



Commissioners Present

Robert B. Weisenmiller, Chair  
Karen Douglas  
Andrew McAllister  
Janea Scott

Staff Present:

Rob Oglesby, Executive Director  
Michael Levy, Chief Counsel  
Harriet Kallemeyn, Secretariat

	<u>Item No.</u>
Paul Kramer	3
Kate Zocchetti	4
Kate Zocchetti	5
Kate Zocchetti	6
Akasha Kaur Khalsa	7
James Zhang	8
David Effross	9
Mike Kane	10
Rhetta DeMesa	11
Joe O'Hagan	12
Simone Brant	13
Le-Quyen Nguyen	14
Le-Quyen Nguyen	15
Le-Quyen Nguyen	16

Also Present (\* Via WebEx)

Interested Parties

Randy Howard, Los Angeles Department of Water and Power  
Tim Tutt, Sacramento Municipal Utilities District  
Darren Bouton, CYRQ Energy  
Dario Frommer  
Michael Boccadoro, Dolphin Group  
Anthony Andreoni, California Municipal Utilities  
Association  
Andy Schwartz, Solar City  
\*Rachel Gold, Large Scale Solar Association  
\*Oscar Herrera, Southern California Public Power  
Authority  
Yihwa Kim, LA Unified School District,  
Transportation Division  
Juan Josse, Anaergia Services  
Valerie Winn, Pacific Gas & Electric Company

I N D E X

	Page
Proceedings	5
Items	
1. CONSENT CALENDAR	5
a. PACIFIC GAS AND ELECTRIC COMPANY	
b. ZERE ENERGY AND BIOFUELS, INC.	
2. ENERGY COMMISSION COMMITTEE APPOINTMENTS	5
3. BOTTLE ROCK GEOTHERMAL POWER PLANT PROJECT	6
4. RENEWABLES PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK	7
5. OVERALL PROGRAM GUIDEBOOK FOR THE RENEWABLE ENERGY PROGRAM	7
6. RPS ELIGIBILITY OF BIOMETHANE	7, 62
7. WALNUT VALLEY UNIFIED SCHOOL DISTRICT	68
8. LOS ANGELES UNIFIED SCHOOL DISTRICT	69
9. ANAERGIA SERVICES LLC	71
10. FORESIGHT RENEWABLE SOLUTIONS	74
11. ELECTRICORE, INC.	76
12. HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION	78
13. UC DAVIS	81
14. PACIFIC GAS AND ELECTRIC COMPANY	84
15. SAN DIEGO GAS AND ELECTRIC COMPANY	84
16. SOUTHERN CALIFORNIA EDISON COMPANY	84
17. MINUTES: Possible approval of the April 10, 2013, Business Meeting Minutes.	90
18. Lead Commissioner or Presiding Member Reports.	91

I N D E X (Cont.)

	Page
19. Chief Counsel's Report:	98
a. <i>In the Matter of U.S. Department of Energy (High Level Waste Repository), (Atomic Safety Licensing Board, CAB-04, 63-001-HLW).</i>	
b. <i>BNSF Railway Company v. US Department of Interior, California Energy Commission (U.S. District Court Central District of California-Riverside, CV 10-10057 SVW (PJWx)).</i>	
c. <i>Rick Tyler, et al v. Governor of California, Edmund G. Brown, Jr., et al. (Alameda County Superior Court, RG12619687).</i>	
d. <i>Asphalt Roofing Manufacturers Association v. California Energy Commission (Sacramento County Superior Court, 34-2012-80001195).</i>	
e. <i>California Independent System Operator Corporation (Federal Energy Regulatory Commission, Docket No. ER12-2634).</i>	
f. <i>Southern California Edison v. California Public Utilities Commission (Real Party in Interest, California Energy Commission) (2nd District Court of Appeal Nos. B246786 and B24762).</i>	
g. <i>PECG v. Brown, Alameda County Superior Court Case Nos: RG10494800 et al. (Furlough Litigation).</i>	
20. Executive Director's Report	98
21. Public Adviser's Report	98
22. Public Comment	99
Adjournment	99
Reporter's Certificate	100
Transcriber's Certificate	101

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

P R O C E E D I N G S

APRIL 30, 2013

9:05 a.m.

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

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

CHAIRMAN WEISENMILLER: Good morning. I was going to note that this is my first Business Meeting with Commissioner Scott. It's a pleasure to have you on board.

COMMISSIONER SCOTT: Good morning. Thank you very much.

CHAIRMAN WEISENMILLER: Okay, so let's start with the Consent Calendar.

COMMISSIONER SCOTT: Move the Consent Calendar.

COMMISSIONER MCALLISTER: Second.

CHAIRMAN WEISENMILLER: Okay. All those in favor?

(Ayes.)

COMMISSIONER MCALLISTER: Could we ask somebody to turn off their -- we're getting a lot of feedback here.

CHAIRMAN WEISENMILLER: Okay, let's go on to Item 2. Energy Commission Committee Appointments. And I want to announce that Commissioner Scott is Lead Commissioner on Transportation. And with that said,

1 Commissioner Douglas and I will continue in  
2 Transportation through the adoption of the Investment  
3 Plan, so we have continuity there similar to what we're  
4 doing on the Renewables, but that it's great to be able  
5 to hand that off to someone.

6 Item 3. Bottle Rock Geothermal Power Plant  
7 Project, 79-AFC-4C. Paul Kramer.

8 MR. KRAMER: Good morning, Chair Weisenmiller  
9 and Commissioners, I'm Paul Kramer, your Chief Hearing  
10 Advisor.

11 Bottle Rock's Petition to Amend follows a  
12 Committee decision on a complaint that was filed by David  
13 Coleman. In that case, the Committee decided that Bottle  
14 Rock's conditions required that it maintain a \$5 million  
15 bond to secure the remediation of its project site after  
16 the project was decommissioned.

17 That decision was appealed by Bottle Rock and  
18 it is before your Commission, but it's been stayed until  
19 after this Petition to Amend is resolved.

20 The complaint sought to have the bond  
21 reinstated and the amendment proposes to eliminate the  
22 requirement for the bond, two very opposite things. So  
23 it's likely to be controversial and requires some time  
24 for hearings, discussion, arguments, and gradually a  
25 legal briefing. So my recommendation is, rather than

1 have the full Commission conduct those proceedings, that  
2 you appoint a committee to do so and that committee would  
3 prepare a proposed decision for eventual consideration by  
4 the full Commission.

5 CHAIRMAN WEISENMILLER: Thank you.

6 Commissioners, I suggest we appoint a committee by the  
7 Board, and that the committee be chaired by Commissioner  
8 Douglas and the second member be Commissioner Scott. A  
9 motion?

10 COMMISSIONER DOUGLAS: I'll move approval of  
11 that committee.

12 COMMISSIONER SCOTT: Second.

13 CHAIRMAN WEISENMILLER: All those in favor?

14 (Ayes.) That passes 4-0. Thank you, Mr.  
15 Kramer.

16 CHAIRMAN WEISENMILLER: Items 4, 5 and 6. Our  
17 next item is going to be the Renewable Portfolio Standard  
18 and we're going to have a presentation that covers Items  
19 4, 5, and 6, although we'll consider motions on each of  
20 the items separately. So with that, Kate Zocchetti, do  
21 you want to make your presentation?

22 MS. ZOCCHETTI: Thank you, Chair Weisenmiller.  
23 Good morning, Chair and Commissioners. I'm Kate  
24 Zocchetti, the Technical Lead for the RPS Program in the  
25 Renewable Energy Office. To my right is Gabe Herrera,

1 Legal Counsel. I'll be covering Items 4, 5 and 6  
2 consecutively, but on which you may wish to vote  
3 separately.

4           Agenda Items 4 and 5 address staff's proposed  
5 revisions to the Renewables Portfolio Standard  
6 Eligibility Guidebook, or RPS Guidebook, and the Overall  
7 Program Guidebook for the Renewable Energy program.

8           Agenda Item 6 addresses a resolution to lift  
9 the Energy Commission's suspension of eligibility for  
10 electric generating facilities using biomethane for the  
11 RPS. Staff proposes lifting the suspension because  
12 adoption of the 7th Edition of the RPS Guidebook will  
13 implement Assembly Bill 2196 and establish new  
14 requirements for the eligibility of these facilities.

15           For Agenda Items 4 and 5, staff proposes that  
16 the Energy Commission adopt revisions to the RPS and  
17 Overall Guidebooks, both of which the Energy Commission  
18 adopted last August 2012. Staff proposes changes to  
19 these Guidebooks to implement new legislation and  
20 policies and to respond to lessons learned during  
21 administering the program.

22           The initial staff draft of the RPS Guidebook  
23 was released on March 4th, followed by a staff workshop  
24 on March 14th; 33 attendees participated in person with  
25 an additional 100 via WebEx. Public comments were

1 received on March 25th, and there were 42 sets of  
2 comments.

3 In response to stakeholders' requests in those  
4 comments, staff released Draft RPS reporting forms on  
5 April 8th and received comments on those. The Final  
6 Draft Guidebook was released April 19th and we received  
7 nine sets of comments on the Final Draft.

8 On April 26th, the Energy Commission released  
9 proposed Errata to the proposed revisions to the RPS  
10 Guidebook to address changes that are not substantive in  
11 nature and provide staff clarifications to the text and  
12 related forms since the Final Draft was released.

13 In addition to the Errata, staff may make minor  
14 grammatical, punctuation, or formatting edits to the text  
15 and related forms before publishing the final Guidebook,  
16 if adopted.

17 The RPS Program will no longer make reference  
18 to the Overall Program Guidebook, which the Energy  
19 Commission plans to phase out by the end of this year.  
20 We have incorporated pertinent elements of the Overall  
21 Program Guidebook into the RPS Guidebook, including  
22 applying for RPS certification, reconsideration of RPS  
23 certification, enforcement actions, glossary of terms,  
24 and we have deleted those elements in the Overall Program  
25 Guidebook, which will remain in effect to govern

1 administration of the New Solar Homes Program until it is  
2 phased out.

3           And with your permission, I'd like to go over  
4 at a high level staff's proposed changes to the major  
5 issues?

6           CHAIRMAN WEISENMILLER: Please do so.

7           MS. ZOCCHETTI: Thank you. So the Energy  
8 Commission's roles for administering the RPS are three-  
9 fold: our first is to certify eligible renewable energy  
10 resources and to track and verify procurement for RPS  
11 compliance; those two tasks are accomplished via the RPS  
12 Guidebook and the Overall Program Guidebook.

13           The Energy Commission was recently also tasked  
14 with developing regulations for the enforcement of the  
15 RPS for the publicly-owned electric utilities. That task  
16 is being done in a separate proceeding and Final Draft  
17 Regulations are expected to be considered on May 8th, so  
18 that is separate from my presentation today.

19           So getting into the proposed revisions to the  
20 RPS Guidebook, we have added a new section called "What's  
21 New in this Guidebook" to help participants see if there  
22 are new changes that are relevant to them at a glance.  
23 It's just a very high level summary of the proposed  
24 changes. So I will be going through the issues as they  
25 appear in the Guidebook, in that order.

1           Another section is called "Outstanding Issues,"  
2 that has always been in the Guidebook, and right now we  
3 have three Outstanding Issues that are teed up, and this  
4 means that we understand that they're important, or  
5 stakeholders have brought them to our attention, but that  
6 we're not necessarily addressing them now, we want to let  
7 people know that we are planning to consider them in a  
8 future revision. And those are: storage for the RPS,  
9 station service, whether and how changes in law affect  
10 already certified RPS facilities and then, lastly,  
11 although there's been no change, the topic of  
12 precertification remains in the Outstanding Issues  
13 section.

14           One of the major pieces of legislation that  
15 we're addressing in this Guidebook edition and proposed  
16 changes is the passage of Assembly Bill 2196 in September  
17 of last year which changed the RPS eligibility  
18 requirements for electric generating facilities using  
19 biomethane. AB 2196 was signed into law in September and  
20 became effective January 1st of this year. Biomethane is  
21 now defined as natural gas or digester gas used onsite or  
22 offsite, using a dedicated pipeline or a common carrier  
23 pipeline.

24           I'm going to go into just a little bit of  
25 detail regarding AB 2196 because the whole section is

1 new. So the bill and, now, the Energy Commission would  
2 implement the eligibility criteria for existing  
3 biomethane contracts, and those are executed by a retail  
4 seller or a publicly owned electric utility and reported  
5 to the Energy Commission before March 29th, 2012. And as  
6 you may recall, that was the date that we suspended  
7 biomethane eligibility.

8           The biomethane sources must produce and inject  
9 biomethane into a common carrier pipeline by April 1,  
10 2014. So I should point out that this slide just  
11 addresses the common carrier pipeline, not onsite or  
12 dedicated pipeline.

13           Third, biomethane may not be used at a  
14 different electric generating facility than was reported  
15 to the Commission prior to our suspension. And specific  
16 adjustments that are identified in the Guidebook to  
17 existing contracts, or incremental generation due to any  
18 elements that don't meet the existing contracts  
19 eligibility criteria trigger having to meet the new  
20 biomethane procurement contracts eligibility criteria --  
21 which is on the next slide.

22           So new biomethane contracts, or those executed  
23 by a retail seller or POU on or after March 29, 2012  
24 would fall into this category. They must have at least  
25 one direct benefit to the environment in California,

1 either to criteria air pollutants, to pollutants that  
2 could have an adverse impact on the state's waters, or a  
3 local nuisance associated with the emissions of odors in  
4 the state. Also, the pipeline used must either flow in  
5 California or flow toward the electric generating  
6 facility.

7           There are also new requirements regarding the  
8 attributes associated with the biomethane that's injected  
9 into the common carrier pipeline, or that is used onsite  
10 or in a dedicated pipeline. This applies to all of those  
11 facilities and that is that renewable and environmental  
12 attributes associated with the production, capture, and  
13 injection of biomethane must be transferred to the  
14 electric generating facility, and that's what becomes  
15 part of the REC.

16           Also, there is another attribute stream that is  
17 associated with the destruction of the methane due to the  
18 biomethane being injected into the pipeline. Any  
19 attributes associated with that cannot be used as a  
20 marketing, regulatory, or retail claim, first, if it's  
21 required by law to destroy the methane, but second, if  
22 those claims are made, that is fine as long as those  
23 attributes are likewise transferred to the generator.  
24 And it must be retired for the utility's customers.

25           So the application process for all biomethane,

1 so again this is onsite, using a dedicated pipeline or a  
2 common carrier pipeline, we have new application forms  
3 for all these facilities. Facilities with existing  
4 biomethane contracts, which are sometimes called the  
5 grandfathered contracts, those will only be certified  
6 until the allowable quantities of biomethane have been  
7 used by the generators. If some of those have production  
8 that is not yet flowing to the pipeline, but will flow by  
9 April 2014, Applicants must amend their applications to  
10 let us know when those new sources begin producing and  
11 injecting into the pipeline.

12           We have a truncated application form, I think I  
13 talked about that coming up for these grandfathered  
14 facilities.

15           The procurement requirements for biomethane,  
16 meaning the RPS count-in-full or portfolio content  
17 categories or buckets, the classification of those will  
18 be done by the Energy Commission for the publicly-owned  
19 electric utilities and by the CPUC for the retail  
20 sellers.

21           The reporting and accounting will be that the  
22 monthly data must be reported to the Energy Commission by  
23 March 31st for generation for the previous calendar year.  
24 Information will be used to determine eligibility, but  
25 also will be used in the verification process that the

1 Energy Commission conducts after the end of each -- not  
2 compliance period, but each year we're going to be  
3 getting reports from all the utilities, and it will also  
4 be used for that process.

5           So moving on to other sections, the renewable  
6 facilities using multiple energy resources, biomass  
7 facilities that were previously participating in the  
8 existing Renewable Facilities Program, that is no longer  
9 active, those may continue to use up to five percent non-  
10 renewable fuel and count all of their output as RPS  
11 eligible until the end of their procurement contracts, or  
12 the end of this year, whichever is later. They will be  
13 subject to the standard de minimus requirements  
14 thereafter, which is facilities may use up to two percent  
15 non-renewable fuel and may use up to five percent if they  
16 can show that certain environmental benefits are met.

17           Solar thermal facilities previously in the  
18 existing program may continue to use up to 25 percent  
19 non-renewable fuel. The issue for how the solar thermal  
20 facilities are treated going forward is also teed up in  
21 the Outstanding Issues section, as I mentioned earlier,  
22 and that falls under the umbrella of how facilities that  
23 are certified are treated if the law changes regarding  
24 their eligibility.

25           Under Generation Tracking and Accounting, that

1 section clarifies that generation that meets station  
2 service loads is not eligible for California's RPS for  
3 facilities with the first point of interconnection --  
4 this is a mouthful -- to a non-California Balancing  
5 Authority outside of California, or facilities located  
6 outside the U.S. The facilities that meet that category  
7 that serve multi-jurisdictional utilities are subject to  
8 the eligibility requirements of this section -- we  
9 clarify that with this Guidebook.

10 We also removed the requirement in this section  
11 that they must address the effects of their facility on  
12 socioeconomics or worker safety. We determined that  
13 those are really not environmental criteria.

14 We have added a new section; as I mentioned in  
15 the Outstanding Issues portion, Energy Storage is there  
16 because we understand we're going to be looking into this  
17 further, but for now we are adding a new section called  
18 Energy Storage, and we say that an energy storage device  
19 will be considered an addition or an enhancement to  
20 renewable electrical generation facility if it meets one  
21 of these classifications. An integrated energy storage  
22 device is an enhancement if it stores the energy  
23 potential before actual electricity generation such as a  
24 battery, or a directly connected energy storage device  
25 which is not integrated can be considered, or is an

1 addition to the facility if the storage device and  
2 renewable energy facility are directly connected and are  
3 operated as part of the renewable energy facility.

4           In our initial staff draft, we addressed how  
5 facilities that were certified for the RPS by the  
6 contracting utility would be addressed, and we got a lot  
7 of comments on that. And so now we are proposing that  
8 the certification deadline which would have been -- we  
9 were proposing before that all those facilities must come  
10 to us and reapply by the end of this year -- but in  
11 response to their comments that many of these contracts  
12 are ongoing, we are now modifying that to say that the  
13 certification deadline with expired contracts remains,  
14 but they must reapply for RPS certification on their own  
15 behalf by the end of the adoption of this Guidebook if  
16 their contract is already expired.

17           Because of this, we're asking utilities to now  
18 give us information regarding when their contracts expire  
19 so that we can better track them in the future, and then  
20 once their contract expires they must reapply on their  
21 own behalf. And this is mostly to get more information  
22 directly from the facility. We only got minimal  
23 information initially from the utilities.

24           Under the Certification section, the RPS  
25 Eligibility date begins when the complete application for

1 certification or precertification is received, except  
2 under specific conditions that would incur a later date,  
3 and those are outlined in the Guidebook.

4           There are special cases for counting generation  
5 prior to the eligibility date and those are under  
6 facilities that are under a net surplus generation, under  
7 an AB 920 net surplus compensation program; also existing  
8 40 megawatt hydroelectric units that are part of a water  
9 supply or conveyance system; it's also for facilities  
10 serving POU's as they get up to speed with the RPS; and  
11 also facilities using biomethane. Because of our  
12 suspension, we didn't want to create kind of a Catch 22  
13 for those. And as I mentioned earlier, for the  
14 "grandfathered" biomethane contracts, we have developed a  
15 Response to Comments for the requirement to reapply. We  
16 have developed a truncated application form and two  
17 supplemental forms for them to fill out. And due to  
18 their request, that form and those two supplemental  
19 forms, we plan to post those by close of business today  
20 so that they can immediately apply tomorrow, so that  
21 those can get moving forward. The website is provided  
22 there on that slide where they will be posted.

23           Also under the Certification section, we've  
24 covered historic carryover for POU's, and this is  
25 generation that occurred before the POU's were brought

1 under the Energy Commission's purview under its  
2 regulations. And this is generation that occurred from  
3 2004 to 2010, and for them to apply for certification the  
4 generation must have been procured under a procurement  
5 contract or ownership agreement with the POU that was  
6 executed before June 1st, 2010, and it must be from  
7 resources that were RPS eligible under the Energy  
8 Commission's rules for the retail sellers at the time  
9 that their contract or ownership agreement was executed,  
10 with the exception that they did not have to participate  
11 in WREGIS at that time.

12 This slide just discusses that we continuously  
13 try to provide more transparency regarding where  
14 facilities are in our review process and what status they  
15 have, whether they're received, incomplete, returned,  
16 approved, withdrawn, or suspended, and so forth. And  
17 those are provided in the Guidebook, as well.

18 We get a lot of inquiries from interested  
19 parties wanting to know the status of the facilities that  
20 have applied for RPS certification, and that website  
21 provides this information.

22 We've very much expanded our exception on RPS  
23 tracking, reporting and verification. We've discussed  
24 the interim tracking system and WREGIS, the Western  
25 Renewable Energy Generation Information System. We've

1 discussed REC retirement and reporting requirements, for  
2 example, reporting RECs and how to retire them and use  
3 them for RPS compliance, how to name them in the WREGIS  
4 system so that we can begin our verification process. We  
5 discuss the verification methodology using the inter-  
6 tracking system for those that are still using that, but  
7 we are phasing that out and transitioning to WREGIS. We  
8 also discuss the Energy Commission's process for  
9 finalizing the verified data and the reporting that we  
10 will do as a result of that process.

11 Under the RPS Procurement Requirements, we  
12 discuss the agency's roles between the Energy Commission  
13 and the CPUC, which is our sister agency for implementing  
14 the RPS. We discuss count-in-full and the portfolio  
15 content categories and the requirements that we need  
16 everyone to submit to us so that we can make that  
17 determination for the POUs; again, the CPUC will make  
18 that determination for the retail sellers. And we  
19 describe our verification process and how applicants or  
20 utilities can contest or correct erroneous  
21 classifications in that process.

22 The statute prohibits a retail seller from  
23 claiming RECs that it is has procured from a POU unless  
24 the POU has basically met its own RPS, so we lay out how  
25 that will be determined.

1           We have added another new section called  
2 Administration and this is bringing over information from  
3 the Overall Program Guidebook regarding information on  
4 cancelling RPS certification, audits, how the Energy  
5 Commission retains records, and the use and disclosure of  
6 information and records by the Energy Commission.

7           We have added an option that the Executive  
8 Director may extend a due date for a report submission  
9 for good cause.

10           Another new section brought over from the  
11 Overall Program Guidebook is a glossary of terms. We've  
12 brought over definitions that are only relevant to the  
13 RPS and added them to the RPS Eligibility Guidebook. In  
14 addition, some terms that were already in the Guidebook  
15 or brought over from the Overall Program Guidebook were  
16 either revised, deleted, or edited.

17           We also have four Appendices to the RPS  
18 Guidebook that contain our forms and reporting  
19 instructions, we have a history of the RPS legislation,  
20 and a summary of reporting requirements and deadlines in  
21 the table, and those are found in the four appendices.

22           And that concludes my presentation and, with  
23 that, I would propose that the Commission adopt staff's  
24 proposed revisions to the RPS Eligibility Guidebook and  
25 the Overall Program Guidebook, and we would be happy to

1 address any questions from the Commissioners. I think we  
2 want to discuss Errata at this time.

3 MR. HERRERA: Good morning, Commissioners.  
4 Before you act on it or accept public comments, I just  
5 want to clarify for the record, so on Friday the 19th,  
6 yes, this past Friday, Energy Commission staff went out  
7 -- twenty-something, I apologize -- went out -- the 26th  
8 -- went out with an Errata which were minor, non-  
9 substantive changes, these were minor fixes that we  
10 discovered after we went out with the staff final, and we  
11 felt it was appropriate to go out with the public notice  
12 informing the public of these additional minor changes.  
13 So when the Commission accepts the -- or acts on the  
14 staff's recommendation, it is with these proposed Errata  
15 that it will be acting.

16 In addition, it looks like our Errata, which we  
17 went out with in haste, unfortunately, missed a couple of  
18 points, so there are some typos and some formatting fixes  
19 that we'll need to make, and we've also -- it's also been  
20 brought to our attention that one of the footnotes  
21 included language that was not necessary. And what I'm  
22 going to do is I'm going to read that footnote into the  
23 record because it's not identified in the Errata that  
24 went out Friday, so that the Commission can consider  
25 that, as well. It's a little bit unorthodox, but I

1 figured it was more important to address it now at one  
2 time rather than to postpone it, and this footnote is on  
3 page 26 and it is footnote 39, and it deals with  
4 biomethane. And what this footnote was intended to do is  
5 to clarify that, with respect to grandfathered biomethane  
6 contracts under Assembly Bill 2196, that it is possible  
7 for a POU affiliate entity, or retail seller, or  
8 affiliate entity to have entered into this contract, this  
9 biomethane contract, on behalf of a POU or the retail  
10 seller. And for that purpose, it will be okay to accept  
11 that contract for the purpose of 2196. We also in that  
12 footnote reference an agent of a retail seller or a POU,  
13 and we think that language is unnecessary; again, our  
14 intent was to try to capture those entities such as  
15 another department within the City that might be acting  
16 on the POU's behalf, or perhaps an affiliate entity of a  
17 retail seller that was acting on behalf of the retail  
18 seller, to enter into the contract on the retail seller  
19 or POU's behalf. So we would propose that that language  
20 referring to an agent be stricken and be considered at  
21 this time.

22 CHAIRMAN WEISENMILLER: Okay, so that is on  
23 line 3?

24 MR. HERRERA: That's on line 3 of the footnote,  
25 that's correct.

1                   CHAIRMAN WEISENMILLER:  And so if we strike  
2 after "entity?"

3                   MR. HERRERA:  We strike after "entity or agent"  
4 so that the affiliate --

5                   CHAIRMAN WEISENMILLER:  We strike the words "or  
6 agent."

7                   MR. HERRERA:  Right.

8                   CHAIRMAN WEISENMILLER:  So the comma and the  
9 "or agent" are stricken from footnote 39 on page 26.

10                  MR. HERRERA:  That's correct.

11                  CHAIRMAN WEISENMILLER:  Okay.

12                  MR. HERRERA:  And what we would propose to do  
13 if the Commission accepts these changes, as well as the  
14 other Errata, we would go out with a notice informing the  
15 public that these changes were made and considered by the  
16 Commission.

17                  CHAIRMAN WEISENMILLER:  Now, in terms of the  
18 other changes to the Errata, do you want to walk through  
19 those right now?

20                  MR. HERRERA:  Those were noticed.  We can walk  
21 through them if you like.  I think Kate is prepared to do  
22 that.

23                  CHAIRMAN WEISENMILLER:  Would you please do  
24 that so we have a complete record?

25                  MR. HERRERA:  That would be great.

1 MS. ZOCCHETTI: Would you like me to read them  
2 in their entirety into the record?

3 CHAIRMAN WEISENMILLER: Yeah, if you could  
4 point out where they are and read them?

5 MS. ZOCCHETTI: Certainly, I would be happy to  
6 do that. The first one is on page 32. It just adds a  
7 phrase to the title of that section for clarity. "3:  
8 RPS procurement requirements for utilities using  
9 biomethane, we propose to add 'delivered through a common  
10 carrier pipeline.'"

11 CHAIRMAN WEISENMILLER: Actually, what I was  
12 hoping is, to the extent you have any changes to the  
13 Errata --

14 MS. ZOCCHETTI: Oh, changes to the Errata,  
15 sorry.

16 CHAIRMAN WEISENMILLER: To the Errata, that you  
17 indicate those now, as opposed to re-reading the Errata,  
18 per se.

19 MS. ZOCCHETTI: I see, thank you.

20 MR. HERRERA: I think that was the only one.

21 CHAIRMAN WEISENMILLER: Okay. Thank you.

22 Okay, so let's go to comments now and then we will have  
23 questions for you after that.

24 So first commenter, Randy Howard, LADWP. And  
25 anyone who has comments, get a blue card from the back,

1 and anyone in the room, anyone on the phone, please  
2 notify Harriet.

3 MR. HOWARD: Good morning, Mr. Chairman and  
4 Commissioners. Randy Howard, Los Angeles Department of  
5 Water and Power. I'm the Director of Power System  
6 Planning and Development for the Los Angeles Department  
7 of Water and Power.

8 LADWP is committed to the long term procurement  
9 of renewable energy and we want to thank all of the CEC  
10 staff, as well as the Commission for their work in  
11 implementing SB 21X into the RPS Eligibility Guidebooks.  
12 I am thankful for some of the changes that have been made  
13 and the working relationship that we've had. I wish  
14 there would still be a little bit more in the Errata and  
15 I want to highlight a couple issues that remain  
16 outstanding to LADWP.

17 In general, we still get concerned in reading  
18 the Guidebook that the document remains relatively  
19 restrictive in some of the criteria. We think there  
20 needs to be more flexibility. We think we continue to  
21 move in the procurement of renewables and operating at  
22 levels of renewables that we've never operated at before.  
23 Some of the proposed -- or the staff's proposals are  
24 quite restrictive as to how you count and the approach  
25 related to the activities. Most of the renewables aren't

1 intermittent, they're hard to predict, and that includes  
2 even some of the biomethane issues when you're dealing  
3 with landfills and other types of criteria, the levels  
4 change frequently depending on temperature and other  
5 criteria on a landfill. So that's just a general comment  
6 that we've continued to work with staff on, is that we  
7 don't think there's enough recognition as to the  
8 flexibility the utilities need to be successful, and I  
9 think the objective here is to be successful in achieving  
10 the goals of the RPS.

11 LADWP continues to disagree with the staff  
12 proposal on the retroactivity application of the 3rd  
13 Edition for the RPS Eligibility Guidebook for the pre-  
14 2010 POU RPS projects. Prior to 2010, our governing  
15 authority, we have a five-member Board of Commissioners,  
16 we have 15 full-time Council Members and a Mayor in the  
17 City of Los Angeles, they put together an RPS policy  
18 based on the law in place at the time. They made  
19 decisions, they approved in public forums all of our  
20 procurement activities prior to the 2010; we think those  
21 should count in full, we think that the statutory  
22 language is clear. We think even in AB 2196 the language  
23 is clear that those decisions made prior to the  
24 moratorium on the biomethane count in full to the extent  
25 that those decisions were made. We believe that still is

1 a difference as to the staff's proposal versus what we  
2 believe statutorily should apply.

3 We also have continued concerns related to  
4 distributed solar, the behind the meter. We've discussed  
5 this before related to the metering requirement, the plus  
6 or minus two percent metering requirement versus what was  
7 installed prior to the SB 21X and LADWP's procurement  
8 where we have a plus or minus five percent meter. We do  
9 not think that just because we do not have a plus or  
10 minus two percent meter that those should no longer count  
11 towards the requirements of RPS would be eligible. We  
12 think the cost of going out and changing all those meters  
13 on the existing systems, many of them have been installed  
14 for a number of years, is not a good use of Ratepayer  
15 money, nor a good use of the utility resources. So we  
16 would ask for a change in consideration there. We have  
17 committed to the CEC that all of our new installations  
18 certainly will have the metering requirements that are  
19 necessary, but we still need on the table a number of  
20 solar systems that have the previous metering  
21 configuration.

22 Related to that, as well, is we believe and we  
23 have paved under SB 1, we have two incentive programs at  
24 LADWP, one for those that want to retain the value of  
25 their RECs, those customers can choose one level of

1 incentive, and then we pay a premium incentive related to  
2 those that want to provide those RECs to LADWP. We  
3 believe that those that have made those decisions, that  
4 the value that we have placed on it is a Bucket 1 value.  
5 To provide it as anything other than a Bucket 1 is  
6 generated in California -- generated on the utility grid  
7 systems, they're beneficial, we think we should get the  
8 full value for that, we think it's detrimental to small  
9 solar systems and to the state by not providing that  
10 within the Eligibility Guidebooks.

11 I'll try to wrap up here, but substitute  
12 electricity for firming and shaping. LADWP made a number  
13 of decisions for wind development in the Pacific  
14 Northwest, we've talked before, we cluster our projects  
15 based on different wind profiles, we made a number of  
16 investments in the Pacific Northwest, we do firm and  
17 shape those projects up there because there's great  
18 benefit in doing that. The Pacific Northwest peaks in  
19 the winter, we peak in the summer, doing firming and  
20 shaping with the Pacific Northwest makes a lot of sense,  
21 it's economical for our Ratepayers and it's going to help  
22 us act to meeting the renewal goals. By not allowing us  
23 to take what we firm and shape and rolling it in a 12-  
24 year rolling process for counting it towards RPS, we  
25 think, is detrimental to those investments that have been

1 made. Right now, the staff proposal is you have to  
2 retire all those RECs you generate within a calendar  
3 year. So in the winter months, we have good wind  
4 production out there, November/December, they're saying I  
5 have to use those and retire those RECs, receive the firm  
6 and shape in those months for the production in those  
7 months; we'd rather roll that into the season that best  
8 fits us and leave that energy up there for them during  
9 their peak. We think it helps the entire western grid.  
10 So we think this is detrimental towards the benefits that  
11 we invested in initially at LADWP.

12           And in closing, some of the changes in the  
13 biofuels, the amount of time that we had to go through  
14 that not quite sufficient, but one of the comments on  
15 moving to a de minimus of 2 percent versus a 5 percent is  
16 a concern to us, and it comes out of some of the  
17 facilities where we have some production that's related  
18 to biofuels. We do think the 5 percent is a more  
19 reasonable number, going to the 2 percent, we're not sure  
20 why that is necessary and we don't think it's part of the  
21 statute or a requirement of the statute. Thank you for  
22 the opportunity to comment.

23           CHAIRMAN WEISENMILLER: Thank you. Tim Tutt.

24           MR. TUTT: Good morning, Commissioners, welcome  
25 Commissioner Scott. SMUD stands here in support of

1 adopting the 7th Edition of the Renewable Guidebook  
2 today. We think it's a milestone in the implementation  
3 of the RPS, one that's been delayed for a while, and has  
4 actually progressed pretty quickly here at the end, and  
5 that's one of the things that I want to bring up as we  
6 move forward.

7           We do think it's important for the market to  
8 have the certainty of having the Guidebook in place and  
9 having the RPS rules adopted very quickly next month.  
10 However, as I mentioned, things have moved very quickly  
11 in the last month or so on the RPS Guidebook and we  
12 actually think there's been insufficient time for  
13 stakeholders to comment and for staff to really  
14 understand or consider those comments completely, and to  
15 have interaction with stakeholders to achieve the best  
16 policy possible for the RPS. Don't get me wrong, staff  
17 has worked very hard on this and I really appreciate the  
18 hard work and the work that they've done, and you guys as  
19 well. We just think that, as we move forward after  
20 adoption, there needs to be some reconsideration of some  
21 of the aspects of the RPS.

22           And let me give you a few examples, some of  
23 them that Randy mentioned from LADWP. Let's look at  
24 behind the meter distributed generation. The Guidebook  
25 says that that distributed generation has to be procured

1 as bundled, but there's nothing in SB X12 that requires  
2 those resources to be bundled, it merely says they have  
3 to be interconnected to a distribution system within  
4 California. If they're not procured bundled, and in many  
5 cases it's difficult to prove that because the energy is  
6 often used on-site, sometimes shipped back and forth,  
7 what's the consequence? Are those resources Category 3  
8 resources? And if so, what happens to an entity that  
9 happens to do very well in fostering those resources,  
10 which the State also supports policy-wise? Let's say  
11 that they get 15 percent of their energy from distributed  
12 solar; by 2020 they won't be able to count five percent  
13 of it for the RPS. That doesn't make sense. These  
14 resources are located within California, they're  
15 renewable, they don't have to be bundled, and the Energy  
16 Commission should take another look at that whole issue  
17 of the bundling and unbundling of the Category 1 and  
18 distributed generation resources.

19 We also think that the metering requirements  
20 for these smaller resources, particularly with  
21 aggregation, as they're required to be included in the  
22 RPS don't need to be as strict as they are for larger  
23 generators. They trade off between accuracy and  
24 bureaucracy here, and we think that the cost of doing all  
25 the metering to that level of degree for these smaller

1 aggregated resources is unnecessary.

2           A couple of other small things. One thing in  
3 terms of we're very pleased and we hope in item 6 that  
4 you'll will remove the biomethane suspension, but one of  
5 the -- there's a lot of material in the Guidebook about  
6 how biomethane now is eligible or not eligible for the  
7 RPS. And one of the criteria that we've commented on in  
8 the past is that you should be able to move this viable  
9 renewable resource from one generating facility to  
10 another. AB 2196 doesn't have any prohibition on that  
11 movement that we see and we see circumstances where it  
12 really makes sense to be able to move this, or you lose  
13 value and lose procurement. So we would recommend that  
14 that be removed from the Guidebook. It's a requirement  
15 that you guys, your staff, or you guys seem to have  
16 imposed, but it doesn't seem to us to be in the law, and  
17 we don't understand why. Part of the reason we don't  
18 understand why is we haven't had time for the interaction  
19 with staff, with you, to really understand why they came  
20 down the way they did when parties commented in a  
21 different way.

22           So I'll sum up there and I just appreciate that  
23 the work is proceeding, we're moving forward, and the  
24 market is going to, you know, have a little bit more  
25 certainty going forward. Thank you.

1                   CHAIRMAN WEISENMILLER: Thank you. Darren  
2 Bouton.

3                   MR. BOUTON: Mr. Chair and Commissioners,  
4 welcome Commissioner Scott, I would actually respectfully  
5 request if possible to be deferred to the end of the  
6 comments simply because my client is hustling over here  
7 and if possible if it would be okay to allow them to  
8 comment in person?

9                   CHAIRMAN WEISENMILLER: Sure. Anthony  
10 Andreoni.

11                  MR. ANDREONI: Good morning, Commissioners.  
12 Anthony Andreoni from the California Municipal Utilities  
13 Association. Thanks for the opportunity to come up and  
14 address the Commission. The CMUA members are very  
15 supportive and have been working very closely with CEC  
16 staff on this. We appreciate the amount of effort that  
17 they've been putting in to address even the concerns that  
18 have been raised. CMUA, as you are aware, represents  
19 over 40 municipal electric utilities in California and we  
20 do support what L.A. and SMUD mentioned a few minutes ago  
21 as far as a few additional issues.

22                  I'm just going to speak broadly for a few other  
23 points. And that is on the Outstanding Issues that were  
24 mentioned, we suggest that staff consider four workshops,  
25 for example, dealing with storage, four workshops on

1 addressing some of those issues as they're integrated  
2 into the guidance document.

3           We also have some concerns that pre-  
4 certification has still not really been addressed and  
5 that's something that we would also recommend continuing  
6 dialogue with the staff on. Many of our members have  
7 already said that the certainty aspect of being able to  
8 use the Guidebook and understanding exactly what resource  
9 is going to count in the product content category is  
10 extremely important to our members, given the fact that  
11 verification on the utilities for those resources is not  
12 going to occur for quite a few months or years later.  
13 For example, if our members are using biomethane,  
14 depending on the date that it was actually brought into  
15 service, if it is upon our content Category 1, it would  
16 be great to know upfront that that's going to be counted  
17 as a Category 1.

18           And, again, this is something I raised in some  
19 of the workshops with staff, this is kind of a pseudo  
20 regulatory process and not necessarily all the comments  
21 that we've submitted were addressed, or at least  
22 explained why they may not be addressed at this point,  
23 and one of the particular issues is the fact that some of  
24 the decisions made within the Guidebook do affect our  
25 members on a cost perspective. And I would just look in

1 the future that, as changes are made in this Guidebook,  
2 and in moving forward as the RPS regulation becomes  
3 closer to being adopted, that the two kind of come  
4 together and cost, as far as what has changed in this  
5 Guidebook, and in the future regarding RPS, is looked at  
6 very closely for our members, so our members aren't  
7 impacted as we continue to implement and bring in new  
8 resources. So with that, I appreciate providing  
9 comments. Thank you.

10 CHAIRMAN WEISENMILLER: Thank you. Andy  
11 Schwartz.

12 MR. SCHWARTZ: Chairman Weisenmiller,  
13 Commissioners, thank you for the opportunity to speak  
14 today. I'm here on behalf of Solar City and I'll keep my  
15 comments fairly brief. I'm here to express support for  
16 the language in the revised Guidebooks specifically  
17 related to energy storage. I think the language provides  
18 much needed regulatory certainty and circumstances or to  
19 determine what circumstances are required for a storage  
20 system to be considered an addition or enhancement for  
21 the systems that Solar City is in progress on. This  
22 status has significant implications on interconnection  
23 costs and process under the Net Energy Metering Program.

24 I think what we're seeing with the language in  
25 the Guidebook, coupled with efforts at the PUC related to

1 AB 2514 implementation, changes that now I guess are  
2 probably on the order of two-years-old related to the  
3 Self-Generation Incentive Program, we're really starting  
4 to see some policies coalesce, are really supportive of  
5 policies that coalesce around storage, and I think the  
6 changes to the Guidebook represent sort of the next step  
7 in that evolution of the regulatory environment and can  
8 really help some of these technologies gain some  
9 important traction in the market.

10 I don't want to spend too much time on the  
11 language because, as I said, I do believe it ended up in  
12 a very positive place there. I do specifically want to  
13 recognize both the Commissioner offices, as well as staff  
14 for all their efforts, given the time constraints that  
15 everybody is operating on, to really sit down with  
16 affected stakeholders regarding energy storage, and  
17 really at least understanding and listening to us on what  
18 our concerns are. I think some of the important nuances  
19 are captured in the language, in particular preserving  
20 the jurisdictional authority of the PUC on metering  
21 issues. You know, obviously when you are impacting or  
22 changing a Guidebook like this that is relied upon by  
23 other programs that are jurisdictional, other agencies,  
24 that kind of coordination is critical and I understand  
25 that the CEC just does pretty commendable outreach to the

1 PUC to make sure that the agencies weren't stepping on  
2 each other's toes. So I think with that, that's really  
3 all I have to say. I do again want to thank you for your  
4 time and staff's efforts on this, and look forward to  
5 adoption of the Guidebook today. Thank you.

6 CHAIRMAN WEISENMILLER: Thank you. Valerie  
7 Winn.

8 MS. WINN: Good morning. Valerie Winn with  
9 Pacific Gas & Electric Company. I wanted to express  
10 PG&E's support for the Guidebook adoption today. We were  
11 very pleased to see two areas in particular where updates  
12 have been made from previous versions of the draft,  
13 specifically in the area of certification of QF contracts  
14 and also in some of the count in full provisions and the  
15 clarity on the eligibility of the resource at the time  
16 the contract was executed, those were two good updates  
17 for us.

18 PG&E has provided a number of comments on the  
19 draft. There are still a few other areas where we would  
20 like to see some additional changes, and those have to do  
21 with the ability to procure prior period RECs for  
22 compliance, also with the eligibility of small DG  
23 programs, and some additional clarity in the biomethane  
24 area. First, on the ability to buy prior period RECs,  
25 when I say prior period RECs, these would be RECs that

1 said, for the compliance period from 2011 through 2013,  
2 our compliance reporting wouldn't be due until June of  
3 2014. Once the books had closed on 2013, though, you may  
4 find that, oh, because you don't know what your sales  
5 were up through the end of the year, you might not have  
6 quite enough, and there may still be some RECs in the  
7 marketplace that were generated in 2011 to 2013, and we  
8 think we should have the authority to be able to buy  
9 those in 2014 to count towards our earlier obligation,  
10 our compliance obligation period. That would be  
11 something that would give people additional flexibility  
12 and, of course, you know, the generation was created in  
13 the time period for compliance. So we think that  
14 flexibility would be important.

15           And the second area with respect to eligibility  
16 of small DG facilities, that's an area where we have  
17 commented on many occasions that the metering  
18 requirements are very burdensome for small customer  
19 generators, and we would like to continue working with  
20 the CEC staff in those areas to try to come up with a  
21 program that's balanced and that will help accommodate  
22 the different sized generators that are in our system.

23           Lastly, in the biomethane area, because when we  
24 sign our contracts we want to be sure that our customers  
25 are getting the full benefit of the contracts that we

1 sign, so additional clarity on what will be used to  
2 demonstrate eligibility of deliveries will be helpful.  
3 In particular, as we're looking at physical flows, some  
4 people who are getting the deliveries of that gas may not  
5 actually get physical flow information and we would like  
6 to be able to use gas schedules to demonstrate that we  
7 have taken delivery of the gas. So those sorts of things  
8 would still need to be worked out, but we certainly want  
9 to make sure that, if we're spending money in procuring  
10 biogas, which is eligible RPS fuel, that our customers  
11 get the benefit of that, so some clarity there.

12           And then there is an element that requires, I  
13 believe, load serving entities to provide the biomethane  
14 contracts to the CEC so that they can verify the green  
15 attributes that have been conveyed. We would like the  
16 IOUs to be exempt from that provision because the CPUC  
17 reviews and approves all of our biomethane contracts and  
18 there are non-modifiable provisions in those CPUC  
19 approved contracts about the conveyance of green  
20 attributes. So we'd like to eliminate that.

21           Lastly, we think there is a definition that  
22 seems to be missing from the Guidebook and that is on the  
23 delivery path, and that seems to be a term that's not  
24 specified for biomethane contracts. And PG&E would like  
25 that to be defined as really being the delivery path as

1 between the point of injection and the ultimate point of  
2 delivery, that it doesn't need to be, you know, a very  
3 detailed descriptive definition, but that it should be  
4 defined in the Guidebook.

5 And we look forward to working with the team on  
6 the 8th Guidebook update, as I'm sure we will have one,  
7 and thank you very much.

8 CHAIRMAN WEISENMILLER: Thank you. I'm going  
9 to go to a couple parties on the phone. Let's start with  
10 Rachel Gold.

11 MS. GOLD: Yes, good morning. Can you hear me?

12 CHAIRMAN WEISENMILLER: Yes.

13 MS. GOLD: Great, thank you. This is Rachel  
14 Gold from Large Scale Solar Association. I'm a Policy  
15 Director and have a couple comments this morning. We  
16 appreciate staff's hard work in issuing the revised  
17 Guidebook quickly. But we continue to have some concern  
18 with some of the proposed revisions and feel that the  
19 rush to get the Guidebook out has not given the time  
20 necessary to fully develop or consider some of the  
21 changes, and I think that's been reflected in some of the  
22 earlier comments here this morning.

23 Specifically, we're concerned with some of the  
24 proposed revisions in actually the new biomethane section  
25 and the requirement of the delivery of new biomethane

1 procurement contracts via common carrier pipeline. Of  
2 particular concern is the new 50 percent flow test. It  
3 is unclear to where this standard came from and why and  
4 how it meets the requirements of AB 2196. We feel that  
5 setting a standard that from an annualized percentage of  
6 flow, in the place where we're relying on displacement to  
7 meet the statutory flow requirement and that that does  
8 not comply with the statutory language of AB 2196, which  
9 was intended to ensure the biomethane would be burned at  
10 the designated facility.

11           In addition, the section as written, the 50  
12 percent flow requirement, doesn't appear to be easily  
13 verifiable, and we are concerned about the implementation  
14 of that section. We do really appreciate some of the  
15 other clarifications and changes that staff has made to  
16 this section in response to our comments and others, and  
17 look forward to continuing to working with the staff  
18 going forward on the next iteration. And with that, I  
19 appreciate the opportunity to provide these comments.  
20 Thank you very much.

21           CHAIRMAN WEISENMILLER: Okay, thank you. Oscar  
22 Herrera from SCPPA.

23           MR. HERRERA: Hello. This is Oscar Herrera and  
24 I am the current Interim Director of Regulatory Affairs  
25 here at Southern the California Public Power Authority,

1 or SCPPA. SCPPA is a Joint Powers Authority that  
2 consists of 11 municipal utilities in Socal and one  
3 Irrigation District. SCPPA would like to echo and  
4 support the verbal comments provided by LADWP, SMUD and  
5 CMUA. First and foremost, we would like to thank CEC  
6 staff for their hard work with this iteration of the  
7 Guidebook. However, SCPPA believes that this iteration  
8 of the Guidebook needs to be further revised. In  
9 general, the current draft of the Guidebook has not been  
10 fully vetted and assumes that the POU enforcement  
11 procedures have already been adopted. First of all,  
12 SCPPA does not believe that ample time was provided to  
13 fully review the Guidebook. The first comment period of  
14 this guidebook was twelve business days and was issued  
15 while the POUs were still reviewing the draft RPS  
16 enforcement procedures, which also requires our full  
17 attention. The second review period was approximately  
18 four business days and the Errata had a review period of  
19 two days. These documents are again being reviewed in  
20 parallel with the RPS enforcement procures. There are  
21 sections in the guidebook which state that if a  
22 biomethane resource has already been certified a utility  
23 only needs to submit that certification to the CEC. Yet  
24 there are other sections that state that a utility needs  
25 to resubmit all biomethane resources regardless if such

1 resources are already certified in the past. SCPPA wants  
2 a clarification in the guidebook that if a biomethane  
3 resource has been certified or pre-certified that the  
4 resource will remain certified or pre-certified.

5 Another issue is the metering formula for small  
6 solar installations, and this issue has been raised by  
7 all the parties as well. The current metering requirement  
8 is burdensome and we would appreciate the Commission's  
9 reconsideration of this requirement.

10 Lastly, SCPPA is concerned about the PUC's  
11 grandfathering provision of SB 2 1X which is an integral  
12 part of this guidebook as well as the RPS enforcement  
13 procedures. The current interpretation retroactively  
14 applies the utility guidebooks to utilities that were not  
15 subject to the guidebooks before SB 2 1X, an integral  
16 part of retroactively applying such rules to procurements  
17 that predate the RPS. SCPPA does not believe that the  
18 intent of the Legislature was to advocate to override the  
19 decisions of boards and councils that were made prior to  
20 SB 2 1X

21 Again, SCPPA would like to thank the CEC staff  
22 for their hard work on this iteration of the Guidebook.  
23 We thank you for your time and consideration of these  
24 comments.

25 CHAIRMAN WEISENMILLER: Thank you. So there

1 are a couple parties in the room now, I was going to go  
2 to Darren?

3 MR. BOUTON: Mr. Chair, thank you for your  
4 flexibility and attempting to accommodate that. So my  
5 name is Darren Bouton and I represent CYRQ Energy, and I  
6 just have a couple of really quick points to make. CYRQ  
7 urges the Commission to create a definition for station  
8 service, rather than simply deferring to WREGIS, whose  
9 definition, we believe, is somewhat arbitrary. We  
10 propose using the FERC definition for station service so  
11 that all renewable technologies are treated similarly and  
12 can be on a level playing field in regards to what is and  
13 what is not considered station service. Specifically  
14 from our perspective, CYRQ is concerned that binary  
15 geothermal is singled out and treated differently in the  
16 WREGIS document that is referenced in the Guidebook  
17 changes.

18 And finally, it's our understanding, and this  
19 is more of a philosophical issue, but it's our  
20 understanding that WREGIS was not really intended to be a  
21 policy setting entity necessarily, and as a result of  
22 that we tend to believe that we should rely on existing  
23 policy setting entities such as FERC and/or the  
24 Commission to define requirements that apply to our  
25 industry.

1           We know that through the WREGIS process and  
2 through the CEC's process, there have been a variety of  
3 stakeholders who have commented on this one little  
4 specific issue of station service, and so we ask that you  
5 please consider that. And then, finally, if the CEC does  
6 intend to revisit the issue of station service, we would  
7 hope that maybe as a starting point you would consider  
8 using the existing FERC definition of station service as  
9 opposed to referring to WREGIS. With that, thank you for  
10 the opportunity, I appreciate your time.

11           CHAIRMAN WEISENMILLER: Thank you. Dario  
12 Frommer. Good to see you today.

13           MR. FROMMER: Good to see you, Chair  
14 Weisenmiller and Commissioners. Very very brief  
15 comments. I'm Dario Frommer. I'm representing JRE and  
16 Element Markets (ph), two vendors who have contracts  
17 executed and submitted prior to March 29, 2012. I really  
18 want to first and foremost thank the Commission and staff  
19 for working so quickly on this. For my clients, who have  
20 been waiting for more than a year for some certainty  
21 about this process, the speed with which this has been  
22 handled after AB 2196 has been passed, it's very  
23 heartening and we appreciate all the good efforts.

24           I do want to make a couple of comments still on  
25 the Guidebook, and some questions in the Guidebook with

1 regard to adjustments to existing biomethane procurement  
2 contracts. This would be on page 27. There is a  
3 provision here about quantities of biomethane, this is  
4 number 3, from sources that are identified which may be  
5 optional to the buyer. We believe that the intent of the  
6 law was to say, if there's an option in the contract for  
7 the Buyer, it's okay as long as the amount of gas on that  
8 option does not exceed the total amount contemplated  
9 under the contract. What this does is, any option in the  
10 contract, even if it does not exceed the total amount of  
11 the contract, is not permissible unless the Commission  
12 says okay. I'd like to work with the staff and talk to  
13 the Commission on revisiting that, we don't think that  
14 was the spirit of 2196. I think there was some legal  
15 issues inherent in that, the interference with the  
16 contract there, but we'd like to work with you on that  
17 further as things go forward. And again, thank you very  
18 much for the good work on this. We look forward to  
19 continuing to work with the staff and the Commission in  
20 implementing 2196.

21 CHAIRMAN WEISENMILLER: Thank you. Michael  
22 Boccadoro.

23 MR. BOCCADORO: Thank you. Michael Boccadoro  
24 with the Dolphin Group on behalf of two clients today,  
25 Biofuels Point Loma, LLC, and the Agricultural Energy

1 Consumers Association. And we're in support of the  
2 revised guidebook. I would be remiss if I didn't take a  
3 moment to thank Ms. Zocchetti and Mr. Herrera for working  
4 with Biofuels Pt. Loma, it's one of the first and among  
5 the only biomethane injection projects in California  
6 currently operating in San Diego, and it was  
7 unfortunately caught in sort of a gray area, and we  
8 appreciate the work that staff did to resolve that issue,  
9 so we retreated in the spirit of AB 2196.

10           And then finally, on behalf of the Ag Energy  
11 Consumers Association, we are encouraging a lot of dairy  
12 biomethane injection projects in California. We  
13 unfortunately, where collateral damage is probably in the  
14 moratorium, and we are looking forward to having the  
15 ability to once again inject biomethane into California  
16 pipelines that can be utilized either for transportation  
17 fuel or for energy production at directed facilities.  
18 And we look forward to the lifting of the moratorium,  
19 which I know is a separate agenda item on the  
20 Commission's docket today. Thank you.

21           CHAIRMAN WEISENMILLER: Thank you. Staff,  
22 we've had a lot of comments, and I just wanted to ask if  
23 there's any that you feel compelled to respond to. I'm  
24 thinking you don't have to, but just give you the  
25 opportunity.

1           MR. HERRERA: There were a lot of comments and  
2 we appreciate all the public comments that we received.  
3 I do note that there are some comments that overlap into  
4 the POU Regs and I think in that context that the  
5 Commission will be obligated in its Final Statement of  
6 Reason to respond in writing to some of those concerns.  
7 I know CMUA has raised this issue before in the past, and  
8 so the Energy Commission will be providing and, in fact,  
9 has to respond to the Responses in its Final Statement of  
10 Reasons, that will be part of the rulemaking package that  
11 is submitted to the Office of Administrative Law, so some  
12 of these points, again, it may raise, I believe, SCPPA,  
13 and LADWP, some of those points would be addressed in  
14 that context.

15           MS. ZOCCHETTI: Thank you. I did just want to  
16 take the opportunity to clarify Valerie Winn from PG&E's  
17 comment regarding submitting the biomethane contracts,  
18 whether it be to the CEC or the CPUC, and I appreciate  
19 that comment and opportunity to clarify. I believe that  
20 we will be working with the CPUC and I understand that  
21 they do already have the requirement to transfer the  
22 renewable attributes as one of their non-modifiable terms  
23 and conditions, and that they review the IOUs' contracts,  
24 and I'm aware of that. I just want to clarify, however,  
25 that the Energy Commission staff will still need the

1 biomethane contract because we need the execution date in  
2 order to determine eligibility. So we can -- we would be  
3 happy to have contracts with information that we do not  
4 need if parties want to check with us and they can redact  
5 that information, and just provide the contract  
6 information that we do need. So we would be happy to  
7 work with PG&E to clarify that.

8 CHAIRMAN WEISENMILLER: Okay, thank you.

9 MR. HERRERA: Chairman, just also on that  
10 point, there's a process obviously, the Energy  
11 Commission's confidential designation regulations, where  
12 the IOUs can submit information to the Energy Commission  
13 and have it held confidential, so if there's not a way  
14 that PG&E and the other utilities could submit that  
15 information to us without redacting information, they  
16 feel it's sensitive, then they can certainly make a  
17 request to designate the entire document as confidential  
18 pursuant to our regulations.

19 CHAIRMAN WEISENMILLER: Great. Okay. With  
20 that, I will, since I've stood out for comments and  
21 questions, and then I'll turn to my other Commissioners,  
22 first I'd like to note that it has been a push, we've  
23 sort of committed to get this done quickly and we have,  
24 and that's my recommendation today to the Commission is  
25 that we move forward on this, recognizing that for every

1 update, there will be a pending update later, and for  
2 every update we do, there are outstanding issues, and we  
3 can talk a little bit about the process on this. But  
4 generally, I've been working off the draft Guidebook put  
5 together by Commissioner Peterman and her staff, Saul  
6 Gomez, and I certainly want to thank them for that, we'll  
7 get to acknowledgements later. But I think certainly as  
8 we move forward, the basic intent is to implement the  
9 Legislature, and certainly my Governor's direction on  
10 renewables is that we all look at 33 percent as a floor,  
11 not a ceiling, and that the intent is to move forward in  
12 that direction, and obviously as we go forward part of  
13 the intent is that we certainly trust the POUs, but we're  
14 certainly in the job of verifying.

15           So with that note, when I'm talking about the  
16 Outstanding Issues, certainly on station service we  
17 received lots of comments concerning what we had tried to  
18 do some minimal clarification and basically it's pretty  
19 clear that what staff is recommending is one of the  
20 Outstanding Issues. And at this point, where I want to  
21 go is basically to leave the status quo language, but to  
22 set up a process moving forward where we -- staff put out  
23 an issue paper on this, that we really workshop it, and  
24 that people come back with something which really gets to  
25 the heart of the issues. I mean, these turn out not to

1 be easy issues, we're certainly not trying to  
2 disadvantage some of the resource types, but it's really  
3 important that we maintain the integrity of the program  
4 here. And that's certainly been one of our guiding  
5 principles is always that one of our obligations, the  
6 State has a lot of policies promoting renewables, and our  
7 job is to make sure that it is really renewable, it's  
8 really green in terms of what we're certifying. So  
9 moving forward, an outstanding issue, workshop it, and I  
10 want the staff to start out with an issue paper and to  
11 come back, work with the Presiding Commissioner, and sort  
12 of come up with a fair resolution here.

13           On energy storage, again, this has been one  
14 which -- this is certainly an area where we have  
15 pioneered and moved forward a little bit. It's an  
16 interesting topic because storage, per se, does not  
17 change non-renewable power to renewable, you can't just  
18 put a battery at a coal plant and claim it's now green.  
19 But having said that, certainly storage has a lot of  
20 valuable attributes and we've all pointed to Skinner's  
21 Bill, AB 2514, and that what we're doing certainly to the  
22 extent the battery is storing renewable power, that's a  
23 good thing. And storage provides other benefits to the  
24 grid. In terms of reliability, we want to encourage it,  
25 but like I said, we were sort of taking a cautious first

1 step because there are -- again, this is an area that  
2 needs to be thought through in a lot of respects and,  
3 again, this may well be one where certainly workshopping  
4 is necessary and we could talk about whether there's an  
5 issue paper or not. But again, the fundamental principle  
6 is that storage certainly is some addition for  
7 enhancement to the renewable technology, but as I said,  
8 it's not something that converts black power to green,  
9 you know, or brown power to green, it just really is an  
10 enhancement there and we want to maintain the integrity  
11 of the program. I think certainly there's been a lot of  
12 work, and when we get to the acknowledging part, we can  
13 put it together, but I think we have a pretty good first  
14 step, certainly the least regrets, certainly again one  
15 where I think particularly we worked very closely with  
16 the PUC, and so I think with clarifications in the Errata  
17 that we basically can take the first step. And again,  
18 certainly going forward, I'm sure this will be visited  
19 more and more in the future Guidebooks.

20 In terms of biomethane, again, I think  
21 generally it's been a push, but I think we got it right.  
22 I think certainly Environmental Benefits section really  
23 conveys the spirit of the law that what we're trying to  
24 do in the area of biomethane is basically make sure that  
25 it's providing the environmental benefits to us going

1 forward. I know there's been a lot of question over the  
2 physical flow part, and flow towards the facility, and  
3 the 50 percent, and we certainly struggled with it. That  
4 being said, I think it's the best cut at this stage, you  
5 know, where everyone really wants to move forward is to  
6 get some experience, see how it's working, see how to  
7 adjust it. Sometime, in another year or two, we can  
8 certainly play around more in that section, but at this  
9 point going to experience, certainly the direction to the  
10 staff is to be ready, I mean, we certainly appreciate  
11 that staff has pointed people to where the occupations  
12 are and we basically want to make sure that we start  
13 processing them tomorrow and that we move forward in a  
14 timely fashion, that's certainly the top priority is to  
15 get those through in a timely fashion. And as I said,  
16 certainly as we get experience, a year or two from now we  
17 can go back and revisit some of the flow questions.

18           So with that, again, it's hard work and a lot  
19 of time and energy, we can talk about that after we go  
20 through the various measures here in terms of the  
21 acknowledgements, but I do think, again, these things are  
22 never perfect and there's always a tradeoff between  
23 timing and perfection, but I think generally we've done  
24 pretty well on this one.

25           COMMISSIONER DOUGLAS: I just have a few

1 comments to add to that. As Chairman Weisenmiller noted,  
2 this is a package that Commissioner Peterman presided  
3 over pulling together and in the process of moving to put  
4 this out and to enable the Energy Commission to move  
5 forward and act in a timely fashion, of course, we all  
6 looked into these issues in great detail; I certainly  
7 did, I know the Chair did, and the other Commissioners  
8 did, as well.

9           And I think that this is an area where there  
10 are future conversations that are going to be needed and  
11 needed even possibly sooner rather than later in some  
12 cases. I reached a level of -- I reached a reasonably  
13 high level of comfort with the package in terms of being  
14 ready to move forward and ready to adopt today. And at  
15 the same time, I think we're giving the new Presiding  
16 member for Renewables an immediate set of issues to start  
17 looking into and to start seeing whether there's some  
18 calibration, or some additional work, or where there's  
19 some additional work that needs to be done.

20           So given the timeframe that we're working  
21 within, I think that this is a strong package, I think  
22 the Energy Commission should adopt it today. There were  
23 a lot of hard issues that we had to confront on this and  
24 that we will be back in not too long -- I won't try to  
25 say how many days, but back in relatively short order to

1 discuss when the RPS Reg package comes before us. And so  
2 this is a really important time for us in Renewable  
3 Energy. Our new lead Commissioner on Renewable Energy is  
4 going to be stepping into a very loud issue with very  
5 strong and, in some cases, differences of opinion that  
6 have to be heard, understood, and managed in a reasonable  
7 way to the maximum extent that we can. So I think those  
8 are my comments right now if other Commissioners would  
9 like to speak.

10 COMMISSIONER MCALLISTER: So thank you all for  
11 being here and those of you who spoke, and also for the  
12 Chair's and Commissioner Douglas' leadership on this  
13 issue, and certainly Commissioner Peterman, as well, who  
14 is sort of here in spirit at the moment.

15 You know, my time so far at the Commission has  
16 really shown me that this is a very difficult bunch of  
17 issues and also that staff, you know, Kate and her team  
18 and Gabe are really struggling with these issues because  
19 many times there are various viewpoints on any one issue,  
20 and it is difficult to resolve, as Commissioner Douglas  
21 said. And there are many many issues bundled up in this  
22 package, right, so you really do have to take it one  
23 issue at a time, and each issue tends to have its own set  
24 of stakeholders and set of viewpoints.

25 You know, I think a couple issues here seem to

1 have jumped out as ones that we definitely need to be  
2 looking at going forward, in particular. So I think that  
3 the sort of -- the fact that our state has a large group  
4 of publicly-owned utilities and, you know, the obvious  
5 group of investor-owned utilities does make it  
6 challenging because on the one hand we do want  
7 consistency, but on the other hand we want to respect the  
8 local autonomy of those jurisdictions, of the POUs, so  
9 there's a balance there, as well. But fundamentally, we  
10 want compliance and we need statewide compliance with the  
11 RPS, and so we have to have, I think, rules that balance  
12 that appropriately and there need to be really good  
13 reasons for any exceptions to sort of the, you know,  
14 anything near a consensus on any of these issues because  
15 we know that when there are exceptions everybody runs  
16 through that door. So I think there are ongoing issues  
17 here and we're going to talk about the Regs here pretty  
18 soon, but I do think fundamentally we need more green  
19 energy and the legislative intent, I think, on that  
20 general point is pretty clear.

21 I do want to highlight the metering issue and  
22 maybe ask Kate or Gabe to talk a little bit more about  
23 that because it's something that both PG&E and the POUs  
24 brought up. And, you know, I think that the net metering  
25 -- there are lots of issues in the net metering in the

1 state, I think we're going to see some evolution in the  
2 net metering landscape in the next few years, but the  
3 sort of idea that, you know, the need for that two  
4 percent versus five percent, I think the perception out  
5 there that that's burdensome, and at least going  
6 backwards -- I guess my question is, are we talking about  
7 retrofit -- or are we only talking only about looking  
8 backwards, or looking forward for the two percent  
9 necessarily requiring retrofits? But a little bit more  
10 history of the discussions on that issue would be kind of  
11 interesting to have at this moment. I have a couple  
12 other questions, but go ahead.

13 MS. ZOCCHETTI: So I'll probably ask Mark to  
14 chime in on the numbers if he has them in his head. I  
15 think right when you first came, Commissioner McAllister,  
16 we were addressing this at the Business Meeting about a  
17 year ago and I think we addressed it at the previous  
18 Business Meeting, and staff were asked to look into it  
19 further, get more data, get more stakeholder comments,  
20 and so I think you heard the result of that before. To  
21 answer your question, it does apply to every facility  
22 that participates in the RPS, not just going forward,  
23 which I appreciate LA's comments that they are doing the  
24 two percent meter, you know, on a going forward basis,  
25 but they've asked for an exception for facilities that

1 have had meters installed in the past, many of which  
2 probably -- well, as most of you know, the State has a  
3 lot of incentive programs, one of which uses five percent  
4 meter, but those programs are for expected performance  
5 and they are not based on incentives paid for  
6 performance. Those incentive programs do require a two  
7 percent meter because of the revenue exchange and because  
8 of the need for accuracy. So generally speaking, without  
9 the details, the reason is just accuracy and, as the  
10 Chair was saying, integrity for the RPS Program. WREGIS  
11 requires a two percent meter, we explored the exception  
12 that is available there, and looked at all the data, and  
13 brought a proposal to the Commission that we maintain the  
14 two percent metering requirement for all facilities using  
15 the RPS. I don't know if at this time you want to see if  
16 Mark's memory bank is holding any data, or if you'd like  
17 to have a private meeting on that.

18 COMMISSIONER MCALLISTER: Well, the key point  
19 I'm hearing --

20 CHAIRMAN WEISENMILLER: I was going to suggest  
21 you may want to -- I sort of focused in on the same  
22 issue, and actually some of these things are not even  
23 metered.

24 COMMISSIONER MCALLISTER: Oh, no, absolutely,  
25 no, I'm very very familiar with that meter --

1                   CHAIRMAN WEISENMILLER:   So the more I dived  
2 into it, the more I got comfortable, frankly, that this  
3 was the way to go.  But again, you always sort of have  
4 that twinge of "are we stuck there?"  But it's so  
5 important in maintaining the integrity.

6                   COMMISSIONER MCALLISTER:  No, absolutely, I  
7 mean, I'm extremely familiar with that metering landscape  
8 and was involved in developing those rules on the  
9 incentive program side for five percent meters, so that's  
10 kind of why I'm digging in a little bit on this now.  But  
11 the point being, one key point here seems like that if  
12 you don't have a two percent meter, you actually can't  
13 get your RECs certified by WREGIS.

14                  MS. ZOCCHETTI:     That's correct.

15                  COMMISSIONER MCALLISTER:  Is that correct?  
16 Okay, well, that seems like kind of a point to support.

17                  MS. ZOCCHETTI:  And I think for net metering,  
18 they do use two percent meters.  Is that --

19                  MR. KOOTSTRA:  The facilities that are metered  
20 by the utility are able to get a portion of their RECs  
21 certified, so any facility participating in an AB 920  
22 surplus arrangement are able to get that surplus  
23 certified.  Any facility that is even not participating  
24 in that but uses a utility meter and can demonstrate that  
25 there is a measure of output that exceeds the amount of

1 importation of electricity, they can use that because  
2 those utility meters are two percent. I will admit that  
3 it is significantly less than the total output of the  
4 entire facility, but they are still able to get a  
5 portion.

6 COMMISSIONER MCALLISTER: They're only  
7 measuring the access production, right?

8 MR. KOOTSTRA: Yes.

9 COMMISSIONER MCALLISTER: Okay. Anyway, I  
10 might actually go for a little bit more detail on this  
11 going forward, but it seems like one issue that the  
12 burdensomeness, just making sure that it's really  
13 necessary, if we have to sort of make a docket list of  
14 things going forward, we should. So I guess I'm  
15 interested in hearing from the other Commissioners and  
16 staff about the processes for keeping some of these  
17 issues alive where there has been debate and there's  
18 clearly been a perception that the time pressure has been  
19 challenging and, you know, some perception that we may  
20 not have come down at the right place on specific issues.  
21 So what's our sort of process -- after we given  
22 Commissioner Scott an opportunity -- just hopefully we  
23 can talk about the process of what the options are for  
24 keeping the issues alive on a timeframe that's meaningful  
25 for stakeholders.

1           MR. HERRERA: Yeah, so Commissioners, this  
2 document obviously is a living document and we've made a  
3 number of changes and the Commission can direct staff to  
4 explore issues and to come back within the spirit of a  
5 certain timeframe with proposed changes if they feel  
6 changes are warranted, and that's certainly an option  
7 that's available to the Commissioners. So on any one of  
8 these issues, for example station service, the Chair has  
9 already directed us to prepare an issue paper and  
10 workshop it, and storage, same thing. So those will be  
11 issues that we will come back to the Commission with  
12 suggested changes and those changes will probably need to  
13 be reflected in Guidebook changes, so there will  
14 certainly be an opportunity at that point to make  
15 additional changes.

16           COMMISSIONER MCALLISTER: So we don't have to  
17 wait for version 8, right, we can do this on the fly? Or  
18 do we have to wait for version 8, is that what you're  
19 saying?

20           MR. HERRERA: Well, but version 8 can come at  
21 any time.

22           COMMISSIONER MCALLISTER: At any time, got it.

23           COMMISSIONER SCOTT: I didn't have too much to  
24 add. I could see that the thought and the care and the  
25 diligence that has gone into crafting this updated

1 version of the Guidebook, and so I just wanted to echo my  
2 fellow Commissioners' thanks to the staff and all the  
3 others who did all this hard work on this.

4 MR. HERRERA: So, Chairman, before you vote on  
5 this matter, I just wanted to clarify what you meant when  
6 you suggested that on station service you believe what  
7 the status quo, or what you're proposing is that we not  
8 adopt any of the changes that have been proposed, but  
9 rather go back to the language in the 6th edition of the  
10 Guidebook that referred to an obligation by participants  
11 to be members in WREGIS and that requires compliance with  
12 WREGIS rules. If that's the proposal, I just want to  
13 make sure we're clear on the record.

14 CHAIRMAN WEISENMILLER: Yes.

15 MR. HERRERA: Okay.

16 CHAIRMAN WEISENMILLER: Correct. Okay, so we  
17 have dealt with these three items collectively and so now  
18 we need motions on each of them, and the motions need to  
19 reflect the Errata.

20 MR. HERRERA: Chairman, I think this item is  
21 just the RPS Eligibility Guidebook and the Overall  
22 Program Guidebook, and I think we should consider the  
23 lifting the resolution -- or, excuse me -- the lifting of  
24 the suspension separately.

25 CHAIRMAN WEISENMILLER: Okay, so we will deal

1 with 4 and 5 collectively, and then go to 6.

2 COMMISSIONER DOUGLAS: All right, so I'll move  
3 to approve Items 4 and 5 with the Errata and with Mr.  
4 Herrera's corrections to the Errata, the footnote,  
5 correct?

6 MR. HERRERA: Footnote 39, correct.

7 COMMISSIONER DOUGLAS: Footnote 39 of the  
8 Errata in Item 4, correct?

9 MR. HERRERA: That's correct.

10 COMMISSIONER DOUGLAS: And maintaining the  
11 status quo on station service. So, in other words, not  
12 adopting any new language on station service at this  
13 time.

14 COMMISSIONER SCOTT: Second.

15 CHAIRMAN WEISENMILLER: Okay, all those in  
16 favor of this motion?

17 (Ayes.) This item passes 4-0.

18 CHAIRMAN WEISENMILLER: Now let's go to Item 6,  
19 lifting the suspension.

20 MR. HERRERA: So, Chairman, would it be helpful  
21 for me to provide a little background, a little context,  
22 before you consider this matter?

23 CHAIRMAN WEISENMILLER: Sure.

24 MR. HERRERA: Okay. So this item will be  
25 Commission's approval to lift the suspension of the RPS

1 Eligibility Guidelines related to biomethane, and that  
2 suspension was put in place by the Energy Commission on  
3 March 28, 2012, and the suspension was memorialized in  
4 Resolution 12-0328-3.

5           A little background. So the RPS Eligibility  
6 Guidebook, the 4th Edition, which was adopted by the  
7 Commission in December of 2010, identified biomethane as  
8 an eligible renewable energy resource and it allowed  
9 power plants that utilized biomethane delivered through  
10 the natural gas pipeline system to be RPS certified  
11 subject to the requirements and conditions in the  
12 Guidebook.

13           With the enactment of SB 1X2 in 2011, the  
14 Energy Commission was forced to reevaluate the RPS  
15 Eligibility Guidelines for biomethane delivered through  
16 the natural gas pipeline and the reason it did was  
17 because, even though SB 1X2 did not change the law with  
18 respect to the RPS Eligibility of the renewable fuels  
19 that are used to derive biomethane or specify how those  
20 renewable fuels should be delivered, or used by a power  
21 plant. SB 1X2 did established preferences for  
22 electricity generation that provided more environmental  
23 benefits to the state. Those environmental benefits  
24 could come by displacing in-state fossil fuel  
25 consumption, reducing air pollution within the state, and

1 helping the state meet its climate change goals by  
2 reducing greenhouse gas emissions associated with  
3 electrical generation.

4           It wasn't clear to Commission staff whether and  
5 to what extent the rules in the 4th Edition of the RPS  
6 Eligibility Guidebook advanced the environmental goals of  
7 SB 1X2 since the Guidebook did not require, for example,  
8 that the biomethane that was eligible displaced in-state  
9 fossil fuel consumption, that it would result in air  
10 pollution reduction within the state. And also, they did  
11 not establish the degree of requirements to verify this  
12 quantity of biomethane that was claimed as being used by  
13 a power plant, or that the necessary biomethane  
14 attributes were transferred from the biomethane producer  
15 to the power plant operator. So in order to evaluate  
16 these issues and ensure that the intended benefits of SB  
17 1X2 were being realized, the Energy Commission suspended  
18 the RPS Eligibility Guidelines dealing with biomethane to  
19 give it a chance to evaluate these issues. At the same  
20 time, the Commission was informed that the Legislature  
21 was also concerned about these very issues and had  
22 expressed an interest in clarifying the RPS eligibility  
23 of biomethane. The Legislature subsequently enacted  
24 Assembly Bill 2196, which clarified the RPS Eligibility  
25 of biomethane in light of changes in the law in SB 1X2,

1 and also established RPS Eligibility requirements for  
2 biomethane, gave it some (indiscernible).

3           These new requirements for biomethane are now  
4 implemented in the adopted Guidebook by the Energy  
5 Commission, the RPS Eligibility Guidebook, and so  
6 therefore the Energy Commission staff now recommends the  
7 suspension on biomethane eligibility be lifted and our  
8 recommendation would be that the suspension be lifted at  
9 5:00 today, and that parties be allowed to submit new  
10 applications, or revised applications, for the RPS  
11 Eligibility of facilities using biomethane once the Final  
12 Guidebook is adopted and posted on the Energy  
13 Commission's website. Thank you.

14           CHAIRMAN WEISENMILLER: Thank you very much,  
15 Gabe.

16           COMMISSIONER DOUGLAS: Move Item 6.

17           COMMISSIONER MCALLISTER: Second.

18           CHAIRMAN WEISENMILLER: Okay, all those in  
19 favor?

20           (Ayes.) Item 6 is moved and it's adopted 4-0.

21           CHAIRMAN WEISENMILLER: So with that, I wanted  
22 to give a few acknowledgements. First of all, I  
23 certainly want to thank all the stakeholders for their  
24 participation in this process, particularly those of you  
25 who have been here today to share your perspective on the

1 issues. And I'd like to really thank the staff for their  
2 hard work on this. I think in the past year, I believe  
3 we've gone through three guidebook revisions, so this is  
4 one which is sort of -- it is a living document and, you  
5 know, as we go forward, and part of the reasons  
6 (indiscernible) find new issues emerge that affects the  
7 process. And certainly I want to thank them, I mean, for  
8 their expedited process to implement Assembly Bill 2196.  
9 That bill went into effect January 1, we have a staff  
10 paper out on the issues, workshopped it, and draft  
11 language within four months. So, again, that's a pretty  
12 heroic effort, essentially responding to the challenges  
13 of the times. And I think the thanks for that in part go  
14 to managers, obviously Rob Oglesby, Dave Ashuckian, Tony  
15 Gonzalez, by again, obviously a special thanks to Kate  
16 Zocchetti and her team, Mark Hofstra, Gina Barkalow, and  
17 Christina Crume, certainly thanks to all of you for your  
18 hard work on this. And of course, Gabe. I mean, Gabe  
19 always sets the bar for legal service. And as I noted  
20 before, certainly Commissioner Peterman and her Adviser  
21 really helped us get positioned for this, although as  
22 Commissioner Douglas indicated, we certainly had our fair  
23 share of digging into the issues; this thing really took  
24 a village to get to where it is.

25 And again, I think also in terms of talking

1 about the assistance on this, I really need to thank the  
2 PUC Commissioners, too. You know, we worked very closely  
3 with Commissioners Peevey, Ferron, and Florio, and  
4 separately of course (indiscernible), and their Energy  
5 Division staff to make sure that we could go through all  
6 the issues in the Guidebook, I mean, getting consistency  
7 means you really have to work at it and we really had a  
8 lot of work back and forth. As Andy said, certainly a  
9 lot of work on the issues revolving on the storage. And  
10 obviously I want to thank my Chief of Staff, Kevin  
11 Barker, who really helped me through this, and he had  
12 some assistance from dealing with Andy, too, on sort of  
13 working through the nuts and bolts. So, again, a huge  
14 team effort, certainly a lot of improvements on the  
15 existing Guidebook. At the same time, as I said, I think  
16 it's important to get the Guidebook on the street to deal  
17 with market certainty issues for a lot of people, and at  
18 the same time, as I said, this bus will be back and we'll  
19 pick up some of the areas, particularly station service  
20 and storage where we need to keep digging into the issue  
21 and get it right. So with that, let's go on to Item 7.  
22 So, again, thanks.

23           So Item 7 is Walnut Valley Unified School  
24 District. Possible approval of Agreement ARV-12-040 with  
25 the Walnut Valley Unified School District for \$278,261.

1 And this is ARFVTP funding. Akasha Kaur Khalsa, please.

2 MS. KAUR KHALSA: Good morning, Commissioners.

3 My name is Akasha Kaur Khalsa, I'm from the Emerging  
4 Fuels and Technologies Office, the Fuels and  
5 Transportation Division. Staff requests approval of  
6 Agreement ARV-12-040 with the Walnut Valley Unified  
7 School District for a \$278,261 grant to upgrade and  
8 expand their existing compressed natural gas fueling  
9 station with two new compressors to fuel 16 buses  
10 simultaneously, overnight. This project will allow the  
11 district to reliably refuel their existing fleet of  
12 compressed natural gas busses and continue replacing  
13 their older diesel buses with lower emission CNG buses.

14 The District expects to save approximately  
15 \$49,500 annually from fuel purchase and reduce emissions  
16 by 14 times the carbon dioxide equivalent annually once  
17 11 more buses are replaced within the next two years.

18 CHAIRMAN WEISENMILLER: Thank you.

19 Commissioners, any questions or comments?

20 COMMISSIONER DOUGLAS: No. I move approval of  
21 Item 7.

22 COMMISSIONER SCOTT: Second.

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

25 (Ayes.) Item 7 passes 4-0. Thank you.

1                   CHAIRMAN WEISENMILLER: Let's go to Item 8, Los  
2 Angeles Unified School District. Possible approval of  
3 Agreement ARV-12-041 with the Los Angeles Unified School  
4 District for \$300,000. James Zhang.

5                   MR. ZHANG: Good morning, Commissioners. My  
6 name is James Zhang and I work in the Emerging Fuels and  
7 Technologies Office. Today staff is seeking your  
8 approval of a grant for \$300,000 to the Los Angeles  
9 United School District, responding to PON-11-602 with the  
10 intention to support alternative fuels infrastructure.  
11 The Los Angeles Unified School District will install 30  
12 single slow-fill compressed natural gas (CNG) dispensing  
13 units at the San Julian Bus Lot. Currently, there are no  
14 dedicated CNG fueling in the downtown area for the school  
15 district, thereby limiting the school district's ability  
16 to replace this existing diesel fleet with CNG vehicles.  
17 South Coast Air Quality Management District will be  
18 significantly expanding its school bus replacement,  
19 therefore encouraging CNG infrastructure and dispensing  
20 units at the school district will accelerate the  
21 conversion of 92 diesel buses into CNG vehicles which  
22 serve public schools within the downtown area of the  
23 school district. The beneficiaries of the proposed  
24 project are the students and the operations of the School  
25 District's Transportation Service Division. The project

1 will provide continued support for students by providing  
2 safe dependable transportation services for students.

3 As the diesel buses are replaced, it is  
4 estimated that it will reduce greenhouse gas emissions by  
5 600 metric tons per year and eliminate emissions of 1,400  
6 pounds of particulate matter per year, thereby reducing  
7 the harmful effects of diesel emissions for the students.

8 In closing, staff asks the Commission to  
9 support approval of Agenda Item 8 for a grant agreement  
10 with the Los Angeles Unified School District in the  
11 amount of \$300,000.

12 CHAIRMAN WEISENMILLER: Thank you. I believe  
13 we have a representative of the School District on the  
14 phone.

15 MS. KIM: My name is Yihwa Kim. Good morning,  
16 Commissioners. The Transportation Services Division of  
17 the Los Angeles Unified School District would like to  
18 thank this Commission for the opportunity to install 30  
19 single slow-fill CNG dispensing units at the San Julian  
20 Bus Lot. This would really help facilitate the  
21 District's efforts on environmental stewardship and the  
22 use of alternative fuel vehicles by expanding our CNG  
23 fueling infrastructure. Thank you very much.

24 CHAIRMAN WEISENMILLER: Thank you.

25 COMMISSIONER MCALLISTER: I will move Item 8.

1 COMMISSIONER SCOTT: Second.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes.) Item 8 passes 4-0. Thank you.

4 CHAIRMAN WEISENMILLER: Let's go to Item 9.

5 Anaergia Services LLC. Possible approval of Agreement

6 PIR-12-002 for \$395,121, and this is PIER natural gas

7 funding. David Effross.

8 MR. EFFROSS: Good morning, Commissioners. As

9 you already know, I'm David Effross from PIER

10 Transportation and staff requests approval of this

11 agreement with Anaergia Services. This agreement came

12 out of the solicitation PON-12-506, which was a

13 solicitation for technologies that produce renewable

14 natural gas with value added co-products or co-benefits.

15 The reason those value added co-products and co-benefits

16 were specifically targeted is because, as everyone knows

17 now, natural gas that comes out of the ground is hitting

18 historical prices, and for renewable natural gas to

19 compete, we need to find ways to lower the prices and

20 such ways would of course include additional revenue

21 streams. This assisted project uses pyrolysis to reduce

22 green waste through a condensate which can later be fed

23 into a digester to produce natural gas and also to

24 utilize biochar which is a soil amendment, which is the

25 value-added revenue stream.

1 I also have with us here Juan Josse, who is the  
2 Chief Engineer of Anaergia Services, to answer any  
3 specific and technical questions.

4 CHAIRMAN WEISENMILLER: Great. Thank you. Mr.  
5 Josse, do you want to come forward?

6 MR. JOSSE: Thank you very much. Good morning  
7 and thank you for the opportunity to be here.

8 CHAIRMAN WEISENMILLER: Thanks for being here.  
9 Commissioners, any questions or comments for either of  
10 these gentlemen?

11 COMMISSIONER MCALLISTER: I'd kind of like to  
12 know a little bit about the site and the sort of facility  
13 they're going to be doing this work in.

14 MR. JOSSE: Sure. We have had conversations  
15 with the City of Anaheim, it handles 400 to 600 tons of  
16 green waste per day, and the idea is in that facility to  
17 locate a smaller Priority 6 unit in order to get 300 to  
18 600 tons per day, a smaller demonstration, but it would  
19 handle approximately 400 pounds an hour, and the concept  
20 is to generate the condensate there (indiscernible) 250  
21 gallon to demonstrate the digestibility of this  
22 condensate. We have been working in our labs and have  
23 been obtaining an excellent biogas yield from the  
24 pyrolysis and green waste pyrolysis liquid. So the  
25 objective is to demonstrate up there and we can generate

1 (indiscernible) 250 gallons per day of this liquid that  
2 we will store over the week, and then it would be part of  
3 our concept to introduce that into a large digester. We  
4 have a digester demonstration in Victorville, of the  
5 Imperial Valley Wastewater Reclamation Authority, and our  
6 concept is that we want to demonstrate at the location in  
7 Anaheim (indiscernible). We will take basically 3,000  
8 gallons every week to this digester in Victorville and we  
9 will feed that to this digester, co-digesting with sewage  
10 and with food waste to further demonstrate a larger scale  
11 the digestibility of this condensate.

12 COMMISSIONER MCALLISTER: Interesting. Where  
13 is the match coming from?

14 MR. JOSSE: Excuse me?

15 COMMISSIONER MCALLISTER: Where is the match  
16 funding coming from? Is it coming from the company  
17 itself, or from a different source, the match funding?

18 MR. JOSSE: Oh, the match funding is from our  
19 company, our company's energy services, we are in  
20 Carlsbad, California, and we are an anaerobic digestion  
21 and waste to value company. We develop our own  
22 technologies and also develop projects, energy projects,  
23 and so the match funding which is about \$440,000, is from  
24 us.

25 COMMISSIONER MCALLISTER: Thank you.

1 CHAIRMAN WEISENMILLER: Thank you. Any  
2 questions or comments? A motion?

3 COMMISSIONER SCOTT: I move Item 9.

4 COMMISSIONER DOUGLAS: Second.

5 CHAIRMAN WEISENMILLER: All those in favor?

6 (Ayes.) Item 9 passes 4-0. Thank you. Thanks  
7 for being here.

8 MR. JOSSE: Thank you.

9 CHAIRMAN WEISENMILLER: Let's go on to Item 10,  
10 which is Foresight Renewable Solutions. Possible  
11 approval of Agreement PIR-12-004 for \$1,749,000. This is  
12 PIER Electric Funding. Mike Kane.

13 MR. KANE: Good morning, Commissioners. I'm  
14 Mike Kane with the Energy Generation Resource Office.  
15 This project of Foresight Renewable Solutions is one of  
16 the recommended projects from our recent grant  
17 solicitation named Community Scale Renewable Energy  
18 Development Deployment and Integration, or REDDI. This  
19 project falls under the research area of Community-Scale  
20 Renewable Integration Demonstration of the REDDI  
21 solicitation. In this project, Foresight Renewable  
22 Solutions will partner with light-scale energy in the  
23 Naval Facilities Engineering Command at Naval Base  
24 Ventura County to deploy and demonstrate solar PV  
25 integrated with an innovative energy source system and

1 microgrid management capability at the Navy's Engineering  
2 and Expedition Worker Center. Key features of the  
3 project will include installation of approximately 150  
4 kilowatts of solar PV at the Center's Mobile Utility  
5 Support and Equipment, or MUSE facility, deployment of a  
6 beta version of an above-ground compressed air energy  
7 storage system, also known as CAESS. The system will be  
8 sized at approximately 300 kilowatts and have about one  
9 megawatt hour storage capacity. The real world  
10 demonstration of light-scale's unique thermal compressor  
11 work expander that it uses water injection during the  
12 compression and expansion phases and microgrid capability  
13 sufficient to enable the solar storage system to support  
14 critical MUSE facility loads for up to 24 hours in fully  
15 islanded mode. This project will highlight for the first  
16 time the bulk storage capability of above-ground CAESS  
17 technology, which has the potential to achieve high  
18 energy density at low cost, to enable intermittent  
19 distributor renewable electricity to support community-  
20 scale applications requiring high energy security and  
21 high demand. If successful, this project will be a  
22 significant step towards shaping the dispatch  
23 characteristics of intermittent renewables to effectively  
24 mimic conventional generation.

25 This grant is for \$1,749,000 with match funding

1 of \$1,243,570 in the form of cash and in-kind services  
2 from Foresight and its partners. We are requesting your  
3 approval of this grant agreement. Thank you.

4 CHAIRMAN WEISENMILLER: Thank you.

5 Commissioners, any questions or comments?

6 COMMISSIONER DOUGLAS: No. I move approval of  
7 Item 10.

8 COMMISSIONER SCOTT: Second.

9 CHAIRMAN WEISENMILLER: All those in favor?

10 (Ayes.) Item 10 passes 4-0. Thank you.

11 COMMISSIONER WEISENMILLER: Let's go on to Item  
12 11. Electricore, Inc. Possible approval of Agreement  
13 PIR-12-005 with Electricore for a \$750,000 grant. Rhetta  
14 DeMesa, please. And this is PIER Electricity Funding.

15 COMMISSIONER MCALLISTER: I will recuse myself  
16 from this item because a former employer of mine is  
17 actually settling (ph) this contract, so I won't vote.

18 MS. DEMESA: Good morning, Chairman and  
19 Commissioners. My name is Rhetta DeMesa with the Energy  
20 Generation Research Office. And we are seeking approval  
21 today of the \$750,000 grant to Electricore, resulting  
22 from a solicitation that focused on plug-in electric  
23 vehicle battery standardization recycling.

24 Under the agreement, Electricore will work in  
25 collaboration with the California Center for Sustainable

1 Energy (indiscernible) gas and electric and Ricardo (ph)  
2 to complete an in-depth study of the potential impacts of  
3 the design and process changes required for PEV system  
4 standards, including manufacturing and design vehicle  
5 competitiveness with other technologies and battery  
6 removal and manufacturing costs, and the economic  
7 benefits that would result from those.

8           To complete this, Electricore will survey the  
9 PEV marketplace, including OEM and battery manufacturers  
10 and utilities and propose design options for  
11 standardization of battery modules for vehicle and  
12 (indiscernible) applications.

13           Also, they will use lessons learned from  
14 previous standardization efforts and techno-economic  
15 modeling to identify barriers of having standard battery  
16 system design, and provide recommendations of potential  
17 paths to commercial adoption. Information resulting from  
18 this effort will be used to inform industry of the market  
19 value of the standardization of battery systems, develop  
20 battery standardization strategies, and identify the cost  
21 and benefits associated with developed strategies, as  
22 well as the overall impacts making the commercial PEV  
23 market in California more economically viable.

24           In closing, staff recommends approval of this  
25 agreement.

1 CHAIRMAN WEISENMILLER: Thank you.

2 COMMISSIONER DOUGLAS: So thank you for that.

3 This looks like another really good project. I'll move  
4 approval of Item 11.

5 COMMISSIONER SCOTT: Second.

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

8 (Ayes.) This item passes 3-0. Thank you.

9 CHAIRMAN WEISENMILLER: Let's go on to Item 12.  
10 Humboldt State University Sponsored Programs Foundation.

11 MR. O'HAGAN: Good morning, Commissioners.

12 CHAIRMAN WEISENMILLER: Hang on two seconds.

13 So first of all, this is Agreement 500-12-005. This is  
14 \$200,000. This is Pier Electricity Funding, with Joe  
15 O'Hagan, and I just needed to let Commissioner McAllister  
16 to come back on the dais.

17 MR. O'HAGAN: Thank you, Chairman Weisenmiller.

18 Good morning, Commissioners. My name is Joe O'Hagan.

19 I'm in the Energy Generation and Research Office in the  
20 R&D Division. A major issue for wind and solar energy  
21 permitting in the Desert Renewable Energy Conservation  
22 Planning area has been a lack of information on the  
23 population's status and dynamics of Golden Eagles. This  
24 is a protected species under the Bald and Golden Eagle  
25 Protection Act, and there's also a need for information

1 on their demographic status to inform mitigation and  
2 management strategies to be identified in the DRECP plan,  
3 itself. There's also a need for information on how  
4 renewable energy development in the DRECP will affect the  
5 species.

6           The proposed project before you is to address  
7 information on the status of the species by conducting a  
8 series of aerial transects, by having aircraft identify  
9 the age and abundance of Golden Eagles within the DRECP  
10 and adjacent areas in Imperial County. A large number of  
11 transects will be conducted, the first set will be early  
12 in the year during the breeding season, and then the  
13 second set will be conducted late summer, early fall,  
14 when the flood zone has left in that.

15           This project was developed through a working  
16 group of Federal and State agency staff in trying to  
17 identify research priorities addressing the Golden Eagle  
18 and the DRECP, and this project and a companion project,  
19 which is on the May 8th Business Meeting agenda also  
20 addresses the Golden Eagle.

21           I'm available for any questions, and thank you  
22 very much.

23           CHAIRMAN WEISENMILLER: Thank you.

24           COMMISSIONER DOUGLAS: I will raise a comment  
25 first. Thank you for that presentation and thanks for

1 your work in this area. This is really important work  
2 because issues related to the possibility of take of the  
3 Bald and Golden Eagle, particularly the Golden Eagles in  
4 many of the areas where we work, are a real and present  
5 concern with permitting renewable energy projects, both  
6 wind and sometimes solar thermal. Projects have  
7 encountered that issue and increasingly photovoltaic  
8 projects that are proposed are also having to analyze  
9 potential impacts on Golden Eagles, particularly due to  
10 potential loss of forage. So there are a number of  
11 different ways that renewable energy projects can affect  
12 eagles and this research will be extraordinarily valuable  
13 for the State in partnership with the Federal agencies  
14 and stakeholders to really improve our handle on eagle  
15 populations, on ways of thinking about eagle  
16 conservation, and within the context of thinking about  
17 eagle conservation understanding better what types of  
18 mitigation and what types of investments in conservation  
19 are best placed to really support eagle populations. So  
20 I see this as very important and very timely work, and so  
21 appreciate you bringing this forward. I look forward to  
22 moving the item, unless there are any other questions. I  
23 don't see any. So I move approval of Item 12.

24 COMMISSIONER MCALLISTER: Second.

25 CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.) Item 12 passes 4-0. Thank you.

2 MR. O'HAGAN: Thank you very much.

3 CHAIRMAN WEISENMILLER: Let's go on to Item 13.

4 U.C. Davis. Possible approval of Agreement 500-12-06.

5 This is for a \$900,000 Interagency Agreement, and this is

6 PIER natural gas funding. Simone Brant.

7 COMMISSIONER DOUGLAS: Chairman Weisenmiller,  
8 before we continue with this item, I just wanted to make  
9 one disclosure. On Item 13, the Regents of the  
10 University of California is an interested party; I'd like  
11 to disclose for the record that I'm an Adjunct Professor  
12 at the University of California. This is at King Hall,  
13 the U.C. Davis School of Law, where I am teaching a  
14 Renewable Energy Law seminar. King Hall is a different  
15 department than the department interested in this  
16 contract, therefore our Chief Counsel advises that  
17 there's no conflict of interest. For the record, I'll  
18 also disclose that I am teaching this seminar with Chief  
19 Counsel Michael Levy, so this disclosure relates to him,  
20 as well.

21 MS. BRANT: Good morning, Commissioners. I'm  
22 Simone Grant from the Energy Generation Research Office.  
23 Staff requests approval of this agreement with U.C. Davis  
24 for \$900,000. Our greenhouse gas emissions inventory  
25 estimates that 1.6 percent of natural gas is lost through

1 fugitive methane emissions. There's evidence that this  
2 figure is un-estimated; for example, a recent study in  
3 Los Angeles estimated methane emissions at 3 percent.

4           In terms of meeting the State's greenhouse gas  
5 (indiscernible), it's important to get a better estimate  
6 of the volume of fugitive emissions for the natural gas  
7 infrastructure and where the leaks are located. This  
8 will provide a more reliable baseline from which to  
9 measure and reduce emissions and enable identification of  
10 mitigation options. The study will survey methane  
11 emissions from key sectors of the natural gas system,  
12 including production, processing, transmission,  
13 distribution, and end-uses in buildings, air base, land  
14 base, and building level measurements will be taken to  
15 quantify emissions at building neighborhood facilities at  
16 reasonable levels.

17           CHAIRMAN WEISENMILLER: Thank you. I was just  
18 going to say this is extremely important for a couple of  
19 reasons, obviously we need to understand the fugitive  
20 emissions, the other thing is obviously, as we've all  
21 looked at safety issues, and I guess May 6th, a lot of  
22 that comes together in the PUC context, that at least the  
23 EPA recently reported this week that obviously, in terms  
24 of technological challenges, you know, reducing leaks on  
25 pipes, is less than some of the other things we're

1 dealing with, and to the extent that adds both economic  
2 and environmental value, and safety issues, that  
3 presumably we're going to see more progress on this issue  
4 over time, but at least study at the baseline, identify  
5 where the leaks are so we can come up (indiscernible) is  
6 just critical. Any other questions or comments?

7           COMMISSIONER MCALLISTER: Yeah, I would just  
8 echo what Chair Weisenmiller said. This is a really  
9 critical effort to generate baseline information to  
10 understand our infrastructure, our aging infrastructure  
11 in many cases, and particular as this relates to climate  
12 change, you know, obviously a huge deal with lots of  
13 differing opinions and not as much factual basis as we  
14 would like to understand what the fugitive emissions  
15 actually are, and if it turns out there they're a couple  
16 percentage swing either way, that's actually really  
17 critical for understanding the common impact of our  
18 natural gas systems. So I'm really excited about this  
19 and I feel like it's a good project.

20           So I will move Item 13.

21           COMMISSIONER DOUGLAS: Second.

22           CHAIRMAN WEISENMILLER: All those in favor?  
23           (Ayes.) Item 13 passes 4-0. Thank you.

24           CHAIRMAN WEISENMILLER: Items 14, 15 and 16  
25 will have at least a common presentation on that. So

1 these are contracts with PG&E, San Diego, and Edison.  
2 These are amendments to contracts from the New Solar  
3 Homes Administration. And these all have RRTF and ERPA  
4 funding. And for PG&E, it's \$685,562; for San Diego,  
5 it's \$360,087; and for Edison, it's \$454,351. And Le-  
6 Guyen Nguyen is going to give this presentation today.

7 MS. NGUYEN: Good morning, Chairman and  
8 Commissioners. My name is Le-Guyen Nguyen. I'm the  
9 program lead for the New Solar Homes Partnership Program.  
10 I will be presenting Items 14, 15 and 16 today. All  
11 three items are amendments to existing contracts for the  
12 administration of the New Solar Homes Partnership Program  
13 at Pacific Gas & Electric Company, Southern California  
14 Edison Company, and San Diego Gas & Electric.

15 The New Solar Homes Partnership Program, also  
16 known as NSHP, began in January 2007 and has the goals on  
17 selling 400 megawatts of solar electric capacity by the  
18 end of 2016. The program is designed to offer incentives  
19 to builders and homeowners for the installation of  
20 eligible solar energy systems on new and energy efficient  
21 residential construction.

22 In 2007 and 2008, the Energy Commission entered  
23 into agreements with PG&E, SCE and SDG&E for the  
24 administration of the New Solar Homes Partnership Program  
25 in their respective electric service territories. Under

1 these agreements, the administration and duties include  
2 the day-to-day processing of reservation applications and  
3 payment claims to the operations of a call center and  
4 various other customer service activities.

5 All three administration agreements are  
6 scheduled to expire on June 30, 2013. The proposed  
7 amendment adds additional time and funding to each  
8 agreement and includes minor changes in the scopes of  
9 work to allow for continued administration of the program  
10 by PG&E, SCE, and SDG&E.

11 Item 14 is a contract amendment for PG&E. The  
12 proposed amendment adds \$685,562 and extends the  
13 agreement by 18 months; Item 15 is a contract amendment  
14 for SDG&E, the proposed amendment adds \$360,087 and  
15 extends the agreement by 18 months; and Item 16 is a  
16 contract amendment for SCE, and this proposed amendment  
17 adds \$454,351, and also extends the agreement by 18  
18 months.

19 I respectfully request your approval of Items  
20 14, 15 and 16, and I would be happy to take any questions  
21 or comments you may have.

22 CHAIRMAN WEISENMILLER: Thank you. We also  
23 have Valerie Winn who would like to speak, so we'll take  
24 Valerie's comments and then we'll take questions or  
25 comments for both of them.

1 MS. WINN: Good morning again. Valerie Winn  
2 with Pacific Gas & Electric Company. We wanted to  
3 express our support for the approval of this contract.  
4 We have a long history of working with the Energy  
5 Commission and the administration of the New Solar Homes  
6 Partnership, and this contract will have us continuing to  
7 do that work for some time going forward. We have been  
8 trying to work with staff to have some additional  
9 flexibility added to the contract, particularly where  
10 there are changes in the program scope and where our team  
11 has been asked to take on additional tasks that may not  
12 have been envisioned in the original program agreement.

13 We certainly believe we'll be able to continue  
14 to administer the program with the funds that will become  
15 available over the next 18 months, but certainly it  
16 really highlights our need to move forward with  
17 streamlining of the program so that we'll be able to  
18 continue our administrative functions within the projects  
19 that have been authorized.

20 So thank you for your support on this program,  
21 and we do look forward to continuing to work with the CEC  
22 on this program.

23 CHAIRMAN WEISENMILLER: Thank you. I mean,  
24 obviously I was going to say, I mean, certainly one of my  
25 hopes is that we can figure out ways to streamline the

1 program and I think Commissioner McAllister, I mean, who  
2 is certainly responsible for the streamlining, we'll talk  
3 about that --

4 COMMISSIONER MCALLISTER: I share that hope.

5 CHAIRMAN WEISENMILLER: -- and at the same  
6 time, you know, it is true that we do get the calls from  
7 whatever angry constituents about the administration of  
8 it, so if we can get this simpler, either through  
9 streamlining, flexibility, or whatever, that would be  
10 very good.

11 COMMISSIONER MCALLISTER: So thank you,  
12 Valerie, for your comments. As everyone may know, but  
13 I'll say it, staff is going to have a workshop here in  
14 the next month or so on -- could you remind us of the  
15 date, Le-Guyen?

16 MS. NGUYEN: We don't have it scheduled yet --

17 COMMISSIONER MCALLISTER: Oh, we haven't  
18 scheduled it yet, okay --

19 MS. NGUYEN: But we're hoping for the end of  
20 June, beginning of July.

21 COMMISSIONER MCALLISTER: Okay, so a little bit  
22 further up in the month, but there's a staff workshop  
23 coming out to highlight some of the issues that we  
24 definitely know that we definitely want to get on the  
25 table to resolve, and then I am planning after that very

1 likely to open up a proceeding, a (indiscernible) process  
2 for the NSHP really with an eye to streamline and making  
3 the program more useable really, now that we have a  
4 healthy market, we have development going on, that's a  
5 very good thing, the numbers are much bigger than they've  
6 ever been, another great thing, and we have a program  
7 that was designed for sort of a different reality, I  
8 mean, and we need to update that program design and make  
9 sure that what we're asking of the marketplace makes  
10 sense and is doable for them in a reasonable timeframe.  
11 And so that's the overall goal. We're very much looking  
12 forward to all the stakeholders jumping on that and  
13 particularly to the investor-owned utilities who have  
14 been administering the program, so we can highlight any  
15 issues, both between the Commission and the  
16 administrators and between both the stakeholders who want  
17 to participate and avail themselves of the resources that  
18 the program brings. The interaction, the relationship  
19 between energy efficiency and solar is obviously one of  
20 the key areas where we need to really talk through what's  
21 appropriate, so I'm looking forward to doing that. And  
22 the overarching goal is to make it useable for the  
23 participants and also make the most effective use of  
24 state resources that we possibly can. And I think we are  
25 fortunate in that we have a lot of uptick in the

1 marketplace and we can use that to our favor to make sure  
2 that we're doing the right thing for that marketplace.  
3 So a lot of people are interested in this who are going  
4 to bring good ideas to the table, so I'm excited to get  
5 that going. So I would support all three of these items.

6           So I'll just go ahead and move Items -- should  
7 I do them one-by-one?

8           COMMISSIONER DOUGLAS: All three.

9           COMMISSIONER MCALLISTER: Great. So I will  
10 move Items 14, 15 and 16.

11           COMMISSIONER DOUGLAS: Second.

12           CHAIRMAN WEISENMILLER: All those in favor?

13           (Ayes.) Items 14, 15 and 16 are approved 4-0.

14 Thank you.

15           MS. NGUYEN: Thank you.

16           CHAIRMAN WEISENMILLER: Let's go on to Item 17,  
17 Minutes. Possible approval of April 10th Business  
18 Meeting Minutes.

19           COMMISSIONER DOUGLAS: Move approval.

20           COMMISSIONER SCOTT: Second.

21           CHAIRMAN WEISENMILLER: I'm going to abstain on  
22 this issue.

23           COMMISSIONER MCALLISTER: All in favor?

24           (Ayes.)

25           CHAIRMAN WEISENMILLER: So it's 3-0, approved.

1           Let's go on to Lead Commissioner and Presiding  
2 Member Reports.

3           COMMISSIONER MCALLISTER: I just want to  
4 highlight a couple of things. The week before last, I've  
5 been to a couple of events that I wanted to highlight,  
6 one was a Fall (ph) Leaders event over at the PUC about  
7 data, nominally -- mostly about the use of customer  
8 consumption data for analysis purposes and established  
9 baselines, and the main presentation was from UCLA,  
10 they've been doing quite a bit of work with DWP on  
11 establishing energy consumption baselines and  
12 understanding patterns in the LADWP area, not at the  
13 individual customer level, but at a slightly more  
14 aggregated level, and there's a lot of discussion there  
15 about the possibilities -- well, the need for and the  
16 possibilities for better information both for the  
17 agencies, ourselves, and for researchers certainly to ask  
18 the important questions of the day to help inform policy,  
19 then more broadly what kinds of information should be  
20 acceptable, more publicly. Obviously lots of discussion  
21 and caveats about the security and the customer privacy  
22 issues involved, but -- and I was a panelist there really  
23 to talk about it from the agency's perspective, from the  
24 CEC's perspective, what we need going forward. We've  
25 learned a lot with ARRA funds and sort as we have moved

1 into a more -- as we have been apt to be more of a  
2 program administrator over time and also we really --  
3 California is moving towards a more distributed energy  
4 future and, as we should be, as we get asked by the  
5 Legislature, by the individual members, and others in the  
6 Capitol and beyond, to be accountable for our program  
7 decisions and what we're doing out there in the world, we  
8 also need -- and I absolutely want to answer those  
9 questions, as I'm sure the other Commissioners do as well  
10 -- we do need data commensurate with the questions being  
11 asked, and in order to have transparency and  
12 accountability. And to inform good policy going forward,  
13 we really do need a higher level and more consistent and  
14 longitudinal information about how people are using  
15 energy and how people are participating in the programs  
16 that we design and implement, we have different ways  
17 there, but specifically to the Commission. So I thought  
18 that was a really good start to the discussion. The PUC  
19 has a number of proceedings that are relevant for the  
20 data question, certainly the Smart Meter proceeding is  
21 one of those, but really this is not even primarily, I  
22 would say, about Smart Meter data, it's really about just  
23 having more longitudinal data, even if it's just monthly  
24 billing data, and kind of project program-related  
25 information that then can actually help us move the

1 mountains that we need to move going forward, as we have  
2 incredibly aggressive goals for energy efficiency. We're  
3 trying to do Demand Response, we're trying to understand  
4 how those interact with local small-scale generation, and  
5 how those impact the electricity grid, just a lot of  
6 important questions that we need to more granular  
7 information to appreciate it. So I offered to assist and  
8 possibly host a follow-up discussion here in Sacramento,  
9 it might happen here, it depends on how it takes shape,  
10 but this issue is particularly important and we're teeing  
11 it up in the AB 758 context to enable -- establish some  
12 of the metrics and to let us really understand how the  
13 marketplace is evolving over time with the existing  
14 building upgrades. So I wanted to highlight that.

15           And then the next thing, I actually did an  
16 event in LA, the LA Sustainability Summit, organized by  
17 the LA Business Council, and it was a really excellent  
18 day long set of panels, and I was able to moderate one  
19 with Ron Nichols from LADWP, with Nancy Skinner,  
20 Assemblywoman Skinner, Senator Pavley (indiscernible),  
21 and Richard Maulin, so it was really a fun panel, sort of  
22 looking towards the future of the energy system. So I  
23 thought it was really excellent and from that, I think LA  
24 is its own thing, it really is a unique entity, large  
25 large lots of different stakeholders, unique politics to

1 that particular area, and so that generates a lot of  
2 interesting discussions that I think often are going to  
3 always make it up to Sacramento. And one in particular I  
4 would like to highlight is the LA FIT, the Feed-In Tariff  
5 Program, it started out with 17 cents, and that tranche  
6 got eaten up pretty much immediately, they're going to go  
7 down to I think 15 or 13 cents, and the 13 cents, and  
8 then they're going to revisit and see whether those  
9 prices could even be lowered further. So I think they  
10 have had incredible success in a very short period of  
11 time with -- it's the largest FIT in the state that's  
12 currently in operation, and I think it's an extremely  
13 valuable example to look at broadly as a policy community  
14 and I would just end by saying that companies who have  
15 been reticent to come to California to develop solar,  
16 when the LA FIT came out, they dropped everything and  
17 they rushed out here and opened offices, and put in bids  
18 and they're now building projects, and I think that's a  
19 really good demonstration of how a program like that can  
20 stimulate the marketplace in a good way. So I enjoyed  
21 that and look forward to it next year.

22 CHAIRMAN WEISENMILLER: Yeah, I was going to  
23 say the last couple of events I've been to in LA, I've  
24 had the similar feeling that, you know, we do need to  
25 actually have a presence there, you know, that it is as

1 you know a very large sophisticated area that the PUC has  
2 the luxury of having an office in LA, we don't, so I  
3 think that makes it more incumbent on the Commissioners  
4 to spend some face time down there.

5 I was going to mention, in terms of stuff that  
6 I've done the last couple of weeks, obviously I missed  
7 the last Business Meeting, first I'll start with CFEE, at  
8 least so far, they had their annual meeting on energy  
9 which is their opportunity to sort of provide a very  
10 broad context for new Legislators on energy, and there  
11 are a substantial number of new Legislators this year,  
12 and a fair number of those -- and actually quite  
13 experienced Legislators who were there -- I was there,  
14 Kevin Barker was there for a day, Commissioner McAllister  
15 was there, Rob Oglesby was there also for a day, pretty  
16 good sessions, so far none of us have made it in the  
17 *Chronicle* for having attending it, but it was sort of a  
18 good event. I actually spoke on two panels, one was  
19 Commissioner Peevey, President Peevey, on loading order,  
20 and then started off the next day with Mary Nichols,  
21 Steve Berberick (ph) and Peevey again on coordination  
22 across the agencies. And both of those were fun  
23 discussions, and Andrew was on a panel on Energy  
24 Efficiency, so again we've sort of covered the waterfront  
25 for the new Legislators, and a good chance to talk. I

1 would point out in passing that Mary Nichols made the *New*  
2 *York Times* list of top 100 Influential People for her  
3 public service in the environment, in quite a -- well,  
4 she's done quite a lot and it's quite a testimony to what  
5 she's done.

6           The other thing I was going to mention was  
7 obviously I've been to China with the Governor. That was  
8 a wonderful opportunity. There was a small handful of  
9 State officials, a delegation of about 90 people, so you  
10 can imagine at one point I got the email which ultimately  
11 went through the number of miles, the number of cities,  
12 the number of banquets, we didn't try the number of times  
13 Mike Rossi (ph) got lost, you know, the number of high  
14 speed rail trips, we did one from Beijing to Shanghai,  
15 and then we did one from Shanghai to Nanjing. Obviously  
16 at some point it became more the smaller -- along with  
17 the stuff with the delegation, the Governor had a very  
18 active series of meetings with Chinese officials ranging  
19 from the Premier of China through national officials who  
20 obviously some of the cities, having said that, for  
21 scale, if you're in a city of 23 million people, that's  
22 not quite California, but in fact there's a city of 33  
23 million people, so even going from the experience in  
24 China, I think some of the new initiatives are more  
25 likely at a provincial or city level, so again we really

1 covered the waterfront on meetings and, beyond that, Matt  
2 Rodriguez and I did a series of meetings with different  
3 both local officials and with NGOs, so I think in terms  
4 of seeing the sites, I had a 45-minute sprint through the  
5 Forbidden Cities, you know, and in Shanghai I managed not  
6 to get caught up in one afternoon at another banquet and  
7 at least saw some of the city, but it was a pretty  
8 intense period of time, but we got a lot accomplished and  
9 certainly the Administration's position is we will  
10 follow-up on stuff. And I should also mention certainly  
11 we offered -- we opened up a trade mission in Shanghai  
12 and, as part of the Shanghai event there, there was  
13 another event in the U.S. Embassy in Beijing, basically  
14 Rossi announced several -- basically some substantial  
15 deals that were pulled together as a result of our trip.  
16 So, again, it was pretty successful ranging from the  
17 business development side to the conversations with the  
18 Chinese on this, and energy issues, and basically at the  
19 same time certainly it's always fun to listen to the  
20 Governor particularly in the conversations we were having  
21 with the Chinese officials, they really liked it at the  
22 end because actually the Shanghai newspaper commented  
23 that, along with other things, he's sort of talking about  
24 the cultural issues that, you know, China has such a long  
25 legacy of culture, he sort of quoted Confucius at various

1 times and sort of tried to connect back to the more human  
2 element along with business issues and environmental  
3 issues that we're struggling with. So, anyway, it was a  
4 fascinating -- I've been asked to basically worry about  
5 follow-up. So anyway, there will be more work in China.

6 COMMISSIONER DOUGLAS: I have no report.

7 CHAIRMAN WEISENMILLER: Item 19. Let's go to  
8 Chief Counsel's Report.

9 MR. LEVY: Good morning, Commissioners. I do  
10 not have a report today.

11 CHAIRMAN WEISENMILLER: Item 20. Executive  
12 Director's Report.

13 MR. OGLESBY: Well, nothing too entertaining,  
14 but more of a nuts and bolts report, kind of a warning.  
15 We are approaching the end of the fiscal year and I  
16 wanted the public and the Commissioners to be aware that  
17 our next couple of meetings, one on the 8th, one on June  
18 12th, are likely to have longer than usual agendas, so  
19 folks wanting to participate should plan their activities  
20 accordingly and their logistics because we will have a  
21 number of items that need to be completed and acted upon  
22 before the end of the fiscal year.

23 CHAIRMAN WEISENMILLER: Great. Thank you.  
24 Item 21. Public Advisor's Report.

25 MR. ROBERTS: I have nothing to report.

1                   CHAIRMAN WEISENMILLER:   Item 22.   Public

2   Comment?   This meeting is adjourned.

3                   (Whereupon, at 11:21 a.m., the business meeting was  
4   adjourned.)

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25