle carshare

1 program provider.

2 The next grant, ARV-12-017 for \$75,000 will be
3 used to supply and install level 2 EVSC-RS+ electric
4 vehicle charging stations at two apartment building
5 locations, also in San Diego, California, and also for
6 the use of customers of the Car2Go Program.

7 The third grant, ARV-12-023 for \$2 million will
8 be used to provide 770 Level 2 EVSC-RS base models for
9 electric vehicle charging in single-family and multi-unit
10 dwellings throughout California.

11 These projects will encourage consumer adoption
12 of electric vehicles, expanded network of electric
13 vehicle charging infrastructure, and contribute to
14 emission reduction goals.

15 We would like to request approval of these
16 three grants. Thank you.

17 CHAIRMAN WEISENMILLER: Thank you.

18 Commissioners, any questions or comments? I believe we
19 have a representative of Aerovironment on the phone.

20 COMMISSIONER DOUGLAS: Just a brief comment.
21 I'm really pleased to see the expansion of electric
22 vehicle charging infrastructure because, of course, the
23 State has ambitious goals for scaling up electric
24 vehicles in California and there are a lot of benefits
25 associated with that, both frankly for air quality and

1 also for potentially the electricity system, depending on
2 how this all works out. So I'm pleased to see this one
3 and thank staff for their good work on this.

4 COMMISSIONER MCALLISTER: I would just add that
5 we desperately need more infrastructure for vehicle
6 charging that supports the PEV Readiness Plan, so it's
7 kind of a no brainer in that respect. I also really
8 would highlight the data collection aspect of some of
9 these installations because I think it's really important
10 that we understand who is charging when, how, patterns
11 that emerge on this stuff because that's going to really
12 help all of us up and down the food chain here to
13 optimize the system and our public investments, and
14 figure out how best to leverage the private investments,
15 and that's the only way it's going to happen over the
16 long period of time, or in the near future with the large
17 capital investment that's needed here, so this really
18 supports the right pathway, so I'm supportive.

19 So a motion for Item 14.

20 COMMISSIONER DOUGLAS: Second.

21 CHAIRMAN WEISENMILLER: All those in favor?

22 (Ayes.) This item passes unanimously. Thank
23 you.

24 MS. ESCALA: Thank you.

25 CHAIRMAN WEISENMILLER: Let's go on to Item 15,

1 City of Yucaipa. And this is again ARV funding, ARV-12-
2 030, and this is \$75,000. Isaiah Larsen, please.

3 MR. LARSEN: Good morning, Chairman and
4 Commissioners. My name is Isaiah Larsen and I'm with the
5 Emerging Fuels and Technology Office.

6 Staff requests your approval for ARV-12-030,
7 which is a \$75,000 grant agreement with the City of
8 Yucaipa, using funding from the Alternative and Renewable
9 Fuel and Vehicle Technology Program under AB 118.

10 The proposed infrastructure project will
11 provide eight level 2 workplace vehicle charging stations
12 at three parking lot locations in the City of Yucaipa.
13 Currently, the City has no workplace or publicly
14 available charging infrastructure in place, making the
15 project an essential component of expanding the use and
16 impact of plug-in electric vehicles in the area of San
17 Bernardino County.

18 Four of the stations will be located at the new
19 City of Yucaipa Police Department, which is currently
20 under construction. Two stations will be installed at
21 the new Community Center, which recently completed
22 construction of an ADA compliant 126-space solar
23 photovoltaic parking structure, which included pre-
24 deployment of conduit in order to support future charging
25 stations. The remaining two stations will be constructed

1 in the new ADA compliant uptown parking lot. A total of
2 six out of the eight charging stations will be accessible
3 to the general public.

4 Construction is expected to be completed by
5 early 2014 and a final report including six months of
6 data collection and analysis will be finished by late
7 2014.

8 I respectfully ask for your approval of this
9 grant agreement and would be glad to answer any
10 questions. Thank you.

11 CHAIRMAN WEISENMILLER: Thank you. I believe
12 we have Lyn Harris-Hicks on the line, who wanted to speak
13 on Item 15 --

14 MS. HARRIS-HICKS: No, it's 14.

15 CHAIRMAN WEISENMILLER: -- 14.

16 MS. HEROSIX: It applies really to this whole
17 process. I'm the energy person for the local League of
18 Women Voters, and we had a study on the national level on
19 privatization and we were given a head up to watch for
20 the potential monopolization of the essential industries.
21 And so that just rang a bell with me when I read over the
22 agenda, and I wondered whether there is any organized
23 record of all this from the standpoint of major private
24 companies taking over the -- well, like the big box
25 stores have done, you know, the Wal-Mart and so forth.

1 It seems to us that there should be some very serious
2 discussion and concern and public participation in making
3 a decision about what part of our essentials should be
4 retained by our local governments, or our State
5 government, or whatever, and even if it's in a
6 partnership sort of a way, that we can have a handle on
7 the regulations and the costing, the pricing of the rates
8 for the use of them. And I think that this one is a very
9 important one to most of us because we're looking forward
10 to having the electric cars, and we're looking forward to
11 having the new simple -- the discoveries of the battery-
12 type installations for our garages. And in my case,
13 personally, my husband and I put in the electric solar
14 way back before the turn of the century, and it's been so
15 fabulous, and it's such a -- when you own it yourself,
16 it's just a wonderful monetary benefit. And there has
17 not been enough, we think, government protection of
18 people because the big push now is to sell leases, to
19 make people part of the privatization type of monopoly
20 efforts. And so I would just hope that you would put
21 this item on your agenda so that the public can
22 participate in the discussion about what we can do to
23 make better organization of this, and before the millions
24 of dollars are given away of our tax money and our rate
25 money and, in some cases, that the California Public

1 Utilities Commission is considering now, it's the basis
2 of this, is the foundation for the ability of the nuclear
3 industry again to promote, even after it failed
4 completely in the '70s, because of the cost and all that.
5 And now we're going through that again --

6 CHAIRMAN WEISENMILLER: Ma'am, I'm sorry, but
7 your three minutes is up.

8 MS. HARRIS-HICKS: Oh, I'm sorry. Anyway, Item
9 14.

10 CHAIRMAN WEISENMILLER: Let's talk about Item
11 14 and 15, so thank you for your comments. The PUC has
12 had a proceeding for about three years on the charge
13 stations, in terms of how that plays out. And one of the
14 big issues before the PUC, frankly, was what the
15 appropriate role of the utilities are. And I can say
16 that there's certainly interest among all the utilities
17 of basically getting into the charge station business
18 and, instead, what the PUC determined was that -- well,
19 getting into it I would say with ratepayer dollars, to be
20 precise -- and what the PUC determined is that they were
21 going to try to rely on more of a market approach and
22 ultimately with the openness to consider more of a
23 utility role in this function. But again, that's more at
24 the PUC at this point. And as you can tell, on 14 and
25 15, you know, we're working with various entities, the

1 PUC is also in the charge station -- has a very big
2 settlement with NRG on it, but for example, this is with
3 the City -- 15. Fourteen, again, was more of the private
4 developers. So, again, we appreciate your comments on
5 this and certainly value the League of Women Voters'
6 participation in our processes --

7 MS. HARRIS-HICKS: May I ask a question about
8 it? Because I know the gals will want to know what the
9 terms of these approvals are from the standpoint of
10 making adjustments when it's all worked out because I
11 think that there's a difference between a loan, which may
12 be forgiven, and an outright grant of millions of dollars
13 for something that we don't know how that will work out.
14 You know?

15 CHAIRMAN WEISENMILLER: Right. Well, again, we
16 appreciate your participation. We certainly will have
17 the Executive Director follow-up with you on the
18 specifics here.

19 MS. HARRIS-HICKS: All right, thank you.

20 CHAIRMAN WEISENMILLER: Thank you.

21 MS. HARRIS-HICKS: How can I contact the person
22 whose name was on that as the person --

23 CHAIRMAN WEISENMILLER: We have a Public
24 Advisor that can reach out to you and connect you with
25 the staff, so the important thing is to make sure that

1 our Court Reporter has not just your name, but your
2 contact information, and they'll follow-up. And
3 certainly in any future business meeting, or any of our
4 proceedings, please work with -- the Public Advisor is
5 here to help you in your participation.

6 MS. HARRIS-HICKS: Okay, thank you very much.
7 And who do I give this information to? My phone number?

8 CHAIRMAN WEISENMILLER: Wait a second. Please
9 tell it.

10 MS. HARRIS-HICKS: It's 949 --

11 MS. KALLEMEYN: Ms. Harris Hicks?

12 MS. HARRIS-HICKS: Yes.

13 MS. KALLEMEYN: You can call the Media Office
14 at (916) 654-4989. This is Harriet Kallemeyn speaking,
15 and you can ask for me. If you'll call me this
16 afternoon, I'll take all your contact information for the
17 Public Advisor.

18 MS. HARRIS-HICKS: Thank you very very much.

19 MS. KALLEMEYN: You're very welcome.

20 CHAIRMAN WEISENMILLER: Okay. So a motion?
21 Okay, Commissioners, comments? Questions? Motions?

22 COMMISSIONER MCALLISTER: I would just point
23 out that on these particular items, the Aerovironment
24 certainly is a private entity that will be installing
25 these things, but the vast majority of those funds are

1 going to installations that will be in residences and be
2 utilized by those residences, and so Aerovironment is the
3 contractor, but not necessarily -- it's not the sort of
4 idea that -- there's no monopolization of this
5 infrastructure going on with these particular grants.

6 So with that, I will move Item 15.

7 COMMISSIONER DOUGLAS: Second.

8 CHAIRMAN WEISENMILLER: All those in favor?

9 (Ayes.) Item 15 passes unanimously. Let's go
10 on to Item 16. Blue Line Transfer, Inc. Possible
11 approval of Agreement ARV-12-031 for a grant of
12 \$2,590,929. And this is ARFVTP funding. Hieu Nguyen,
13 please.

14 MR. NGUYEN: Good morning, Commissioners. My
15 name is Hieu Nguyen, Technical Staff from Fuels and
16 Transportation Division in the Emerging Fuels and
17 Technology Office.

18 I'm here to seek approval of a grant agreement
19 ARV-12-031 for Blue Line Transfer, Inc. to construct an
20 anaerobic digestion facility to produce renewable
21 compressed natural gas for transportation fuel from the
22 biomethane generated by the anaerobic digestion of
23 municipal solid waste in the City of South San Francisco.

24 Blue Line plans to process 9,000 tons of food
25 and plant waste per year into biomethane that would be

1 cleaned and compressed to produce CNG for their South San
2 Francisco scavenger companies, CNG Waste and Recycling,
3 Recycling Collection Vehicle Fleet, through their
4 proposed anaerobic digestion facility.

5 The project will include the construction of a
6 small scale anaerobic digestion system with Smartfirm
7 technology. Zero Waste Energy, LLC, a partner in the
8 project, is one of two companies in North America to have
9 an exclusive license to the Smartfirm dry anaerobic
10 digestion technology. This stage 2 demonstration
11 facility is expected to produce 56,000 diesel gallon
12 equivalent per year, enough to fill five waste collection
13 vehicles.

14 The carbon intensity for this biogenic CNG fuel
15 is expected to be a -15 grams CO₂ per megajoule. That's
16 116 percent reduction compared to ultra-low sulfur
17 diesel.

18 The estimated annual GHG reduction for this
19 project will be 830 metric tons per CO₂.

20 The implementation of this project will support
21 the creation of 15 jobs with three positions being
22 permanent.

23 This type of project that converts food and
24 plant waste into a low carbon CNG fuel for the Collection
25 Vehicle Fleet that collects the municipal solid waste has

1 never been done. A first of its kind in the state, the
2 Blue Line project can be replicated throughout California
3 based upon its modular design and small footprint, where
4 it can be co-located at other existing permitted
5 municipal solid waste processing and transfer stations.

6 The Energy Commission is providing \$2,590,929
7 in Alternative and Renewable Fuels and Vehicle Technology
8 Program Funds. And the Project Team will be providing
9 \$5,004,460 in match funds.

10 Thank you for your consideration of this item,
11 Commissioners. I have Rick Moore from Total Compliance
12 Management, and Doug Button, President of Blue Line
13 Transfer, Inc., to answer any questions that you may have
14 today.

15 CHAIRMAN WEISENMILLER: Thank you.
16 Commissioners, any questions or comments?

17 COMMISSIONER DOUGLAS: Just a brief comment. I
18 think this is really an exciting project as you move
19 forward. My understanding is it's the first facility of
20 its kind really being built in California. I'll look
21 forward to seeing as they move through the construction
22 to operational phase how, you know, how the process
23 works. I think there's a lot we can learn from it, and
24 so I'm in strong support of the project.

25 COMMISSIONER MCALLISTER: I would just add very

1 quickly that this particular portion of the program is
2 over-subscribed. We got a nice briefing about this
3 project and many of the other projects, and dug in a
4 little bit on this one, and I think this program is over-
5 subscribed, this is one of the ones that really came
6 through with flying colors and is clearly a benefit to
7 the state, so I'm happy to support it.

8 So I'll make a motion to approve Item 16.

9 COMMISSIONER DOUGLAS: Second.

10 CHAIRMAN WEISENMILLER: Okay, all those in
11 favor?

12 (Ayes.) Item 16 passes unanimously. Thank
13 you. Let's go on to Item 17, which is Paso Robles Waste
14 & Recycle. This is ARV-12-029. This is 17. Yeah, we're
15 checking on the numbers, so let's assume Blue Line is
16 Item 16, and let's make a motion on 16. Okay, so let's
17 go on to 17. \$300,000, and again, ARFVTP funding. Hieu,
18 please.

19 MR. NGUYEN: Hello again, Commissioners. For
20 the record, my name is Hieu Nguyen, Technical Staff from
21 the Emerging Fuels and Technology Office.

22 Today staff is seeking approval of a grant
23 agreement, ARV-12-029, for Paso Robles Waste & Recycle to
24 build a new state-of-the-art compressed natural gas
25 refueling station to service a new fleet of CNG waste

1 haulers, as well as provide public fast fueling
2 capabilities which will be located in the City of Paso
3 Robles.

4 Constructing a fueling station will allow Paso
5 Robles Waste & Recycle to convert their fleet to CNG and
6 will also provide North San Luis Obispo County and the
7 Paso Robles Area access to CNG fuel.

8 Paso Robles is situated directly between San
9 Francisco and Los Angeles at the intersection of Highway
10 101 and Highway 46. Constructing a fueling station at
11 the Paso Robles Waste & Recycling location will provide a
12 critical link in the CNG fueling station network and
13 allow CNG vehicles a greatly enhanced range and
14 practicality.

15 The successful installation of one CNG fueling
16 station will fuel an initial five CNG waste haulers, with
17 a plan to deploy four more CNG haulers over a three-year
18 period.

19 There would be an estimated 50,000 gallons of
20 conventional diesel fuel being displaced by CNG annually
21 by the initial five waste trucks that would be used in
22 this project.

23 The estimated annual GHG reductions of five CNG
24 waste haulers would be 115 tons of CO₂.

25 The implementation of this project will support

1 the creation of 30 jobs, of which two positions will be
2 permanent positions for the operations of the facility.

3 The Energy Commission is providing \$300,000 in
4 Alternative and Renewable Fuel and Vehicle Technology
5 Program Funds and the Project Team will be providing
6 \$594,595 in match funding.

7 Thank you for your consideration for this item.
8 I have Ian Hoover, Manager from Paso Robles Waste &
9 Recycle here to answer any kind of questions that you may
10 have.

11 CHAIRMAN WEISENMILLER: Thank you. We
12 certainly appreciate you coming today for the meeting.
13 Commissioners, do you have any questions or comments for
14 these gentlemen?

15 COMMISSIONER MCALLISTER: I'm wondering if
16 there are any other fleets that might be able to use this
17 facility in the near term and how you're investigating
18 that possibility.

19 MR. HOOVER: We got split up. I'm Ian Hoover,
20 Paso Robles Waste & Recycle. And with me is Dale Gomer.

21 COMMISSIONER MCALLISTER: Oh, great. Perfect.

22 MR. HOOVER: Yeah, there are other fleets.
23 We've already talked with the school district who is
24 interested; however, because of budget reasons, they
25 weren't able to make any sort of commitment. AT&T has

1 stated that having CNG infrastructure in the area would
2 greatly influence their fleet rollout decisions, but San
3 Miguel Garbage to the north of us has committed to
4 convert their fleet to CNG, they will start with one
5 truck immediately as soon as the facility is complete.
6 Pacific Coast Transportation is a freight company that
7 runs fixed routes between the Paso Robles - San Luis
8 Obispo area, and L.A. - San Francisco, they run 25 units
9 and they are extremely interested, chomping at the bit to
10 see this facility come together. PG&E has expressed
11 interest, although their fleet plan is kind of already
12 set a few years out, but again it would influence their
13 decisions.

14 COMMISSIONER MCALLISTER: I think this
15 demonstrates the need to consider the network issues and
16 really get the infrastructure fully utilized so that we
17 can use these strategic investments that we have now to
18 help project to the marketplace the various pathways that
19 we're going with transportation alternative fuels, so I
20 really -- I think that kind of approach where you're
21 really working to build local -- take full advantage of
22 the infrastructure that we're investing in really
23 strengthens the proposals here in the ARV process and
24 that's what we ought to be looking for. So thanks a lot
25 for that.

1 MR. HOOVER: Thank you.

2 COMMISSIONER DOUGLAS: Yeah, I also appreciate
3 you being here. I'll move Item 17.

4 COMMISSIONER MCALLISTER: I'll second.

5 CHAIRMAN WEISENMILLER: Okay, all those in
6 favor?

7 (Ayes.) Item 17 passes unanimously. Thank
8 you.

9 MR. NGUYEN: Thank you, Commissioner.

10 CHAIRMAN WEISENMILLER: Let's go to Item 18,
11 which is CalSTART. Possible approval of Amendment 1 to
12 agreement ARV-11-014. And Eric VanWinkle, please.

13 MR. VANWINKLE: Good afternoon, Commissioners.
14 My name is Eric VanWinkle. I am a staff member with the
15 Emerging Fuels and Technologies Office.

16 I'm here to ask for your approval of Amendment
17 1 to grant agreement ARV-11-014, which was originally
18 approved at the May 31, 2012 Business Meeting and
19 executed on June 25, 2012 with CalSTART for their
20 California Clean Truck Demonstration Program.

21 The purpose of this block grant is for CalSTART
22 and their project partners to demonstrate high impact on-
23 and off-road near commercial medium- and heavy-duty
24 vehicle projects in California's highest need air basins.

25 This amendment formalizes changes CalSTART

1 encountered while executing agreements with their project
2 partners, including acknowledging withdrawal of
3 Caterpillar's Mini Five Ton Excavator Project after their
4 demonstration partner declined participation, and also to
5 transfer Project Lead responsibility for the Fuel Cell
6 Bus Project to Ballard Power Systems from the San
7 Francisco Airport Commission. Ballard was an original
8 project partner and they found a new location and
9 demonstration partner with the University of California
10 at Irvine, which will operate the bus as part of the
11 campus transportation system.

12 I'm also seeking to augment the project with an
13 additional \$3,523,498 in ARFVTP program funds from the
14 2012-13 Investment Plan, which will be used for Drayage
15 truck projects at the Ports of Los Angeles and Long
16 Beach, including fully funding the existing
17 Transportation Power Electric Drayage Truck Project,
18 which will increase the number of demonstration trucks
19 from two to five, and also include new job
20 classifications in their budget.

21 And we'll be adding two projects, the Volvo
22 Technology of America Project, which will demonstrate two
23 plug-in capable hybrid electric Class 8 Drayage Trucks
24 with a 10-mile zero emission range; and also the Artisan
25 Vehicle Systems Project, which will demonstrate two Class

1 8 Drayage Truck projects with electric powertrains, one
2 with a larger battery pack for a full time zero emission
3 operation, and the second with a natural gas generator
4 set for extended range operations.

5 And then the last change included in this
6 amendment is to extend the term of the grant by one year,
7 from March 31, 2016 to March 31, 2017, which will
8 accommodate a new timeline for the Fuel Cell Bus Project
9 by permitting UCI time to include their full match
10 contribution into their budgeting process.

11 And I would be happy to answer any questions.

12 CHAIRMAN WEISENMILLER: Thank you.

13 Commissioners, any questions or comments?

14 COMMISSIONER DOUGLAS: Just briefly. This is
15 all really good and really important work for the 118
16 program, for potential air quality improvements into the
17 future, so I don't know if there are any other comments
18 or questions, but I'll move Item 18.

19 COMMISSIONER MCALLISTER: And I'll second.

20 CHAIRMAN WEISENMILLER: Okay, all those in
21 favor?

22 (Ayes.) Item 18 passes unanimously. Thank
23 you.

24 MR. VANWINKLE: Thank you.

25 CHAIRMAN WEISENMILLER: Let's go on to Item 20,

1 City of Patterson.

2 MR. CHAUDHRY: Good morning, Commissioners.

3 I'm Shahid Chaudhry with the Special Projects Office.

4 CHAIRMAN WEISENMILLER: Thank you.

5 MR. CHAUDHRY: And I'm here today to request
6 your approval for an ECAA loan of \$2,876,172 to implement
7 renewable energy and energy efficiency projects at the
8 City's facilities. The City will use this loan to
9 install 1.12 kWh of solar panels, and to upgrade lighting
10 at their active facilities, as well as street lighting.

11 As a result of this project's completion, it's
12 anticipated that the estimated energy savings will be
13 about two million kWh hours a year, which is a equivalent
14 to about \$221,000.

15 And in addition to this project, it will reduce
16 approximately 567 tons of carbon dioxide greenhouse gas
17 emissions.

18 CHAIRMAN WEISENMILLER: Thank you.

19 Commissioners, any questions or comments?

20 COMMISSIONER DOUGLAS: No, no questions. I'm
21 really supportive of the ECAA Program, it's great to see
22 this coming through. I'll move approval of Item 20.

23 COMMISSIONER MCALLISTER: I'll second.

24 CHAIRMAN WEISENMILLER: All those in favor?

25 (Ayes.) Item 20 passes unanimously. Thank

1 you.

2 MR. CHAUDHRY: Thanks, Commissioners.

3 CHAIRMAN WEISENMILLER: Let's go on to Item 21,
4 City of San Pablo. Possible approval of Agreement 005-
5 12-ECD for \$1,141,738. And this is Joseph Wang, please.

6 MR. WANG: Good morning, Commissioners. My
7 name is Joseph Wang. I'm the Project Manager with the
8 Special Projects Office.

9 I'm here to seek your approval of a \$1,141,738
10 loan to the City of San Pablo. The City of San Pablo is
11 applying for this loan to install three PV systems at the
12 City Hall, City Police Station, and the City Center.

13 After the City implemented the Energy
14 Efficiency Lighting and HVAC projects at these three
15 facilities, they would like to further zero out the
16 electric bills at these three facilities. The PV
17 projects are designed to reduce over 90 percent of the
18 current kWh consumption, so this project is expected to
19 save about over \$87,826. And this almost would cut the
20 electric bills to zero.

21 This project has a 13-year simple payback, it
22 pays on a loan amount. And this project will be funded
23 by the CEC loan, CSI rebate, and the City Capital Project
24 Funds.

25 Staff has reviewed the technical feasibility of

1 this project and would like to recommend the approval of
2 this loan. I'll be happy to answer any of your
3 questions.

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

6 COMMISSIONER MCALLISTER: No, I don't have any
7 questions or comments.

8 COMMISSIONER DOUGLAS: I'll move approval of
9 Item 21.

10 COMMISSIONER MCALLISTER: I'll second.

11 CHAIRMAN WEISENMILLER: All those in favor?

12 (Ayes.) Item 21 passes unanimously. Thank
13 you. Let's go on to Item 22, which is also yours. City
14 of California City. Possible approval of Agreement 006-
15 12-ECD for a \$161,890 of ECAA funding again. Joseph
16 Wang, please.

17 MR. WANG: I am also covering this item. The
18 City of California City is also applying for a \$161,890
19 loan through CEC's ECAA Loan Program, and this is a very
20 small city. The City has hired a consultant to conduct a
21 city-wide energy audit for all the City buildings.

22 Based on this recommendation, the City would
23 like to apply for the loan to implement both the lighting
24 and the HVAC projects. They plan to retrofit the old T-
25 12 lamps and ballasts with the new T lamps and electronic

1 ballasts in all City buildings, and then replace the old
2 package HVAC units with new ones at 300 facilities.

3 These projects are expected to save about
4 \$16,189 in utility costs and reduce 35 tons of CO₂
5 emissions annually, and have a simple payback of 10
6 years.

7 The staff has, again, reviewed the technical
8 feasibility of these projects and would like to recommend
9 the approval of this loan.

10 CHAIRMAN WEISENMILLER: Thank you.

11 Commissioners, any questions or comments?

12 COMMISSIONER DOUGLAS: No, no questions.

13 Again, it looks like a really good project. I'll move
14 approval of Item 22.

15 COMMISSIONER MCALLISTER: I'll second this one,
16 energy efficiency and chiller, you know, HVAC upgrades
17 are clearly a very -- should be a very central focus of
18 ECAA loans and are going to typically have the kind of
19 payback that we're looking for, so I'm supportive of this
20 project. So I'll second it.

21 CHAIRMAN WEISENMILLER: Okay, all those in
22 favor?

23 (Ayes.) This project passes unanimously.
24 Thank you.

25 MR. WANG: Thank you.

1 CHAIRMAN WEISENMILLER: Let's go on to Item 23.
2 Santa Barbara Community College District. Possible
3 approval of Agreement 004-12-ECD for \$750,000, an ECAA
4 loan. Amir Ehyai.

5 MR. EHYAI: Thank you, Chairman. Good
6 afternoon, Commissioners. My name is Amir Ehyai with the
7 Special Projects Office.

8 I am here today seeking your approval of an
9 Energy Commission loan to Santa Barbara Community College
10 District to fund lighting retrofit projects at the Santa
11 Barbara City College, East and West Main Campuses.

12 The loan award will be used to upgrade exterior
13 building lights, street lights, parking lot and pathway
14 lights, to LED and the latest generation fluorescent
15 lights.

16 In total, 1,767 light fixtures will be
17 upgraded, which is estimated to save the district 694,261
18 kWh of electricity, or \$97,197 annually in energy costs,
19 and reduce annual greenhouse gas emissions by 240 tons of
20 CO₂.

21 The total cost of this project is estimated to
22 be \$1.45 million, of which \$750,000 will be funded by the
23 Energy Commission loan at an interest rate of one
24 percent. The remaining project cost will be funded by
25 expected rebates totaling \$166,623, and On Bill Financing

1 offered by Southern California Edison.

2 Staff has determined that the loan request is
3 technically justified and meets the requirements for an
4 Energy Commission loan. I'm happy to answer any
5 questions you may have.

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

8 COMMISSIONER MCALLISTER: Not specifically. I
9 think previous items, similar comments would apply, so
10 I'll move Item 23.

11 COMMISSIONER DOUGLAS: Second.

12 CHAIRMAN WEISENMILLER: All those in favor?

13 (Ayes.) Item 23 passes unanimously. Thank
14 you. Let's go on to Item 24. Newcomb Anderson
15 McCormick. Possible approval of contract 600-12-005 for
16 \$638,189, and this is DOE grant funding. Amir.

17 MR. EHYAI: Thank you, Chairman. My name is
18 Amir Ehyai. With me is Matt Sullivan, principal with
19 Newcomb Anderson McCormick. Mr. Sullivan will be
20 available to answer any questions following my
21 presentation.

22 Energy Service Performance Contracting is a
23 financing mechanism that allows building owners to pay
24 for energy upgrades through cost savings generated by the
25 installed equipment. Energy service companies known as

1 ESCOs are businesses that develop, design and arrange
2 financing for energy efficiency projects, often via an
3 energy services performance contract.

4 Under Agreement 600-12-005, Newcomb Anderson
5 McCormick will develop the California Public Facilities
6 Energy Financing Partnership Program and create a model
7 providing a range of services geared towards facilitating
8 energy service performance contracting in California's
9 public facilities.

10 The services will include standardized
11 processes and contracts for ESCO projects, technical
12 assistance with developing and evaluating projects,
13 identification of ESCOs or third-party financing for
14 projects, data collection, benchmarking, and measurement
15 and verification and, as well, outreach and education
16 activities.

17 The comprehensive set of services to be offered
18 by this program will overcome a number of barriers that
19 have been identified as limiting the widespread use of
20 energy service performance contracting in California's
21 public agencies. These include: identification and
22 selection of qualified ESCOs; lack of firm work scope
23 definition which results in shallow retrofit projects,
24 rather than deep comprehensive whole building energy
25 projects; lack of competition between ESCOs resulting in

1 higher costs; difficulties with contractor negotiation
2 and contractor performance management; and reluctance of
3 ESCOs to bring financing to projects and lack of
4 standards, common procedures, and communication of best
5 practices from one facility to the next.

6 Correcting these issues is a primary goal of
7 the California Public Facilities Energy Financing
8 Partnership Program. Once the program model is
9 established, ESCOs will have an improved method for
10 delivering energy efficiency retrofits to public
11 facilities.

12 It is important to note that this agreement
13 will be funded by a U.S. Department of Energy Grant to
14 the Energy Commission under the 2012 State Energy Program
15 Competitive Awards. The DOE Grant Award is meant to
16 assist the Energy Commission in improving and
17 implementing a comprehensive and well designed self-
18 funded program which relies on a fee for services model
19 that can be successfully used to retrofit public
20 facilities statewide and across many sectors.

21 The Energy Commission must demonstrate the
22 model on a small to medium scale to ensure its
23 workability and success, and then replicate the model
24 more widely in the State's portfolio of public buildings.
25 Accordingly, the California Public Facilities Energy

1 Financing Partnership Program will endeavor to fulfill
2 the DOE requirements by improving and expanding on an
3 existing energy service performance contract model
4 currently in use by the California Department of
5 Corrections, and provide comprehensive services to
6 overcome shortcomings identified in the current program.
7 The enhanced program model will be piloted at a number of
8 facilities within the Department of Corrections to
9 demonstrate success, and then a template will be
10 developed to expand the model statewide to California
11 Community Colleges and local governments.

12 Based on the success of this program, the
13 enhanced program model will be incorporated into the
14 Public Utilities Commission's Statewide Energy Efficiency
15 Partnership Programs with the Department of Corrections,
16 Community Colleges, and local governments, thus becoming
17 fully institutionalized and thus a sustainable program
18 delivery model into the future.

19 And Matt Sullivan and I are available to answer
20 any questions you may have.

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

23 COMMISSIONER MCALLISTER: I would just point
24 out that, as you said, this is basically a pass-through
25 of DOE money and so it's, I believe -- you can confirm it

1 -- it's not an RFP process that we ran, but one that DOE
2 ran. Is that right?

3 MR. EHYAI: That is correct.

4 COMMISSIONER MCALLISTER: That is correct. At
5 the same time, it looks like a good project scope to us,
6 and actually I think scaling energy efficiency markets
7 and figuring out how to get into new and different
8 building types and working with the agencies effectively,
9 doing cogent planning, systematizing, is all very good
10 work. So I don't have any qualms about this program. So
11 I'll move Item 24.

12 COMMISSIONER DOUGLAS: Second.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 COMMISSIONER MCALLISTER: It looks like there's
15 a public comment there.

16 MS. HARRIS-HICKS: Hello?

17 CHAIRMAN WEISENMILLER: Yes, please come
18 forward.

19 MS. HARRIS-HICKS: Are you talking to me?

20 CHAIRMAN WEISENMILLER: Oh, I'm afraid I was a
21 little confused. I had 15 and 24 down. You had
22 mentioned 14, so I wasn't sure if you were also
23 interested in talking on 24?

24 MS. HARRIS-HICKS: Yes, it's along the same
25 line. I think this sounds great and I'll report back to

1 my groups and creed. But I want to make the same comment
2 about this because it's a -- if the model results in
3 having to have expenses for various companies, and that
4 the Cities have staff who should be or could be doing
5 that, it's a matter of whether we have any kind of
6 control at all about the costs of what is done. If it's
7 putting the light bulbs in or something like that, it's
8 very obvious that that's perfectly wonderful, but I hope
9 that you can, in your consideration of this matter of the
10 people having a monopoly on how much they charge on an
11 ongoing basis, that those parts of this program can be
12 included in that solution of that problem from the
13 standpoint of it being a utility -- no, not a utility, a
14 City and a County obligation and responsibility, and
15 authority, the authority from the standpoint of the costs
16 municipalities will pay. Okay?

17 CHAIRMAN WEISENMILLER: Thank you. I would
18 encourage you to participate in our 758 process, which is
19 looking at how to get retrofits of energy efficiency in
20 existing buildings. Most buildings in California were
21 built before we had Building Standards and, as we
22 struggle, particularly in the public sector to do the
23 investments, one of the questions is performance
24 contracting. And as you say, there can be some
25 downfalls, but I can say now for the State of California,

1 if we can't recover the costs within a single year, that
2 Measures aren't going forward, and that's remarkably
3 shortsighted, but just a budget reality we're facing. So
4 certainly you're raising very good questions and we're
5 all struggling with how to do with what we have in
6 resources --

7 MS. HARRIS-HICKS: The loans should be enough
8 to break the logjam against the solar photovoltaic, that
9 the Fannie Mae and Fannie Mac put when they sent memos
10 out to all the Cities that that would be -- that 811
11 would not be a good solution to our problem of making it
12 available to the public because it might cause them a
13 problem when they had to foreclose a property. And so I
14 think that this recognition that what we're struggling
15 against is not just California, it's national.

16 CHAIRMAN WEISENMILLER: I'm sure you know the
17 pay stuff has had a huge impact on this.

18 MS. HARRIS-HICKS: Financial controls, yes. So
19 the financial control. So in our own city here, the
20 optimists have for 10 years been trying to break the
21 logjam and to get in the program of aggregations by which
22 we can own our own rooftop, and we've not been
23 successful. And so this type of program that you have
24 where you can give a loan for revolving funds, for
25 example, it would solve the problem completely. And so I

1 think that it's wonderful and I want to know who our
2 planners should contact to make an emergency loan.

3 COMMISSIONER MCALLISTER: Ma'am, thank you very
4 much for your --

5 MS. HARRIS-HICKS: -- we're closing San Onofre
6 and --

7 CHAIRMAN WEISENMILLER: Ma'am, again, your
8 three minutes is up on comments and we're dealing with a
9 very narrow item, not the San Onofre issues right now.
10 But, again, we'd certainly encourage you to be part of
11 the 758 discussion.

12 COMMISSIONER MCALLISTER: Assembly Bill 758 is
13 the one that we're using to discuss existing buildings
14 and how to get them upgraded, most specifically for
15 energy efficiency and energy performance, so there's a
16 proceeding that we'll be moving through this year and
17 we'll be holding some workshops likely in April on that,
18 so encourage the League of Women Voters to participate in
19 that. And then back to this item, I would just point out
20 that the SEEC, the State Energy Efficiency Collaborative,
21 is a really good forum for kicking some of the lessons
22 that the Newcomb Anderson work is going to produce and I
23 would very much encourage that. I think local
24 governments are really interested in those sorts of
25 models so they can be most effective with all the various

1 funding sources that they have, including the RENS in
2 some areas of the state, the Regional Energy Networks
3 that were supported, now by the PUC. So I think there's
4 a lot of good leveraging that can go on from this
5 contract and would encourage its adoption, and again,
6 just after the additional comments, would move Item 24.

7 COMMISSIONER DOUGLAS: Second.

8 CHAIRMAN WEISENMILLER: All those in favor?

9 (Ayes.) This item is approved unanimously.

10 And thank you again for your comments. Let's go on to
11 Item 25. Energy Efficiency and Conservation Block
12 Grants.

13 MR. EHYAI: Thank you, Chairman. This is Amir
14 Ehyai again with the Special Projects Office. I'm here
15 seeking your approval to amend a select few Energy
16 Efficiency and Conservation Block Grant Phase 2
17 agreements extending the term of these agreements by
18 three months. The Energy Efficiency and Conservation
19 Block Grant Program as administered by the Energy
20 Commission is nearing completion. Since 2009, the
21 Commission has awarded 205 Phase 1 and Phase 2 Block
22 Grant Agreements totaling approximately \$32 million to
23 local jurisdictions statewide, funding a wide range of
24 cost-effective energy efficiency projects.

25 Staff estimates that these projects are saving

1 the local municipalities over 30 million kWh of
2 electricity and 192,000 therms of natural gas, resulting
3 in \$4.2 million in energy cost savings annually. These
4 savings equate to reduced greenhouse gas emissions of
5 11,500 tons of CO₂ annually.

6 Of the 205 Block Grant Agreements funded, five
7 projects remain uncompleted as of today. The term of
8 these five remaining agreements will end next month on
9 March 13th. Staff anticipates that the majority of these
10 remaining five projects will complete on time; however,
11 it may be necessary to extend the term of one or more of
12 these agreements by three months to allow the local
13 jurisdiction additional time to fully complete their
14 project and expend the remaining Block Grant funds. As
15 such, I'm here today requesting your approval of a
16 resolution directing the Executive Director to extend the
17 term of these agreements by three months to June 13,
18 2013.

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

21 COMMISSIONER DOULGAS: Just a brief comment.
22 This extension is warranted and the staff has worked
23 really hard with more than, as you noted, 200 grants to
24 local jurisdictions. We had a Phase 1 and a Phase 2.
25 The Phase 2 is largely dealing with the on time and under

1 budget problem, which is the not really a problem, it's a
2 great thing, except that we want to make sure that, to
3 the extent that money falls out because it's not used in
4 one project, it's available to another California
5 jurisdiction that wants to do another project. So, as we
6 get down to the wire on the Block Grant deadlines, you
7 know, we have still been working to fund projects that,
8 when there's money available, I think these jurisdictions
9 are going to complete. But as noted, the extension is
10 helpful, it's an extension of our own contract deadline,
11 it's not an extension of the Federal deadline. So it's
12 within the term of the DOE deadline.

13 So I would move approval of Item 25.

14 COMMISSIONER MCALLISTER: I would second.

15 CHAIRMAN WEISENMILLER: All those in favor?

16 (Ayes.) Item 25 passes unanimously. Let's go
17 on to 26. Sacramento Municipal Utility District.
18 Possible approval of Amendment 1 to Agreement ARV-10-003.
19 And this is Phil Cazal.

20 MR. CAZEL: Good afternoon. My name is Phil
21 Cazal from the Emerging Fuels and Technologies Office.
22 I'm presenting a request for possible approval of a
23 novation and an amendment for Agreement ARV-10-003.

24 In June 2011, the Energy Commission entered
25 into a Grant Agreement with Eurisko Scientific

1 Development, LLC, dba Eurisko Scientific, LLC, to
2 demonstrate a unique process developed by Argonne
3 National Laboratory to optimize biomethane production
4 from anaerobic digestion. However, in late December
5 2011, Eurisko Scientific ceased work on the project and
6 notified the Commission of its intent to dissolve the
7 company.

8 Today, staff is recommending that the
9 Commission novate Agreement ARV-10-003 to the Sacramento
10 Municipal Utility District so that the remaining
11 \$1,819,166 in grant funds can be used to complete the
12 project. Approval of a novation will transfer the
13 responsibility and remaining grant funds in this project
14 from the original recipient, Eurisko Scientific, LLC, to
15 the new recipient, Sacramento Municipal Utilities
16 District. SMUD was an original participant in the
17 project, has a good working relationship with Argonne
18 National Laboratory, who is the major subcontractor, and
19 has agreed to step into manage the grant agreement and
20 provide project support.

21 Approval of Amendment 1 to this agreement will
22 revise the Schedule of Products and Due Dates, Scope of
23 Work, and Budget, to reflect SMUD's new position as
24 recipient of this grant. This will also include an
25 extension of the project's end date to March 31, 2015;

1 however, there will be no other change to the scope of
2 the project.

3 Continuing this project will demonstrate
4 advancements in anaerobic digestion techniques, resulting
5 in enhanced biogas production, reduced coincident CO₂
6 creation, and improved removal of nitrogen and phosphorus
7 from process wastewater.

8 Staff is requesting the Commission's support
9 and approval of both the novation and amendment to this
10 agreement. I'm available for any questions.

11 CHAIRMAN WEISENMILLER: Thank you. Commission,
12 any questions or comments?

13 COMMISSIONER DOUGLAS: No, no questions. I'd
14 like to move approval of Item 26.

15 COMMISSIONER MCALLISTER: I will just add, just
16 comment very briefly that, you know, things change in
17 time and SMUD was on board initially and thank them for
18 taking on a greater role right now, and I think those
19 changes warrant an extension in time, as well. But the
20 underlying value of the project has not changed, and so I
21 think it's an amendment that we want to approve.

22 So I'll second.

23 CHAIRMAN WEISENMILLER: Okay, all those in
24 favor?

25 (Ayes.) This item is also approved

1 unanimously. Let's go on to the Minutes. Possible
2 approval of the January 9, 2013, Business Meeting
3 Minutes.

4 COMMISSIONER DOUGLAS: Move approval.

5 COMMISSIONER MCALLISTER: Second.

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

8 (Ayes.) This item is also approved.

9 We're going to skip Lead Commissioner or
10 Presiding Member Reports today. Let's go on to Chief
11 Counsel's Report.

12 MR. WARD: None today.

13 CHAIRMAN WEISENMILLER: Let's go on to
14 Executive Director's Report.

15 MR. OGLESBY: A quick mention that we now have
16 a new Legislative Director, Jay Dickenson, and he comes
17 to us from the Assembly Appropriations Committee,
18 previously with the Legislative Analyst's Office, and
19 some other Executive Branch agencies. So we're very
20 happy to have him help us with our work with the
21 California Legislature.

22 CHAIRMAN WEISENMILLER: Great. Public
23 Advisor's Report.

24 MR. ROBERTS: Nothing to report.

25 CHAIRMAN WEISENMILLER: Public comment? Okay,

1 this meeting is adjourned.

2 (Whereupon, at 12:42 p.m., the business meeting was
3 adjourned.)

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